

U.S. DEPARTMENT OF COMMERCE

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NATIONAL OCEANIC AND ATMOSPHERIC
ADMINISTRATION

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MARINE FISHERIES ADVISORY COMMITTEE

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STRATEGIC PLANNING, BUDGET, PROGRAM
MANAGEMENT SUBCOMMITTEE

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Wednesday,

February 24, 2010

The Strategic Planning, Budget, Program Management Subcommittee met in the Honolulu Ballroom in the Sheraton Waikiki, 2255 Kalakaua Avenue, Honolulu, Hawaii at 2:30 p.m. Hawaii-Aleutian Standard Time, Heather McCarty, Subcommittee Chair, presiding.

PRESENT:

HEATHER McCARTY, SUBCOMMITTEE CHAIR
TERRY ALEXANDER
JAMES BALSIGER
TOM BILLY
RANDY CATES
TONY CHATWIN
PAUL CLAMPITT
JOHN CONNELLY
PAMELLA DANA
BILL DEWEY
PATRICIA DOERR
ED EBISUI

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PRESENT: (CONT.)

MARTIN FISHER
CATHERINE FOY
KEN FRANKE
STEVE JONER
TOM RAFTICAN
KEITH RIZZARDI
DAVE WALLACE

CONSULTANT TO MAFAC:

LARRY SIMPSON

STAFF PRESENT:

MARK HOLLIDAY, Designated Federal Official
HEIDI LOVETT
KARI MacLAUHLIN
ANNE BARRETT
ALAN RISENHOOVER

ALSO PRESENT:

LEE ANDERSON
EARL COMSTOCK
DOROTHY LOWMAN
KITTY SIMONDS

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1 P-R-O-C-E-E-D-I-N-G-S

2 (2:41 p.m.)

3 MS. McCARTY: Okay. We were
4 planning on doing just a short discussion on
5 the budget aspect of this committee. And Mark
6 had suggested and we had talked about earlier,
7 using the template approach where we
8 identified the major priorities that we talked
9 about in 2020 and then in the transition
10 document so that we could track the progress
11 essentially by looking at how those priorities
12 were funded in the budget, both in the ones
13 that we've already had and the ones that we're
14 looking at right now, the '11 budget and
15 whether we're going up and down or sideways,
16 or whatever we're doing.

17 So we talked about the only thing
18 we might be able to accomplish at this meeting
19 since we have that other big thing we got to
20 do at 3:00, anything we might accomplish is to
21 take a look at the priorities that we've
22 identified in the previous documents and agree

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1 on, I would say, four, five, six categories.
2 I'm thinking we don't want to go too much more
3 than that, but we can discuss that. You know,
4 we might want to do more than that. I don't
5 know.

6 So if you have your computer up and
7 running, you go to the MAFAC page and it's
8 under the I think it's November '08 meeting in
9 New Orleans. And that's where this document is
10 found. This is what is labeled on the page as
11 the 2020 Brochure, I think. And so if you
12 look at here or on your computer, you can see.

13 And I'll just try to move this up and down on
14 the screen.

15 The four recurring themes was how
16 it was organized. And then further down in
17 the document there's 24 more specific areas.
18 And if we take a look at these.

19 MR. BILLY: So that the first
20 reoccurring theme is the highlight "More
21 timely and higher --"

22 MS. McCARTY: Yes. Yes. So we

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1 made a big deal about that in our 2020
2 document.

3 And so basically what we want to do
4 is look at these four recurring themes and
5 decide if they are still our major focuses and
6 then if we to add anything or get more
7 detailed; that's be the way I'd approach it.
8 And then we can just record those and give
9 them to the main Committee tomorrow as a
10 suggestion for further work by the staff.
11 That's what we talked about basically, that's
12 what Mark suggested. And I think it's a good
13 idea.

14 MR. BILLY: Just a question, and I
15 can't remember, do the 20 some
16 recommendations, are they --

17 MS. McCARTY: Are they grouped?

18 MR. BILLY: -- put under the four
19 themes?

20 MS. McCARTY: No. They're just
21 listed, I think.

22 MS. LOVETT: No. You organized

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1 them by demand, supply, quality of seafood,
2 commercial fishery, recreational fishery,
3 aquaculture and fisheries management. That's
4 how you had organized in your document.

5 MS. McCARTY: Right.

6 MR. BILLY: Yes, that's right.

7 MS. LOVETT: So what we did, the
8 four recurring themes were a crosswalk across
9 those individual categories.

10 MS. McCARTY: Yes. So let's look
11 at the four recurring themes again real quick
12 and then we can go back down and people can
13 talk about it.

14 So the first one is the data
15 quality, which I'm sure includes surveys and
16 all of that sort of data collection as well as
17 the analysis of it.

18 MR. DEWEY: So on that topic,
19 Heather, in the budget discussion today, and
20 I'm still confused by it quite frankly, but
21 there's clearly some money shifted from
22 research and data, or at least research under

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1 more data but to catch shares.

2 MS. McCARTY: Yes.

3 MR. DEWEY: But I don't know what
4 the net loss was. I misunderstood that
5 because it got shifted between lines.

6 MR. RIZZARDI: Four million.

7 MR. DEWEY: It was four million net
8 loss?

9 MS. LOVETT: Anne is going to
10 answer questions like that for us, I think.

11 Here's a question for you.

12 MR. DEWEY: So, Anne, we're talking
13 specifically about this category of more
14 timely and higher quality data.

15 MS. BARRETT: Yes.

16 MR. DEWEY: And in your
17 presentation this morning I got confused as
18 you tried to describe the shift in money from
19 research to catch shares and what the net loss
20 to research was.

21 MS. BARRETT: We have a net loss of
22 4.6 million in cooperative research.

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1 MS. McCARTY: But that's just the
2 request, not the final outcome.

3 MS. BARRETT: Correct. This is in
4 the request.

5 MS. LOVETT: But that's what got
6 move from cooperative research to catch
7 shares.

8 MS. BARRETT: Six million was
9 moved.

10 MS. LOVETT: Okay.

11 MS. BARRETT: If you look at the
12 table it'll say a \$10.6 million reduction in
13 cooperative research in total, but there's an
14 ATB column that shows 6 million of that, and
15 that's because 6 million was moved into
16 another on catch shares. The program change
17 is minus 4.6 million, which is the net
18 reduction.

19 MS. LOVETT: And just there's
20 clarification, that money that was moved for
21 catch shares was already being used for catch
22 share related cooperative research.

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1 MS. BARRETT: Yes, it was.

2 MS. LOVETT: So it's not really a
3 change in what's happening. The catch shares,
4 it's just moving it from one line to another.

5 MS. BARRETT: Correct.

6 MS. LOVETT: I just want to make
7 sure that everybody else was clear on that.

8 MR. ANDERSON: Was that region
9 specific or was it all over the country?

10 MS. BARRETT: Are you talking about
11 the --

12 MR. ANDERSON: The 4.4 million
13 lines.

14 MS. BARRETT: The 4.6 is coming out
15 of New England at the moment.

16 MR. ANDERSON: Okay.

17 MS. LOVETT: Yes, and Mr. Connelly
18 also had a comment.

19 MR. CONNELLY: And, Terry, since
20 New England was mentioned, why don't you go
21 first and I'll follow you.

22 MR. ALEXANDER: Well, a lot of that

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1 money that they've taken out of there as far
2 as decreasing the time of the data and stuff,
3 I mean we're going to be -- we're pulling
4 daily. So a daily and then managers are going
5 to be required to report weekly to NMFS. So
6 they're going to have actually weekly data, so
7 things will be coming in faster and,
8 hopefully, better quality data because we're
9 going to be under 30 percent observed trips
10 instead of five percent like we are now. So
11 hopefully that money that they've taken away
12 from the cooperative research is going to
13 actually probably do more good with the data,
14 the assessment and the assessment by itself.
15 The actual net loss of it, there probably
16 there isn't, I don't think.

17 MR. BILLY: In terms of data?

18 MR. ALEXANDER: Right.

19 MR. RISENHOOVER: Just may I add?

20 MS. McCARTY: Yes, Alan.

21 MR. RISENHOOVER: At this point,
22 yet. In the catch share 36.6 million there's

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1 about 4.5 specifically for monitoring
2 activities in the New England groundfish
3 species.

4 MR. ALEXANDER: A lot of our
5 cooperative research money like I did the IBS,
6 the industry-based survey on cod for NMFS for
7 four years, and then they stopped funding it.

8 But they still weren't using the data that we
9 were getting doing the survey in the
10 assessment. So it wasn't -- I don't know if
11 it wasn't good enough or what. But they
12 weren't using the data anyway, so you know
13 that was a lot of -- they spent a lot of money
14 on that particular survey and then never used
15 the data. Probably it's money better spent
16 doing this than that.

17 MS. McCARTY: Okay. Good. John?

18 MR. CONNELLY: How much, Anne,
19 maybe was this related specifically or what
20 reduction is actual survey work would be
21 reduced in New England? I'm thinking
22 specifically if there was a problem a couple

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1 of years ago in the clam survey and it took
2 some kind of reconfiguring of some money to
3 get that survey done. Is this going to impact
4 that kind of cooperative research?

5 MS. BARRETT: I can't answer
6 specifically.

7 MR. CLAMPITT: Okay.

8 MR. RISENHOOVER: If you expand out
9 assessments and the survey, it alternates
10 level.

11 MS. McCARTY: Let's do Bill first.

12 MR. RISENHOOVER: So that only the
13 cooperative research done with that funding
14 intent, it wouldn't have a source --

15 MS. McCARTY: Jim, were you
16 wanting to comment on something?

17 VICE CHAIR BALSIGER: This item
18 quality higher and more time with better data
19 is funded by 15 line different line items. So
20 focusing on cooperative research, which is a
21 small part of the money that supports stock
22 assessments and surveys and stuff. I mean 4.4

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1 million you lose it, is a lot and so you worry
2 about it. But it's not like 4.4 million out
3 of a total of 11 million for doing stocks
4 assessments because that comes from all kinds
5 of different places, base programs and all the
6 different science centers. That's where most
7 of the data comes from. So this is a great
8 augmentation that we lose a little ability to
9 use now, but that's not the bulk of the
10 assessment money.

11 MS. McCARTY: Yes.

12 MR. CONNELLY: Jim, at least part
13 of this is a reaction to, I'm sure, the email
14 that you all got about the robbing Peter to
15 pay Paul, et cetera. And I'm sure that was
16 the highlight of today's Barney Frank comments
17 on the Hill. So it's as much positioning of
18 NOAA in NOAA Fishery budget as fact. And why
19 you advertise this as a cut in New England is
20 just curious. But that's your sales
21 technique.

22 MS. McCARTY: I think there's too

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1 many salesmen, that's what I think.

2 MR. CONNELLY: So that was really
3 the comment, Jim.

4 MS. McCARTY: If I could, we have
5 basically ten minutes to agree on the topics
6 that we would like see in a reporting
7 template. And so we actually don't have time
8 at this session to talk about what we like and
9 don't like about this year's budget because
10 that's not why we're here for this particular
11 Subcommittee.

12 I think all comments are welcome at
13 a certain point. But at this point I don't
14 think we can continue to take those kinds of
15 comments and get through what we need to get
16 through.

17 And I think Mr. Dewey had a
18 comment, and then --

19 MR. DEWEY: I'll pass.

20 MS. McCARTY: Okay.

21 MR. BILLY: The question I'm really
22 interested in, recognizing how complex the

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1 budget is picking up on what Jim said, is
2 based on the budget for this year and
3 subsequently are we going to have more timely
4 and higher quality data necessary for critical
5 management. I'd like someone to pull the
6 date, the budget information from those 15
7 areas together and look what the picture is,
8 you know, for the previous year, this year and
9 next year however it makes sense so that then
10 we as a committee can say we're not satisfied.

11 We don't think there's enough emphasis in
12 more timely and higher quality data. This
13 doesn't look right. We can't make specific
14 evaluations of a given survey or that kind of
15 thing, but in the general scheme of things
16 does this look about right? Do we think it
17 should be emphasized more? Should we go to
18 the Hill and tell the key Congress folks we'd
19 like to see more emphasis in this area, or one
20 of the other areas? That's the way to get
21 started, it seems to me.

22 And how far we burrow in

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1 subsequently remains to be seen.

2 MS. McCARTY: Right. I think what
3 we need to do right now is to agree that this
4 is still one of our priorities, and agree that
5 this is one of the things that we want to have
6 organized the way Mr. Chairman suggested. So
7 that we can see a summary of all of the
8 different pieces of the data, collection and
9 data analysis and data use, and all of those
10 things in the different parts of the budget.

11 And Mark I think was saying that
12 that was the kind of thing he was envisioning
13 could be done. And I think Alan said that he
14 could imagine how that could be done. And I
15 think Anne could imagine how that could be
16 done. But what we need to do is just identify
17 the subject areas, the basic general areas.

18 So can we agree that this is one of
19 them?

20 Go ahead.

21 DR. CHATWIN: Well, so I'm in
22 agreement with what you said.

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1 To your question, I find it very
2 hard for us to be able to track that. To say,
3 you know, is it more timely now than it was
4 last year? Because in order to be able to
5 access that you want to know how much is being
6 invested, you want to know what it means. You
7 know, how you going to measure it more timely
8 and critical management decisions? What does
9 that mean?

10 So when you're talking to any
11 funder and we're tracking budgets here so it's
12 all about funds, you want to know if you're
13 going to talk to them, they'll ask you what is
14 your priority, how you going to measure the
15 progress towards that, you know what is your
16 goal? Thematically what's your priority,
17 what's the goal, what are you trying to
18 accomplish? How much is it going to cost?
19 And I think those are the things that we could
20 ask from -- actually I think we should focus
21 on the recommendations below as opposed to on
22 the themes.

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1 MS. McCARTY: Yes. This one I
2 think we can focus on, but I agree with you.

3 DR. CHATWIN: But my opinion is it
4 has to be stated in a different way I think.
5 Because it's not clear. That doesn't mean
6 much to me. But in terms of categories in the
7 matrix to track, I think we need to have the
8 priority, the metric of success, the cost.
9 Because at some point if you want to know if
10 you're getting enough investment in there, you
11 need to know what are you basing that on, what
12 is your baseline. And what you can then do is
13 track it to the relevant budget line item.

14 So you need to crosswalk those.
15 Just say the recommendations below to a
16 relevant budget line item. But in addition to
17 that you need to know what are the metrics
18 that you're going to assess progress by.
19 Because otherwise all we're going to get is a
20 report every year; well, this year it was 4
21 million and next year 5 million. What does
22 that mean?

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1 MS. McCARTY: No, I see your
2 point.

3 DR. CHATWIN: Yes.

4 MS. McCARTY: I see your point.

5 And again, I'm not sure we have
6 time at this meeting to determine what those
7 metrics might be. But perhaps we could talk
8 about this as a subject area only and then try
9 to determine at a subsequent meeting maybe by
10 phone or some other way, to try to determine
11 how we can arrive at the more specific metrics
12 that you're talking about.

13 DR. CHATWIN: Yes. And I'm not
14 proposing that we identified the metrics, but
15 that we need to have metrics identified in
16 order to be able to access progress over time.

17 MS. McCARTY: No, I see your
18 point. That's a very good point.

19 Are we okay with using this general
20 data piece as one of the things that we want
21 to continue to work with, I guess is the way
22 to put it? Because we're not going to get

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1 anywhere if we try to get into the details of
2 this today. Any comments on that? Okay.

3 And you know, Tony, I think you're
4 right about looking at these other three sort
5 of overarching themes. They do tend to be a
6 little bit too general, a little bit summary
7 type of things. And so maybe it is better if
8 we go through the 24 and pick out more
9 specific ones.

10 I know people have this in front of
11 them. Perhaps they could comment on that.
12 Because if you look at the other three large
13 themes --

14 MR. BILLY: Can you scroll down?

15 MS. McCARTY: Yes.

16 And also again for people who have
17 their computers in front of them, it's --

18 MS. LOVETT: I can go to those two
19 and then there's another page.

20 MS. McCARTY: Yes.

21 I just don't think that's a helpful
22 -- I think we need to get more specific than

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1 that.

2 MR. BILLY: It's in the
3 recommendations.

4 MS. McCARTY: Yes. And then this
5 collaboration and partnership, again it's sort
6 of a combo kind of deal and it doesn't really
7 speak to the more specific kinds of things
8 that we might be looking for in the budget. I
9 don't think. I think that would be really
10 hard to pull it out.

11 MR. DEWEY: I think Tony's
12 suggestion of going to the list of 24 and
13 potentially in the groupings that they're in
14 there.

15 MS. McCARTY: Yes. And that's the
16 number four there.

17 MR. BILLY: Look at number one. It
18 says: "Educate consumers about the health
19 benefits of seafood along with conservation
20 concerns." Somebody pulled that out of what's
21 going on, what's happening, what's in the
22 budget for that?

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1 MS. McCARTY: Tom, I guess the
2 question is, though, do we want to go through
3 all 24 and do that?

4 MR. BILLY: Well, I don't know. I
5 think that's what we need to keep talking
6 about. So I think this may be a better level
7 is my point.

8 MS. McCARTY: Oh, look, number
9 four we're already doing.

10 MR. RIZZARDI: Heather, I think
11 fundamentally that's what MAFAC has to decide
12 how far down do you want to go.

13 MS. McCARTY: How far down?

14 MR. RIZZARDI: You know, are you
15 just looking at this macro level? And if so,
16 then you're going to be trusting staff to put
17 together some sort of document that's going to
18 link what they're doing at a macro level to
19 what the guidelines you've put together. Are
20 you going to drill down into the blue book and
21 look at the line items on that? Do you want
22 to know how the numbers came about from the

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1 blue book? In which you got to information
2 from program people.

3 You know, you need to decide that
4 threshold question: How far into the
5 budgetary challenges do you want to dig?

6 MS. McCARTY: Yes. Well, I
7 understand what you're saying.

8 My personal opinion is that we
9 can't do that.

10 MR. RIZZARDI: I agree.

11 MS. McCARTY: And I also believe
12 that the budget doesn't tell the whole story.

13 Obviously, people say follow the money and
14 you can figure out where the resources are
15 going. And I agree with that on sort of a
16 general level. But you can throw money and
17 stuff and not get anywhere if it's not done
18 right, too. So metrics are not always sort of
19 --

20 MR. RIZZARDI: Right.

21 MS. McCARTY: They're not
22 necessarily a budget discussion. They're just

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1 a value judgment which includes how much money
2 did you spend and did you get anything for it
3 kind of thing.

4 Alan?

5 MR. RISENHOOVER: Yes. Just one
6 kind of comment on how much do you want to dig
7 into it. If we go with these type of, say,
8 there were 24 categories, that may limit us.
9 For example, commercial fisheries and
10 fisheries management overlap. So the budget
11 to each of those 24, you know, a \$17 billion
12 budget if you added them all up. So we may
13 want to look at types of categories and groups
14 of categories and kind of show the budget over
15 time associated with those.

16 You know, for example protect
17 ocean and coastal habitat. That's very broad.

18 MS. McCARTY: Yes. We've pretty
19 much got the whole kitchen in here.

20 MR. RISENHOOVER: Yes. Number 5
21 and 21 are fairly closely linked.

22 MR. RIZZARDI: Well, Alan, I think

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1 you're making a good point. Because the other
2 thing we're doing now is we're making more
3 work for you guys. Because now you have to
4 scrutinize your own budget to figure out which
5 of the line items on this sheet fit with which
6 of the line items on your budget sheet, and
7 then you got to create another document to do
8 it.

9 MR. RISENHOOVER: Right. Budget
10 has, you know, like somebody said 4,000 lines,
11 which is probably true internally. But this
12 is the 100 major lines.

13 So, you know, kind of maybe just
14 not role playing, but if we could just get the
15 kind of the examples of information you'd
16 want. You know, make the sentence, don't
17 worry about the numbers. Mention that the
18 Fishery Service is currently spending X on
19 whatever, we think that should be increased by
20 whatever. And we can try and work those
21 numbers in there.

22 So what do you want the statement

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1 to look like? Tell me that, and we can kind
2 of try and budget to it.

3 But I now see 24 there -- those are
4 some newer things in our budget. Those are
5 fairly discrete. I can give you numbers on
6 those.

7 So what do you want this to sound
8 like? What do you want it to look like? And
9 that would give us an idea of what level of
10 detail we need to call into the budget.

11 MS. McCARTY: You know what I'm
12 picking up from? The conversations that we've
13 had over the last day and a half is that this
14 group is concerned more about certain aspects
15 of fisheries management than others. And we
16 may or may not want to sort of try to track
17 all of the aspects that are in the budget and
18 all of the aspects that are on that list, but
19 maybe just the aspects that we have concerns
20 about. And that if data collection or
21 surveys, or whatever is one of those areas,
22 then that may be what we need to pick out. I

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1 mean if you were concerned about every aspect
2 of the NMFS budget, then get the NMFS budget
3 yourself and look at every aspect. But if
4 we're interested as an advisory committee on
5 certain very important things to the fisheries
6 community, or whatever we call ourselves, then
7 we should concentrate on those things rather
8 than trying to cover all the bases is kind of
9 what I was thinking going into this.

10 MR. ALEXANDER: I agree.

11 MS. McCARTY: Okay. Well if so,
12 and we have sort of recurring themes, I would
13 say that this research and data collection and
14 survey, all of that is one of those themes.
15 And notwithstanding your comments, Tony, I do
16 think that we're in an early stage on that.
17 And I don't think we can do the metrics right
18 now, but I think if we just identify that as a
19 theme, maybe we just do a theme thing today,
20 and go into the metrics into we've agreed on
21 the themes. Does that --

22 DR. CHATWIN: That's fine with me.

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1 Let's keep moving.

2 MS. McCARTY: Yes. Okay.

3 Bill?

4 MR. DEWEY: I was just going to
5 suggest that aquaculture be another theme.
6 There's a number of us on the Committee that
7 would be interested in that.

8 MS. McCARTY: Yes. I think
9 aquaculture I can safely say is another theme.
10 Yes.

11 So okay, we've got two themes. And
12 what are the other things that this groups is
13 particularly interested in? Is it marine
14 mammals, is it recreational fisheries, is it
15 the juxtaposition between recreational and
16 commercial? Is it we're spending way too much
17 money on catch shares? What is it? I mean,
18 let's get down to the things that we're most
19 concerned about from a budgetary standpoint
20 and try to identify those rather than maybe
21 get deep into it there from the list.

22 MR. BILLY: Well, I'm interested in

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1 the first one about the demand, supply and
2 quality. I think for value reasons the
3 presentation this morning about potential for
4 growing demand, the concerns about the safety
5 products.

6 The little bit I know about this
7 and what's going on in NOAA and NOAA
8 Fisheries, I'm completely dissatisfied with
9 the effort. And I think NOAA has essentially
10 walked away from this role in this area.
11 There's a few exceptions, but not many. So,
12 seeing an array of what really is happening in
13 this category would be informative to me at
14 least in terms of recommending to the
15 Committee what I think more should be done.

16 MR. CONNELLY: Well, it's
17 consistent with our one motion this morning.

18 MR. BILLY: Yes.

19 MR. CONNELLY: Trying to advocate
20 everybody in the health input.

21 MR. BILLY: Yes.

22 MS. McCARTY: Okay. So let's say

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1 conditionally then that's number three. Okay.

2 What else? Randy?

3 MR. CATES: I'd just like to
4 comment on that. I tend to not even want to
5 talk about aquaculture anymore in some
6 respects.

7 MS. McCARTY: We're going to hold
8 you to it.

9 MR. CATES: And I will tell you
10 why. You know, I would like to see what
11 NOAA's plan is to increase production to meet
12 the needs of our society. And if they don't
13 want aquaculture or if they're not committed
14 to making it happen, then how are you going
15 increase production in the U.S., domestic
16 production? And the answer's going to be
17 aquaculture. Let them tell us that. But
18 right now they're saying no to aquaculture but
19 no answer on how we're going to increase
20 domestic production and meet the needs of our
21 society.

22 MS. McCARTY: Right. Right. I see.

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1 I think that's definitely part of number two
2 and number three. I do think, thought, that
3 there's interest in aquaculture as a separate
4 theme in terms of the aquaculture policy that
5 we know is coming down the pipe and efforts in
6 that way. And trying to link this again back
7 to the budget process, which is how we started
8 this, are we going to be satisfied with the
9 amount of resources that we see dedicated to
10 aquaculture? We see a little bit of an
11 increase I think this year, projected
12 increase, right?

13 MR. CATES: Well, my understanding,
14 years ago we were at about six to eight
15 million and it got cut down and now it's
16 coming back up. Am I right on that? So we're
17 not really getting an increase, we're getting
18 back to where we were.

19 MR. DEWEY: Until we come back, we
20 come past where we were. I mean this 2.4
21 increase requested in '11 it put us up a
22 couple of million, probably three million more

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1 than our highpoint previously, we might have.

2 MS. McCARTY: That's why I think
3 we need the history. I don't think we need
4 just now. I think we need to go back and see
5 the history, maybe four or five years.

6 MR. BILLY: See to me, that's a
7 pittance. If I were to see then in out year
8 budgets, like 2012 and '13 a jump from
9 whatever it is, six or eight million, to 50
10 million and then to a 100 million you're going
11 to get my attention and it sounds like it's an
12 agency committed to really doing something.
13 If it's ten and 20, it's a little different
14 picture. If it's going from six million to
15 eight million, then it tells another story.
16 And that's why I think, you know, having it as
17 a theme and then seeing what the picture
18 really is going to look like is important.

19 MS. McCARTY: Okay. Paul?

20 MR. CLAMPITT: I'm just curious.
21 What is the money that's being allocated to
22 aquaculture being spent on now? I mean, is it

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1 in-house research or is it granted to the
2 industry?

3 MR. DEWEY: Some of it's grants.

4 MS. McCARTY: Yes, some of it is a
5 grant program.

6 MR. DEWEY: A fair amount of
7 grants. Some of it's administration.

8 MS. McCARTY: Some of it's pilot -
9 -

10 MR. DEWEY: Some of it they're
11 trying to get regional aquaculture
12 coordinators in each of the region is part of
13 the funding.

14 MS. LOVETT: There's been a huge
15 expansion of staff. I mean, not huge but it's
16 growing because of the

17 MR. CLAMPITT: And so what industry
18 wants is more just in the term of grants, or
19 do they want more support from NOAA? I mean
20 it's one thing to ask for a pile of money, but
21 what do you want to do with it?

22 MR. CATES: I think you're at a

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1 point I was trying to make earlier. My
2 perspective, and many within the industry,
3 we're not very happy and I don't think we've
4 done a very good job with what little money we
5 have received. I'm critical of what we've
6 done with that money. And I think it's going
7 in the wrong direction.

8 The problem is we don't have any
9 real clear goals. Is the goal to expand
10 domestic production? I don't know if that's a
11 goal within NOAA's aquaculture program.

12 Is the goal, for example it appears
13 the goal is feeds research. Most of the
14 industry doesn't think that's really a
15 priority goal.

16 We need to have them identify what
17 the goals are and adequate funding and then a
18 measurement whether we're achieving those
19 goals. And it's got to get stakeholder input.

20 And right now, at least my opinion, we don't
21 have clear direction and we're not going
22 anywhere.

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1 MS. McCARTY: Jim?

2 VICE CHAIR BALSIGER: Well I'm
3 afraid the previous admonition about working
4 the details is where we're going again.

5 MS. McCARTY: Yes.

6 VICE CHAIR BALSIGER: But
7 nonetheless, you know the reason that we're
8 developing an aquaculture policy is exactly
9 around the questions.

10 I mean, what does the U.S.
11 aquaculture policy want to do? Does it want
12 to support research? Does it want to discover
13 different kinds of foods that feeds research,
14 if you say. And there's going to be an
15 emphasis on that probably. Because the
16 Administration is currently worried about
17 feeding wild foraged fish to penned up fish
18 and they don't see what the gain is. And so
19 there's going to be some emphasis and research
20 on that. But this policy when it comes out
21 will say what the agency or Dr. Lubchenco
22 thinks are the important aquaculture things

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1 and you'll be able to see what we want that to
2 say.

3 So I expect there will be an
4 opportunity for comment on the aquaculture
5 police once we get this wrapped on this. It's
6 supposed to be any day now. So that may be an
7 opportunity, Randy, to say the feeds issue is
8 a red herring -- that's kind of a joke.

9 Maybe it's something else that we
10 want to look at as an area of concern. But
11 it's a little bit we're just ahead of the
12 curve here at this meeting to say what the
13 NOAA policy is because it's not quite done
14 yet.

15 MS. McCARTY: Right. And thank
16 you. Thanks for reminding people of
17 admonition.

18 I think we need to move on from
19 aquaculture and from the supply and safety
20 issue into commercial fisheries and
21 recreational fisheries and maybe catch shares.

22 And then call it good for the moment,

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1 otherwise we're not going to get our catch
2 share discussion done.

3 Keith?

4 MR. RIZZARDI: I think that members
5 of the Committee that have certain issues that
6 we think should be budgetary priorities should
7 send them to you as the chair in emails. Let
8 us compile them and follow-up with a
9 conference call or do it the next meeting.
10 Where we come up with a master list of what
11 MAFAC thinks our budgetary priorities should
12 be, get a document together and then submit
13 it. But I realize that this meeting is
14 supposed to be about catch shares.

15 MS. McCARTY: Right.

16 MR. RIZZARDI: You got a big agenda
17 on catch shares.

18 MS. McCARTY: Yes.

19 MR. RIZZARDI: And I think we've
20 all got different priorities and we could all
21 articulate them. But I don't want to rush us
22 through the budgetary process either.

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1 MS. McCARTY: No.

2 MR. RIZZARDI: So, you know, I'll
3 send you my piece on what I think Protected
4 Resources and the detail of priorities should
5 be and things like that. And other people are
6 have different issues.

7 And I'm just trying to give us a
8 mechanism for dealing with this. And it would
9 seem if we all go you an email and we get it
10 together in a master list and it's follow-up
11 and we have a call.

12 MS. McCARTY: Okay. Do people
13 think we can get any further on the thematic
14 approach here, or do you think we're just
15 whistling in the wind at this point?

16 MR. BILLY: No, I think we have a
17 start with that added input.

18 MS. McCARTY: You think we have a
19 start.

20 MR. BILLY: We could probably make
21 a request to the agency.

22 MS. McCARTY: We've got three

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1 subject areas right here. Do we want to add
2 anymore subject areas, themes at this point?

3 DR. CHATWIN: Under that theme that
4 you first -- I'd like to have some special
5 emphasis on bycatch and what's being done
6 about bycatch.

7 MR. BILLY: It's in the technology.

8 MS. McCARTY: Okay. Any others

9 MR. RIZZARDI: Mine's Protected
10 Resources.

11 MS. McCARTY: Okay. Any other?
12 Going once. No catch shares?

13 MR. CLAMPITT: That's a priority of
14 the Administration.

15 MS. McCARTY: Okay. Let's put
16 catch shares in there.

17 Okay. We've got the data piece,
18 we've got the aquaculture piece, we've got the
19 demand, quality and supply piece, we've
20 bycatch/protected resources and we've got
21 catch shares.

22 MS. LOVETT: I think one of you

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1 were suggesting bycatch as part of the --

2 MS. McCARTY: Yes. I understood
3 that.

4 Okay. Is that it? All right. That
5 was tough.

6 Okay. We're just going to hand out
7 these documents if anybody wants a policy, an
8 entire printout of the policy. I think
9 there's a few here.

10 Yes, Mr. Rizzardi?

11 MR. RIZZARDI: I have to excuse
12 myself to go work on a follow-up for the
13 Protected Resources. So I just wanted to make
14 one suggestion for folks to chew on.

15 I thought there's been a great
16 discussion over the last day on the catch
17 shares. And one of the things that I kept
18 hearing over and over was different people
19 raising really important caveats on
20 implementation of catch shares.

21 So as you guys have this
22 discussion, and I'm not sorry I'm not going to

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1 be part of it, I would encourage you to take a
2 look at the catch share policy and see if it
3 can be added to with -- what's here is fine,
4 but MAFAC specifically encourages regional
5 councils when they implement this program to
6 consider the following things and learning
7 from everybody's experience whether it's in
8 recreational fisheries or a concern about
9 transferability, or concerns about percentage
10 ownerships and all of the different lessons
11 we've learned to have this policy go one level
12 deeper and to say to the regional councils
13 when implementing this be sure to consider
14 these factors. Not you must do, you shall do.

15 But you shall consider these issues.

16 So it would be a lot like the way
17 NEPA works. And, you know it doesn't say what
18 the outcome has to be, it just says you have
19 to think about things.

20 So I just thought there were so
21 many great comments made in the last 24 hours.

22 If I were sitting here in this meeting for

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1 the next couple of hours, that's where I'd be
2 encouraging people to go. And I wanted to
3 toss that out there as a potential solution to
4 what everybody's been grappling with for the
5 last day.

6 So thanks.

7 MS. McCARTY: Thanks, Keith.

8 So basically you're suggesting that
9 we have more detail rather than yes?

10 MR. RIZZARDI: Yes, ma'am.

11 MS. McCARTY: Okay. We're going
12 to talk about the catch share policy. We're
13 going to talk about it however you want to
14 talk about it. But first we need to decide
15 whether we are going to do it kind of from
16 point of view of issues or whether we want to
17 take the policy that we have in front of us
18 and go through it in sort of sections and talk
19 about our comment, or both. I think we could
20 do it either way.

21 I think we could sort of take the
22 four elements on the back page of the

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1 Executive Summary and do it that way, or we
2 could do issues that were identified in the
3 discussions that we had and provide
4 recommendations for additions or changes to
5 the policy.

6 Heidi?

7 MS. LOVETT: I was going to remind
8 you also of the trigger questions that was on
9 the annotated agenda that's on the website.

10 MS. McCARTY: Yes.

11 MS. LOVETT: I just didn't know if
12 you wanted to utilize that at all.

13 MS. McCARTY: We could do that. I
14 hadn't thought about that, but we could do
15 that.

16 So what's your thinking, guys?
17 Tony?

18 DR. CHATWIN: Well, I'm thinking
19 that it'd be, I think they're seeking comments
20 on the document. So if we could first focus on
21 what's in the document, and then maybe say
22 well what isn't in the document that we need.

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1 So do it stage so we would cover everything.
2 But I think in my opinion the key objective
3 is to get comments on what's in the document.

4 MS. McCARTY: Okay. Did you hear
5 what Keith said and how do you feel about that
6 concept? Keith was suggesting that we make
7 sort of wholesale additions to the document.
8 That his determination is that it's lacking in
9 certain areas and that we need more detail.
10 How do you feel about that, just generally
11 speaking?

12 DR. CHATWIN: Are you asking me?

13 MS. McCARTY: Yes.

14 DR. CHATWIN: I think where there
15 are places where you feel they should be added
16 to, that would be a comment to the document.

17 MS. McCARTY: Okay.

18 DR. CHATWIN: But rather than talk
19 about in generalities, that we point to a
20 specific place in the document where they
21 should be added, which I think is what you
22 said, right?

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1 MR. RIZZARDI: Yes. If I may, just
2 there were four basic pieces to the way the
3 policy is written.

4 MS. McCARTY: Right. Yes. Right.

5 MR. RIZZARDI: I think one of the
6 things I learned was each of those four could
7 end with a little piece that says when
8 regional councils implement this component,
9 MAFAC strongly encourages the councils to
10 consider the following factors. And then you
11 could even just do bullets with a list of the
12 different lessons that fit within each of
13 those four components of the policy. So you
14 wouldn't find yourself rewriting the whole
15 policy. You could edit what exists already,
16 but then you would be supplementing it with
17 all the things from lessons learned and
18 whether it's your lessons, Heather, or what
19 Ken had to offer on recreational fisheries and
20 Earl had to offer on recreational fisheries.
21 I mean there are so many different pieces of
22 the puzzle. Or Martin and his experience in

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1 the Gulf. Where different components of each
2 of the four pieces could just be supplemented
3 with a quick list of consider X, consider Y
4 and consider Z.

5 MS. McCARTY: Right.

6 MR. RIZZARDI: Good luck,
7 everybody. I'm sorry.

8 MS. McCARTY: It's okay.

9 Dave?

10 MR. WALLACE: If you remember my
11 presentation yesterday I said that I thought
12 that this current document represented the
13 policies of NOAA and had been the policies of
14 NOAA for actually a long time. And now Dr.
15 Lubchenco is just saying that this is going to
16 move up the ladder from just we have catch
17 shares and then if anybody wants to use them,
18 that's fine too. We think that for whatever
19 fisheries they're appropriate, they should be
20 used.

21 But this is a broad policy
22 statement. This is not a detailed policy

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1 statement. It's not designed to be. And I
2 thought if you remember that the only thing
3 that should be added to this is the emphasis
4 on flexibility because every fishery is
5 different. All the issues that Keith brought
6 up will be brought up because when you get
7 into the system, everybody says well what
8 about this, and what about that and they all
9 fall in place from the very first one that Lee
10 Anderson and I worked on, the very first one
11 in the United States that we worked on, all of
12 these issues came up during that discussion.

13 So it's not like the issues are
14 unknown. They're quite clearly known. So,
15 you know, I respectfully think that Keith's
16 idea which is interesting, but it's for all
17 the people who are actually involved in it,
18 understand all the issues and they've been
19 enumerated in numerous papers from academics.
20 And, you know, there was a whole book written
21 on catch shares by the National Academy of
22 Science, and Lee was a member of that and I

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1 was an advisor to that. There's thousands of
2 issues that have been dealt with over the last
3 20 years that are well known and I don't think
4 we need to get details of this. This is a
5 40,000 foot general policy document.

6 MS. McCARTY: Okay. Let's take a
7 straw poll here. Do the majority of the
8 people on this Subcommittee agree with that
9 assessment? And if so, we should just go out
10 on the beach?

11 MR. CATES: So we raise the stakes
12 now.

13 MS. McCARTY: I mean, that is one
14 way to look at it. And I know that's what you
15 said, Dave. I personally don't agree with
16 that.

17 MR. WALLACE: That's fine.

18 MS. McCARTY: But, I mean I agree
19 with it. I think it's exactly right. But I
20 do believe that there are certain lessons and
21 cautions that should be captured in some way.
22 Whether it's in this policy or not is what

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1 I'm not sure of. And, you know, when I first
2 spoke I brought up -- maybe not when I spoke
3 about the catch share programs I'm familiar
4 with, but when we started talking about all
5 this, I said hey let's get those guidelines
6 out. Let's get the really comprehensive
7 guidelines out, the ones that were being asked
8 for in the Pacific northwest because it would
9 have helped guide the development of their
10 program. I think that was one of Dorothy's
11 major points and major recommendations.

12 So I would like to see that coming
13 from NMFS/NOAA. But whether it should be in
14 the policy or not, I don't know. But I'd
15 certainly like to get from this group sort of
16 some collective wisdom towards that end. And
17 then if it doesn't belong in the policy, it
18 probably won't be in the policy. But if it
19 does belong somewhere, maybe it'll end up
20 somewhere else. That's kind of the way I look
21 at it, Dave.

22 MR. WALLACE: So I'm just going to

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1 say if you feel it's necessary to have some
2 detailed examination of all the possible
3 issues that could come out in any of the
4 fisheries; first of all, that's a very long
5 list. So I then would suggest that you have a
6 separate document and just leave this as the
7 overarching policy simply because this is
8 already actually the policy. We're just
9 commenting on it.

10 And if we are going to go into the
11 recommendations, somebody's going to spend a
12 lot of time including this Committee is going
13 to spend a lot of time going through the
14 myriad of details that have been addressed and
15 some that haven't been addressed that other
16 people are concerned with.

17 MS. McCARTY: Okay. Other
18 comments, please, from other people on this.

19 DR. CHATWIN: Could I just say one
20 on the flexibility?

21 MS. McCARTY: Go ahead.

22 DR. CHATWIN: I just did a quick

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1 search and flexibility is mentioned about
2 eight times in the existing policy and all
3 about encouraging how -- I mean it's eight
4 different times in the different context. The
5 impression I get is it's all about how catch
6 shares increases flexibility. So maybe that
7 is already incorporated.

8 MS. McCARTY: That's good. That's
9 good.

10 Well let's try this: Maybe we
11 should go around the room and whoever wants to
12 contribute their thought on what we should be
13 doing with this policy can do that.

14 Terry?

15 MR. ALEXANDER: I kind of agree
16 with Dave. I mean if we start adding details,
17 then where do you stop adding details? I
18 mean, it takes three or four years to build
19 one of these things. So, I mean, where's the
20 starting point and where's the stopping point?
21 That's the way I feel about it.

22 MS. McCARTY: Okay. Thank you.

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1 Paul?

2 MR. CLAMPITT: Well, when I look at
3 these catch share programs throughout the
4 country as they're being formed, one thing
5 that I notice is that you know they're talking
6 to the stakeholders but they're not really
7 identifying those stakeholders. They look at
8 just the participants that are happening.
9 But, you know, if you don't bring everybody
10 in, like what happened in southeast Alaska
11 what we ran into was a problem with the
12 charter boat operators. And then all of a
13 sudden you have this huge conflict between the
14 user types and then you're bound to have
15 failures.

16 And I also think that crewmen or
17 the people that are employed in the industry
18 are completely left out of the discussion.
19 That wasn't necessarily in our instance. But
20 if you look at the rest of the country, you
21 know they're not even on the radar.

22 So I think when they're going to

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1 set up these programs that they need to really
2 have a larger open mind about who is really
3 involved.

4 MS. McCARTY: Okay. So you think
5 then we need a little discussion on how to
6 incorporate that into the policy?

7 MR. CLAMPITT: Yes.

8 MS. McCARTY: Okay. Sounds good.

9 MR. BILLY: I think one of the
10 things that's missing from the document is a
11 background. And I think a short background
12 could be very informative in acknowledging a
13 number of things that came up at this meeting
14 in our discussions.

15 The fact that there can be
16 unintended consequences. The councils and
17 everyone else involved, they need to be
18 flexible. The issue that we've learned, there
19 can be problems with new entrants based on the
20 experience. So the collective experience
21 today could be captured appropriately in a
22 background that would be informative in terms

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1 of acknowledging that exists, but more
2 importantly then reflected in the policy and
3 the way it's being implemented.

4 My second overall comment is that
5 as I read through it, the word "program" was
6 used in many different ways. Mixed in here
7 are references to catch share programs, and
8 it's an interesting use of "program" as with
9 reference to fisheries management. But then
10 there's also the NOAA program to implement
11 catch shares and the things that NOAA's going
12 to do.

13 And I think teasing that apart a
14 little more to make it clearer would be
15 helpful. You know, what are we talking about?

16 Are we talking about a project that NOAA is
17 going to implement to facilitate catch shares
18 and all the things it says it's going to do,
19 or are we talking about actual catch share
20 programs established by a management council?

21 I think the document could be
22 improved in that way.

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1 MS. McCARTY: Thanks. So you
2 think we do need to make comments on this?

3 MR. BILLY: Yes.

4 MS. McCARTY: Okay.

5 MR. BILLY: And then I have, of all
6 the items I noted in our discussions, there
7 are several that I think warrant specific
8 treatment somewhere in the document. The
9 whole new entrant area, anticipating that.
10 It's here in small measure, but it might need
11 a little more emphasis. So there's those
12 kinds of things as well.

13 MS. McCARTY: Okay.

14 MR. BILLY: But there are about
15 five to ten other examples like that.

16 MS. McCARTY: Okay. Well, rather
17 than going all the way around the room, let's
18 just say is there anybody other Dave and
19 perhaps Terry that thinks that we don't have
20 useful comments?

21 MR. ALEXANDER: No, no. I didn't
22 say that.

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1 MS. McCARTY: You didn't say that?

2 Okay. All right.

3 MR. WALLACE: And I didn't say that
4 either.

5 MS. McCARTY: I know you didn't.
6 I'm doing a Lee Anderson here.

7 Anyway, you know, Dave,
8 respectfully I think that you're outnumbered.

9 So I think we're going to go around and do
10 this just because people seem to want to make
11 a number of comments.

12 MR. WALLACE: That's fine.

13 MS. McCARTY: Yes. Okay. So
14 should we continue to go around and have
15 people's comments and put them up on the
16 board? That's what my intent was, was to put
17 them on the screen so that people can see as
18 we go.

19 And I think maybe rather than just
20 a running stream of consciousness, sort of
21 reporting, just sort of make them bullet
22 points. Would that be a good start?

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1 MR. BILLY: Are you going to use
2 the document like Tony suggested, sort of --

3 MS. McCARTY: Well, you know, I
4 don't know. I think if we start going through
5 it -- well, I like that idea. I'm not sure in
6 this context we can get through the whole
7 document if we do it that way. But I don't
8 know.

9 DR. CHATWIN: When we've done this
10 before in committees with other documents,
11 what you could simply do is whoever has a
12 suggestion should make their suggestion and
13 then suggest where it's most appropriate in
14 the document.

15 MS. McCARTY: That would work.
16 That would work. Rather than going through
17 every section?

18 DR. CHATWIN: Yes.

19 MS. McCARTY: I think that's
20 right. Okay.

21 So Heidi's going to hook us up,
22 right? Okay. Cool.

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1 In the meantime, Tom, why don't you
2 go ahead and give the rest of your comments
3 and then we can put them up. She's already
4 got them on the screen, but they need to be on
5 the big screen.

6 MR. DEWEY: That's the challenge. I
7 mean, yesterday we had a lot of tremendous
8 presentations and a lot of the people that
9 presented actually had suggestions within
10 their comments on things that needed to be
11 improved in the policy. I mean, I'm
12 scribbling trying to capture those. But where
13 those changes need to happen in the policy, I
14 really don't -- I haven't followed that train
15 of thought through. And that's why I'm sort
16 of wondering if Mark's annotated agenda might
17 not be a logical way to try to walk through
18 it. Because he's pulled the topic areas out
19 where these recommendations are likely going
20 to fit. And maybe we should go through that
21 agenda and people should raise specific to the
22 annotated agenda items, raise comments that

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1 they heard where the policy is weak and needs
2 to be improved around those areas. I mean
3 that's a different way to approach it.

4 MS. McCARTY: Are you talking
5 about the Executive Summary? Is that what
6 you're talking about?

7 MR. DEWEY: No. In the annotated
8 agenda Mark provided a series of trigger
9 questions that maybe would capture because
10 Mark obviously has a lot of background in
11 this. I'm guessing these trigger questions
12 would probably capture a lot of the thoughts
13 that people had for trying to improve the
14 policy or from yesterday's presentations. I
15 was just again trying to think -- because what
16 we're going to end up if we go around the room
17 as you suggest is this random list of bullet
18 points. Because I don't know that many of us
19 are prepared to suggest exactly where to
20 insert them in.

21 MS. McCARTY: When I was
22 originally going around the room, I was going

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1 to try to determine if people even wanted to
2 continue with sort of comments. Because I
3 wasn't sure that everybody really wanted to.
4 I didn't actually intend to do it that way for
5 the whole time.

6 If we want to start with the
7 trigger questions, we could do that if you
8 think that would work. And we can see if it
9 does. And it doesn't start getting us
10 someplace, I think we can change. Because
11 sometimes I think trigger questions tend to
12 inhibit rather than lead, but I could be
13 wrong.

14 MR. FISHER: Ms. Chairwoman?

15 MS. McCARTY: Yes.

16 MR. FISHER: I thought we had a
17 flow going. And I felt like it was
18 comfortable and sort of spontaneous and --

19 MS. McCARTY: What we have is, we
20 have not a Subcommittee, we have the entire
21 MAFAC group here again, which is great. I
22 think that's great.

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1 MR. FISHER: Well maybe not
2 everybody has something to contribute.

3 MS. McCARTY: Well, that's true.

4 MR. BILLY: Some came for the
5 refreshments.

6 MS. McCARTY: For refreshments.
7 Right.

8 When I was going around the room,
9 Martin, I was just trying to determine if
10 people really wanted to go further with this
11 and to actually start making comments or
12 whether people felt the way Dave feels is that
13 it's pretty much the way it is and we ought to
14 just keep it pretty much the way it is and let
15 the individual councils work on the details.
16 I'm getting the idea that that's not what
17 people want to do. That people do want to add
18 to this in some way, or revise it in some way
19 and have comments. And so we're just
20 determining how the most efficient way to get
21 those comments on the table is.

22 Yes, Mr. Billy?

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1 MR. BILLY: We've talked a couple
2 of different ways here. I'm going to use an
3 example to try to figure out what makes the
4 most sense, at least to me.

5 You, Madam Chairman, and others
6 suggested the idea of pilot programs. And I
7 was really enamored with that idea. While it
8 may not be necessary in all cases, it just
9 made a lot of sense to me because this whole
10 area of catch shares is so complicated. And
11 an approach taken by the management councils
12 that there's a phase-in of the pilot program
13 that then becomes the formal. I like that
14 idea. But I don't know where that fits in
15 this document. Do you see --

16 MS. McCARTY: I do. And I think
17 we had a lot of conversation about that
18 afterwards and several people took the
19 opposite view and said that pilot programs
20 weren't useful because they didn't provide the
21 business stability that was necessary for
22 people to start investments and so on. And I

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1 think there's two ways of looking at that, I'm
2 sure.

3 I actually like it because I think
4 it provides a hard stop and an evaluation
5 opportunity that is sometimes not taken
6 otherwise.

7 Yes.

8 MR. CATES: If we had done that
9 approach here in Hawaii with my industry, we
10 wouldn't have an industry. I could never make
11 that investment on a pilot program.

12 MS. McCARTY: Yes, you made that
13 point yesterday.

14 MR. BILLY: I understand. But
15 there may be others where maybe five or a ten
16 year pilot program thought of that way and
17 inherent flexibility that that implies could
18 both satisfy the business need and maintain
19 the flexibility that the fishermen need to
20 make this thing work. It's like finding the
21 happy middle ground, if that's possible. It
22 may not work in every instance.

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1 MR. ANDERSON: Heather?

2 MS. McCARTY: Yes.

3 MR. ANDERSON: I would think in
4 general I would argue against pilot programs,
5 although I think there's some good arguments
6 made for them here.

7 But one, I think the purpose of a
8 pilot program is to learn something about
9 what's going on. I mean, we know what's going
10 on. We got a bunch of them around. Now you
11 don't know how it goes on in a particular
12 fishery. But I guess I would still rather not
13 call it a pilot program and just set up the
14 current things that are in there for
15 evaluations, mid-term evaluations.

16 MS. McCARTY: Yes.

17 MR. ANDERSON: And if we're
18 collecting things, I would argue against a
19 specific thing for pilot programs with these
20 programs. We know enough about them already.

21 MS. McCARTY: So what you would
22 argue for are very distinct opportunities for

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1 review and change if necessary?

2 MR. ANDERSON: Sure.

3 MS. McCARTY: Rather than calling
4 it a pilot program? Sort of heavy review
5 capability.

6 MR. BILLY: That's fine. It gets
7 to the same thing.

8 MR. ALEXANDER: Isn't that already
9 in there, though, five to seven years? I mean
10 they have to review all that stuff again,
11 right?

12 MS. McCARTY: Yes.

13 MR. ALEXANDER: Okay.

14 MR. BILLY: For the ones that are
15 covered by the Magnuson Act I thought.

16 MS. McCARTY: Right. Right.

17 MR. BILLY: Right?

18 MS. McCARTY: Right. Which means
19 any future programs.

20 MR. BILLY: Right.

21 MS. McCARTY: Yes. And the ones
22 that are already in place have varying degrees

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1 of review written into them, some more than
2 others.

3 Okay. So did we agree that we
4 wanted to go through the annotated agenda?
5 And if so, I guess we're either going to have
6 to put that up on the screen or everybody's
7 going to have to bring it up on their screen.

8 MS. LOVETT: I didn't know if you
9 wanted to get down to the bottom. I mean the
10 top is just a statement of what we did
11 yesterday.

12 MS. McCARTY: These are the trigger
13 questions that we're looking for.

14 MS. LOVETT: So that may not be the
15 best, maybe not the question, but the list of
16 items I think is what you were referring to.
17 Maybe not that specific question.

18 MR. DEWEY: Well, I guess Mark
19 teases us here with what are the top five
20 issues, you know, kind of from the
21 presentations we heard yesterday.

22 MS. McCARTY: Well, you know I

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1 made a list of the issues based on the
2 presentations we heard, and here they are,
3 just throwing them out. And I don't have a
4 top five, but here are the ones I picked out:

5 Bycatch reduction as part of catch
6 share programs;

7 Recreational fishery considerations
8 in the policy;

9 How do you accomplish the goal of
10 healthy ecosystems and how do you make sure
11 that happens in the policy development;

12 Community protection, is that
13 accomplished;

14 Over consolidation, what's the
15 limit on consolidation, if there are, are
16 there any limits on consolidation;

17 The whole idea of owner onboard and
18 absentee ownership, that whole concept;

19 Side boards to protect other
20 fisheries;

21 Unintended consequences, but that's
22 a pretty broad thing;

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1 Financing to get people into the
2 programs;

3 And again, I kept hearing this, the
4 requirements of research and science and
5 conservation because that seems to be a big
6 element in the catch share policy. And how is
7 that accomplished? Are you going to insist on
8 parts of each catch share program that
9 satisfied those objectives and how is that
10 going to be implemented.

11 Those are the things that I picked
12 out from the discussions that we heard, or the
13 presentations.

14 MR. DEWEY: Did you say
15 transferability between sectors, was that
16 amongst your list of --

17 MS. McCARTY: No, but that's one
18 of them. I just had it somewhere else, I
19 think. And I think that's got a little bit to
20 do with owner on board and absentee ownership.

21 All of that is part of the transferability
22 discussion. Who can you transfer to and for

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1 how long, and who can fish and who doesn't
2 have to be on the boat and all of that.

3 MR. COMSTOCK: Thank you, Heather.

4 It seems to me we've got two
5 different things going on here. One is a
6 discussion of the substance of catch share
7 policies. You know, in other words what
8 happens once you start down the path of doing
9 it. And the other is the catch share policy
10 document that sort of NMFS has laid out. And
11 one is sort of a macro template in saying here
12 is what the agency is going to do to
13 facilitate the Council's consideration as a
14 tool of these catch shares. And the implicit
15 underlying thing is that NMFS thinks that this
16 is a good tool they ought to be looking at.

17 And so for purposes of that
18 document it seems to me the question is are
19 there things that as a just general out-of-
20 the-box of consideration of catch shares the
21 agency should provide up front to any council
22 that's going to do this. In other words, what

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1 should the agency have ready to go when a
2 council says I want to start down this path.

3 The second element of more of the
4 detailed things are really fundamentals of
5 once you get into starting down a catch share
6 program there are a lot of different ideas
7 about what you should do in terms of owner on
8 board or not on board, things like that and
9 more detailed consideration.

10 And I think just looking at this
11 document what seems to be missing and what's
12 encapsulated in some of the points that you're
13 making there is there's not a lot of
14 discussion of when a council starts down this
15 path how do they decide what to set in place.

16 In other words, they're typically looking at
17 a single fishery or maybe a couple of
18 fisheries together. And transferability
19 between sectors, side boards, things like that
20 don't often come up. And I think that's kind
21 of to me what's missing from the policy here
22 is anytime you engage in this discussion there

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1 are going to be impacts, the unintended
2 consequences down the road. And it seems to
3 me what NMFS hasn't really laid out here is
4 what are they going to do, what can they
5 provide in advance to councils when they start
6 that discussion to help them address them. I
7 mean, you can't address all the fisheries at
8 once, you'd probably never get through it.
9 But you can realize that once you start doing
10 this, you're not just going to do this one in
11 isolation. There's probably going to be other
12 fisheries that are going to come down the
13 pike.

14 MS. McCARTY: It's basically what
15 Keith said before he left. I don't know
16 whether you heard his comment. And he talked
17 to me about it yesterday as well.

18 MR. COMSTOCK: Right.

19 MS. McCARTY: But if you're going
20 to do the policy right, you should have an
21 additional section where you sort of list some
22 of the things that each council needs to

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1 consider when they put a catch share program
2 together. And I think that's kind of what I
3 like as well. I like the idea of providing a
4 little guidance. And I said earlier that if
5 it doesn't belong in the policy, at least it
6 becomes in kind of an addendum or a guideline
7 piece, or whatever is coming down the pike in
8 terms of guidance from NMFS. I don't know
9 whether that's a separate piece or not. But I
10 like the way that's going.

11 MR. COMSTOCK: And just to finish
12 the thought, I think in thinking about what
13 can NMFS provide up front, one of the things
14 that I was pointing out yesterday is they talk
15 about providing some technical analysis and
16 maybe some economic stuff. But at least right
17 now the policy of NMFS is they won't provide
18 any legal guidance in advance to the councils
19 until the Council gives them a program. And
20 it seems to me, you know, if we're educating
21 the stakeholders and starting the discussion,
22 NMFS should be answering some of these

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1 questions up front so that people know what
2 they're starting with. I mean, otherwise what
3 happens is Council is going to spend a
4 tremendous amount of time crafting a program
5 that it thinks is going to work only to
6 discover that lo and behold, it's got some
7 significant problems that probably should have
8 been weeded out at the beginning.

9 MS. McCARTY: I agree.

10 MR. COMSTOCK: And so I think that
11 kind of template, answering these questions in
12 advance not just for the councils but for the
13 public at large, would be a recommendation
14 that you might want to consider.

15 MS. McCARTY: I think it was Lee
16 and then Bill, and then Mark.

17 MR. ANDERSON: In response to
18 Earl's comments if you'll notice on page 18
19 there's a bunch of things, and on page 1 the
20 second thing that they promised to do was
21 issue policy guidance on the interpretation of
22 consistent applicability of the new limit. So

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1 that gets to the problem that you address.
2 But I was also going to say something here
3 that you'll notice the first one says:
4 "Provide councils a list of possible
5 characteristics to evaluate catch shares
6 applicability."

7 And I would make a suggestion that
8 we might say that could be modified to say
9 applicability, acceptability and effectiveness
10 in achieving management objectives. And I can
11 provide those words later if you want. And
12 then provide criteria for evaluating those
13 things.

14 And I would further suggest that in
15 line with what is the discussion around here
16 is we provide Council with a list of possible
17 issues that need to be considered when doing
18 it. And that's the things that you just
19 talked about. So we're going to be building
20 on this thing. So it's to provide councils
21 with a list of possible issues to consider.
22 And we'd have to think about it. But at the

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1 same time one thing that I think this
2 Committee could do, I don't think you may want
3 to have that in there, but provide a list to
4 NMFS that says when you do this, these are the
5 things that MAFAC thinks should be in there.
6 And to the extent of time that you have, you
7 know, not only list them but say here's some
8 cases where it worked. Help them along with
9 that.

10 It seems to me that if you do those
11 things, and that 1A that I suggested and then
12 1.2 that addresses Earl's thing, that's
13 consistent with what they're doing but may
14 help achieve the things that people are
15 talking about here today.

16 MS. McCARTY: And I think 1.2, if
17 I'm mistaken, is the policy guidelines that
18 you were referring to and I think that we've
19 been told is coming down the pike, right? Is
20 1.2 in this list that you were just referring
21 to, is that --

22 MR. ANDERSON: The policy

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1 guidelines that have been -- I don't speak for
2 NOAA Fisheries and when they issue policy
3 guidelines. I know they've been promised for
4 a while now.

5 MS. McCARTY: That you just
6 mentioned, right?

7 MR. ANDERSON: Yes, they've been
8 promised for a long time.

9 MS. McCARTY: Bill.

10 MR. DEWEY: Well, I thought your
11 list was good, Heather, and you captured
12 virtually all of them that I had. There was
13 one other that Martin raised yesterday which I
14 thought was worth some additional discussion.
15 That was the sovereignty issue as well.

16 MS. McCARTY: I don't really
17 understand that one.

18 MR. FISHER: You're asking me?

19 MS. McCARTY: Yes. I didn't
20 capture it because I didn't quite understand
21 it.

22 MR. FISHER: I might be mistaken

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1 about this. But at least in the Gulf Council,
2 in the Gulf region with the red snapper, prior
3 to the MSARA virtually anybody can own snapper
4 quota after the five year window if it's
5 approved by the Council, which it most likely
6 will be because of the political things that
7 are going on. And I'm concerned about the
8 sovereignty of our fish. In other words,
9 multinational corporations can come in. And,
10 of course, none of that can really be
11 prevented by anything that can be put into
12 this document, but I think it needs to be
13 noted that we want to retain possession of our
14 fish. And we don't want to see other
15 countries or other interests outside of our
16 nation dictating where these fish are going or
17 how they've been captured.

18 MS. McCARTY: See, I didn't
19 understand your use of the word "sovereignty."
20 You mean sort of U.S. ownership?

21 MR. FISHER: Yes.

22 MS. McCARTY: I actually think

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1 that the comment that Paul made about bringing
2 in all the stakeholders including the people
3 that you might not automatically think are
4 part of the picture, the crew and so on, we do
5 have some crew stuff in the crab program. But
6 I think generally speaking you're correct that
7 it's not something that people consider.

8 And that goes along I think with
9 the protection of the communities and the
10 whole jobs issue that Earl was after, though
11 from a completely different angle. I think
12 it's huge. It's huge in all the catch share
13 programs I'm familiar with.

14 Paul, did you want to --

15 MR. CLAMPITT: One of the biggest
16 complaints that I hear is, you know, these
17 guys get these rights, these fishing rights
18 and they turn around and they lease them. And
19 then they go play golf and somehow that's, you
20 know, an immoral act. And so these crew are
21 at the whim of -- you know, they're fishing
22 for a share and now on top of it the share's

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1 diluted by a lease fee. But if they actually
2 had a stake in it, then they would have some
3 control over what that lease fee would be, or
4 if there would even be a lease fee.

5 I mean, if you're a crewman and you
6 have some small amount of quota, now you
7 become a more valuable commodity because you
8 could say, listen, I'll work on this boat,
9 I'll work on this boat for this amount of crew
10 share and I bring in 20,000 pounds with me.
11 And so it puts you in a whole different
12 category.

13 MS. McCARTY: That's exactly the
14 way the crab program works except the skippers
15 and the crew wants to be in that position as
16 well. It's quite an interesting way of
17 bringing people in.

18 I think Mark was seeking
19 recognition a minute ago. Mark, did you have
20 something you wanted to add?

21 DR. HOLLIDAY: I just wanted to
22 clarify that if there are any questions about

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1 what's in the content of the policy, please
2 feel free to direct them to me and not to some
3 of our guest speakers because they don't
4 represent the National Marine Fisheries
5 Service at the table. So if you have
6 questions about what 1.2 refers to, I'd be
7 happy to answer those questions for the
8 Committee.

9 The other part has to do with this
10 distinction between a referendum on catch
11 shares versus providing comments on the draft
12 catch share policy. And I know there are very
13 strong opinions both for and against catch
14 shares by each individual. And I respect
15 them.

16 You can spend the rest of the
17 afternoon continuing to and trying to capture
18 them and put them on paper. And if you
19 translate that into how you wanted to affect
20 the content of the policy, I think that's a
21 good use of your time. But if you're going to
22 arrive at a point where there are people who

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1 favor catch shares or they don't like the idea
2 of particular ownership or they think there
3 should be a cap at five percent or ten
4 percent, that wasn't the intent of the policy.

5 If you look at the recommendations,
6 we made 24 specific findings and
7 recommendations that said we would undertake
8 if we finalize this policy and subject to
9 funding, creating templates, creating a catch
10 share design manual, providing expertise; all
11 of the issues that people have identified
12 throughout the development of the process of
13 the draft policy have tried to be addressed in
14 these action items.

15 And one of the purposes of the
16 trigger question I suggested you might want to
17 take is are these 24 items the right things to
18 focus our attention on, are there five of them
19 that you think are most important that we
20 should do in 2010 before the other ones take
21 place. And that would be extremely helpful
22 feedback for the agency to say we got those

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1 actions right, those are addressing the key
2 issues that MAFAC thinks are important, or
3 there are things that are missing as part of
4 the trigger question.

5 So in order to be as constructive
6 as possible, again I respect everyone's
7 personal views about what they like and
8 dislike philosophically about catch shares.
9 But NOAA intends to continue to put out a
10 final policy on catch share as informed by the
11 stakeholder's views on it. And most
12 importantly, the federal advisory committee
13 that NOAA's empaneled to help us practice them
14 in the most comprehensive and thoughtful way.

15 So to the point about section 1.2,
16 yes, that refers to the guidance that would be
17 necessary to clarify any legal interpretation
18 of what is permissible under the Magnuson Act.

19 And again, that's the bottom line here.
20 We're not creating new statutory authority in
21 this guidance document. We don't have the
22 ability to do that. It's not allowed. It's

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1 not permissible. So what we're trying to do
2 is implement the statutory authority that we
3 have under the Magnuson Act in the most
4 flexible way possible giving the most
5 discretion to the councils to design a program
6 that their stakeholders think is necessary and
7 helpful to the management goals that that
8 Council has to that fishery.

9 So that's the context. I just
10 wanted to make sure that that context of what
11 the policy was trying to do was clear.

12 MS. McCARTY: By the way, just to
13 be clear, I was asking Lee to comment on
14 whether he thought that was what it was. I
15 thought that's what he was referring to in his
16 earlier comments. That's why I was asking
17 Lee. Not because I think he represented NOAA,
18 though you have in the past.

19 I agree with you, Mark. I think
20 that it's important that we put aside the idea
21 of whether or not we like catch shares. And I
22 think we've been pretty successful in that so

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1 far in this discussion. I haven't heard a
2 whole lot of people talking about the fact
3 that they don't like catch shares yet, at last
4 not yet.

5 MR. FISHER: Don't look at me.

6 MS. McCARTY: I'm not. I'm
7 looking at Patty.

8 MR. FISHER: Oh, okay.

9 MS. McCARTY: Could I ask you a
10 quick question, Mark? Where in this list of
11 things on page 18 do you think -- when you say
12 in 2 providing expertise and related support,
13 do you think that there's going to be a kind
14 of department -- do you envision kind of a
15 department or I don't know how to put it, a
16 section that's sort of dedicated as sort of a
17 roaming kind of catch share team that can kind
18 of go to different regional councils and
19 advise them on these different things? Is
20 that what's envisioned there, a sort of
21 central expertise?

22 DR. HOLLIDAY: That is part of it,

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1 but that's not the only piece. The idea of
2 providing expertise is to put people on the
3 ground in the right places where they could
4 advise the councils that have particular
5 questions. So providing resources to councils
6 to hire additional staff, to contract for
7 additional expertise, to provide any
8 additional support from the FTEs and
9 contractors to legal offices or doing the
10 heavy lifting of developing these programs
11 themselves, but also providing the blanket
12 expertise in terms of the kind of material
13 contracts that access experts from around the
14 country or around the world who have
15 experience and can bring those people in on
16 either an ad hoc worker basis or on a
17 temporary detail, serve six months through the
18 North Pacific Council to work on a particular
19 problem.

20 So it's described in the policy
21 itself and page 18 is a summary of what's in
22 the narrative about different ways of

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1 improving the capacity to consider different
2 catch share designs by looking at people who
3 hands-on experience, who have done it in other
4 regions, have done it other countries. And to
5 share those lessons learned, share those best
6 practices so each time a catch share is done
7 you will improve on bringing it in closer to
8 the objectives that the Council has submitted.

9 So there will be experts in legal
10 aspects and information management systems.
11 You know there's a lot of information and
12 experience around the country and we want to
13 draw on that. And there will be a
14 clearinghouse of people to help move resources
15 to the right places, whether they're in the
16 design phase, the implementation phase or the
17 transition period or in the fully operational
18 phase. So that's how we build the budget
19 request for FY 11 and 12.

20 MS. McCARTY: Cool.

21 Tony?

22 DR. CHATWIN: And so, responding to

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1 what was said here when Mark suggested what
2 would be helpful to them and based on what I
3 heard from the folks who have experience with
4 the catch share fisheries say -- I would say
5 from this list I would venture that from this
6 list of 22 -- close enough -- 22 items that I
7 see five as particularly critical that are in
8 line with the comments made by the folks here.

9 MS. McCARTY: Okay. We don't need
10 it on the screen, somebody has it.

11 DR. CHATWIN: So I'd say, from all
12 of them, the ones that jump out at me as being
13 really critical and as short-term priorities
14 are number 2.6, 2.7. Let me just identify
15 them all and then we'll discuss them: 3.3, 4.2
16 and 4.5.

17 And one thing that isn't mentioned
18 here specifically but I heard a lot of
19 emphasis on is the fact that -- and I looked
20 throughout the policy itself, it's only
21 mentioned once, is that a critical piece for
22 catch share program success is having well

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1 designed mechanism for new entrants once the
2 fishery is in place. And so that is something
3 that I didn't see well articulated here. It is
4 mentioned in the section where they talk
5 royalties and how royalties should be used for
6 enabling many things, including new entrants.

7 I think that's one area where we could all
8 come up with a recommendation.

9 MS. McCARTY: And I think Tom
10 mentioned that, too.

11 DR. CHATWIN: Yes. And to just
12 share the reasoning why I think these are
13 particularly important is I see a strong
14 emphasis of these five items that I've
15 identified in working with the industry and
16 the communities, engaging them in the catch
17 share design and implementation process. So
18 that's really the rationale.

19 I'm not saying that the other ones
20 are not important. I'm just saying that those
21 are the ones that speak loudly to me based on
22 what I know and what I've seen.

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1 MS. McCARTY: What about 1.1 and
2 1.2? From your experience, do you find that
3 in, for example, 1.2 the guidance on the
4 interpretation of the LAP provisions in the
5 Magnuson-Stevens Act, do you find that that
6 has been an issue for folks?

7 DR. CHATWIN: So not to avoid
8 answering your question, but to say -- to me,
9 I didn't identify that as something that MAFAC
10 should be saying in my personal opinion. That
11 should happen, because it's already identified
12 as something that should happen and that
13 everybody recognizes is important.

14 I kind of see, I guess, our role is
15 to represent in a sense the perspectives from
16 the community and the industry and to -- while
17 I think that's important, it didn't speak -- I
18 think it's something that's going to happen
19 anyway.

20 MS. McCARTY: Because you would
21 say all of these --

22 DR. CHATWIN: Yes, but you'll see

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1 that a number of that I identified are lower
2 and they're lower down in the numbering and I
3 think they're pretty important.

4 MS. McCARTY: I agree with you.

5 DR. CHATWIN: So I think there are
6 some things that the agency is well suited to
7 do and is going to do and some we might want
8 to emphasize their importance.

9 MS. McCARTY: Okay. Dorothy, we
10 didn't have much of a chance to speak back to
11 you or get any questions back and forth on
12 what you've identified as important aspects
13 from your presentation. I know that that was
14 one of the things that you pointed out was
15 important.

16 MS. LOWMAN: You mean in terms of
17 having the guidance?

18 MS. McCARTY: Yes.

19 MS. LOWMAN: Yes, I mean I do think
20 that's important because I think this thing of
21 what else if we don't have some of that and it
22 would help. People struggle. So I think that

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1 is important, you know, to NOAA to have
2 someone that can point out the fact that we
3 may have some legal concerns. But also to
4 kind of help you to understand some of things
5 that are sort of vague in them now and some of
6 these issues of allocation of different
7 stakeholders and others. If everything's fair
8 game, fine, but if there's some constraints
9 then put those on the table, you know.

10 And then I highly support this idea
11 of being sure that all of the stakeholders are
12 involved. I mean, the catch share policy does
13 talk about that and then as for monitoring,
14 keep monitoring and tracking and to make sure
15 that it's cost-effective to look for that
16 piece because ultimately the stakeholders are
17 going to pay some cost-recovery and they need
18 to be part of that design and they need also
19 making sure they're not paying for something
20 that isn't well designed.

21 MS. McCARTY: Does anybody have
22 any other questions for Dorothy? I know we

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1 were going to do it before lunch, before we
2 never did get the chance to do that. Martin?

3 MR. FISHER: Thank you, Madame
4 Chair.

5 I also wanted to ask you, Dorothy,
6 in front of the Committee the question I asked
7 you after the meeting the other day. How was
8 it that your science center determined that
9 there's no biological deficit to use carryover
10 which is, in a way, banking of allocation?

11 MS. LOWMAN: Well, I mean I think
12 that they saw some information from other
13 countries that used that methodology that
14 allows carryover and the deficit taking
15 something out. And that there was concern
16 about well what if everybody, you know, takes
17 a little bit out of next year and then we're
18 over or vice versa and then we have too much,
19 that they saw enough data that they felt they
20 were comfortable with taking that they'd
21 rather save a little bit for a rainy day, and
22 that that would be an environmentally good

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1 thing that happened. And so they were
2 comfortable, say, with the D.C. model of 30
3 percent, but they were willing to look at 10
4 percent and then if there was an issue we
5 could re-evaluate it. That actually had a --
6 you know, it might seem counterintuitive, but
7 it actually an environmentally positive spin
8 to it.

9 They knew that they could use an
10 extra, they wouldn't necessarily want to fish
11 right up to that limit.

12 MR. FISHER: Well thank you,
13 because we could really use that tool in the
14 south, in the Gulf of Mexico. And I'm going
15 to get with you and maybe get some
16 documentation so I can take that back to
17 everyone and say, hey. Thank you.

18 MS. McCARTY: Okay. Let's kind of
19 assess where we have gotten to. I think we've
20 agreed that there are certain issues that we
21 would like to capture in some way and provide
22 to individual regional councils through either

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1 an addendum to the policy or additions to the
2 policy, or in a background piece like Tom was
3 talking about, or maybe even in a separate
4 guidelines document. And I think if we
5 captured the list of things that we're most
6 concerned about, and I think we have them in
7 the notes, I think that will be sufficient.
8 And then we can sort of bring it back to the
9 whole MAFAC group, which is pretty much here,
10 but we can talk about it again tomorrow. And
11 we've mentioned a number of things. And so
12 we've got all those down.

13 Tom suggested also some sort of
14 clarification-type comments might be in order
15 on the actual document itself, like clarifying
16 the use of the word program, for example. And
17 I think that is in a different category.
18 That's in sort of an editing type of category.

19 Are there any other comments like
20 that that people want to make in the actual
21 putting together of the policy itself?
22 Martin?

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1 MR. FISHER: The word allocation.
2 I've been talking about this for a while and I
3 think it's something that we shouldn't support
4 because it means so many different things
5 depending how you use it and what you're
6 referring to when you do use it. And it's
7 confusing the issue between the idea that the
8 recreational community doesn't have enough of
9 the pot. And when they hear the word
10 allocation, that's what they think of. And it
11 should really be in this document, there's
12 allocation and then there's distribution. And
13 I think we need to ask NOAA if they'd be
14 willing to change it.

15 MS. McCARTY: Okay, because you
16 think it's used in an unclear way in the
17 document or --

18 MR. FISHER: I think that because
19 of the -- allocation refers to three different
20 things that happen in a catch share program.
21 And it also refers to how councils divvy up
22 the TAC between sectors. For that reason,

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1 it's confusing the recreational community to
2 some extent and it's creating some strife.

3 I know that Bob Gill on the Gulf
4 Council has written the Regional Administrator
5 Southeast Region regarding that.

6 MS. McCARTY: So we just want a
7 clarification in the document of what exactly
8 is meant each time that word is used?

9 MR. FISHER: Yes, or change the
10 word, possibly. You know, you asked for
11 another word, that's --

12 MS. McCARTY: No. I'm just trying
13 to get more specifically what you mean so that
14 we can write it down and provide it as a
15 comment, if everybody agrees on that.

16 MR. FISHER: Okay. I'll quickly
17 just read through this and I'll get back to
18 you in about ten minutes.

19 MS. McCARTY: Okay. I guess what
20 our goal is in this Subcommittee discussion is
21 kind of an open discussion on what we think we
22 might suggest for comments. And then we bring

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1 all that back tomorrow in some form put
2 together from all these notes that we're
3 taking, and then provide it on the screen to
4 the MAFAC group. And they can vote or however
5 else we're going to do it, however Mr. Billy
6 wants to do it, as to whether we all agree on
7 those. And then if we do, then we'll provide
8 them as comments. So this is kind of just the
9 first step.

10 So just trying to get it clear so
11 that we can put it down on the screen, or
12 wherever for later.

13 MR. FISHER: Okay. I'll dig in and
14 give it to you.

15 MS. McCARTY: Okay. Thanks.
16 Patty?

17 MS. DOERR: Look at what I just
18 wrote on the bycatch situation.

19 MS. McCARTY: Is that what you
20 meant?

21 MR. FISHER: It disappeared.

22 MS. McCARTY: I tried to make it

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1 clear.

2 MR. FISHER: Yes, that's pretty
3 close.

4 MS. McCARTY: Does that make it
5 clear?

6 MR. FISHER: Yes.

7 MS. McCARTY: Patty, was this a
8 comment on that subject?

9 MS. DOERR: Yes.

10 MS. McCARTY: Okay. Was this a
11 comment on this thing? Do you want to go and
12 then comment?

13 DR. CHATWIN: Yes, it's just a word
14 of warning. Allocation is mentioned 31 times
15 in the document. And in the glossary they
16 have sector allocation and they say it's not
17 defined in the MSA, and then they go on to
18 describe sector allocation.

19 So allocation is used a number of
20 different times, and it's just a word of
21 caution.

22 MR. FISHER: How do you do that

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1 search thing?

2 DR. CHATWIN: Ah, it's really cool.

3 MS. McCARTY: I'll show you.

4 MR. FISHER: Okay.

5 DR. CHATWIN: No, no. I'm not going
6 to show you so I can keep doing it.

7 MS. McCARTY: Okay. Patty and
8 then Bill.

9 MS. DOERR: You had mentioned at
10 the beginning with your list of five or six
11 topics, but I want to bring up again what I
12 mentioned yesterday about suggesting to NOAA
13 that, when they look at total economic value,
14 they look at the total economic value of the
15 entire fishery, not just the commercial
16 sector, and strengthen the language in the
17 document which currently talks about
18 periodically looking at sector allocations and
19 strengthen it to say to provide guidance to
20 look at sector allocation prior to instituting
21 a catch share system. It's recognition that
22 you're just getting this snapshot in time and

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1 you want to make sure that that snapshot is as
2 accurate as possible.

3 MS. McCARTY: And this has to do
4 with value only?

5 MS. DOERR: Excuse me?

6 MS. McCARTY: Just when it has to
7 do with the value?

8 MS. DOERR: Economic value.

9 MS. McCARTY: Yes. Okay.

10 MR. FISHER: Madame Chair, can I do
11 a short --

12 MS. McCARTY: Yes, just one
13 second.

14 And as people are speaking, if they
15 see it up here different than what they said,
16 we should make sure that we have it captured
17 up here the way you said it. Is that okay?

18 MR. FISHER: Yes.

19 MS. McCARTY: Okay. Go ahead,
20 Martin.

21 MR. FISHER: I'm not suggesting we
22 change the word or remove it from the document

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1 but maybe there can be a definition in the
2 glossary of terms or something that allocation
3 does not refer to the sector allocation in the
4 document.

5 MS. McCARTY: Okay.

6 MR. FISHER: I mean, that would
7 certainly make it easier.

8 MS. McCARTY: Okay. Bill?

9 MR. DEWEY: So I just had a
10 philosophical question to ask since there's
11 been a lot of expertise in the room around
12 catch shares. And that is, I was curious as I
13 was reading the policy if having a national
14 policy that encourages catch shares somehow
15 might encourage over-capitalization in other
16 traditionally managed fisheries by people
17 anticipating that some day that fishery may be
18 a catch share fishery and they want to have
19 the biggest recorded catch of anybody to get a
20 share.

21 MS. McCARTY: I think Earl
22 Comstock addressed that with you all

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1 yesterday.

2 MR. FISHER: And your solution to
3 that is?

4 MR. DEWEY: I don't have a
5 solution. I'm just asking if that's a problem.
6 And I guess I didn't remember Earl raising
7 that yesterday.

8 MR. FISHER: I think it's a huge
9 problem.

10 MS. McCARTY: Paul and then Lee.

11 MR. CLAMPITT: You know, there was
12 a huge race for fish and halibut. You know,
13 people were -- I mean I saw people taking
14 halibut out of a trunk of a car and dragging
15 it through a parking lot to get their stamp
16 that they'd been involved in the fishery.
17 But, you know you've got your best five out of
18 seven years and you had to be involved
19 between, you know, certain dates. And it
20 turned out to be -- I felt it was fair.
21 Because if you participated, even if you
22 didn't get enough to have a viable business,

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1 you still received something.

2 MR. DEWEY: I understand that. My
3 question is broader, you know, now that we're
4 going to have a national policy encouraging it
5 in other fisheries that aren't currently being
6 contemplated for catch shares but knowing that
7 there's a policy that's encouraging them, that
8 they may be coming in the future and knowing
9 that what gives you a quota is your history of
10 catch, does it encourage you to get a bigger
11 boat to catch more to get more --

12 MR. CLAMPITT: Yes.

13 MR. DEWEY: -- you know
14 anticipating that?

15 MR. CLAMPITT: Yes.

16 MS. McCARTY: In my opinion, yes.
17 We've got Terry and Dave and I
18 can't remember who else. Oh, Lee, first.
19 Sorry. I knew there was somebody over here.
20 And then Martin.

21 MR. ANDERSON: Now your problem
22 fishing for quota, and that is something that

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1 happens. And what I see here is that we're
2 making more of a list, and I think that's
3 good. But I will go back and make the
4 recommendation I made earlier that it may be a
5 good idea if this Committee recommends that in
6 this Section 1, we add another element that
7 says provide councils with a list of issues
8 that would be useful to address when you're
9 looking at this. And we've got that list. I
10 mean that would be a specific thing.

11 And then as an addendum, give a
12 list of everything that this Committee comes
13 up with today.

14 MS. McCARTY: That's right.

15 MR. ANDERSON: And it doesn't have
16 to go in here, but that starts it off. And I
17 think that's an issue, and there are ways to
18 handle it by setting control dates. And it's
19 not perfect. When you're going to start a
20 movement, move it as fast -- that's one reason
21 to move fast so you don't have that happening,
22 although there are many reasons to move slow

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1 as well. But I think there are a lot of those
2 things that we can list and there's a lot of
3 things that NMFS can do to make sure that
4 councils are aware of those issues and how to
5 address them.

6 MS. McCARTY: Right. I think,
7 Bill, exactly what you said, Lee, I think we
8 have taken that recommendation. We've got it
9 down and it will be on the list of things. I
10 think that's a good way to do it.

11 I think the answer to your question
12 is certainly, it always is going to be that
13 way. And in Alaska it's almost like it was a
14 rolling process. You know, as one fishery got
15 rationalized, the next one sort of almost had
16 to rationalize. And it was almost as though
17 nobody wanted to be the last fishery to
18 rationalize because there are so many slop-
19 over effects from a rationalized fishery and
20 the participants in that fishery, as Earl was
21 saying yesterday, the other people in the non-
22 rationalized fisheries kind of compete, is the

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1 concept basically. And so absolutely.

2 MR. DEWEY: Okay. Now I remember
3 his points that he made.

4 MS. McCARTY: Yes, you remember
5 all of that when he was talking about that?

6 MR. DEWEY: Yes, that they, all of
7 a sudden, the windfall people had capital to
8 work with --

9 MS. McCARTY: Exactly.

10 MR. DEWEY: -- to go in and buy up
11 processing shares and so on.

12 MS. McCARTY: Exactly. And in
13 some cases time and the ability to move into
14 other fisheries. So it's a clear sort of
15 progression that happens.

16 I think it was Terry and then Dave.

17 And then Martin, right?

18 MR. ALEXANDER: In New England we
19 have one fishery that isn't regulated. It is
20 regulated, northern shrimp, but I mean anybody
21 can jump in and out of it. Other than that
22 there's nothing you can jump into and out of.

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1 I'm sure it's that way in Alaska now. I'm sure
2 it's that way everywhere now. So I'm not sure
3 that ten years ago that might have been the
4 case. But I don't think that nowadays that
5 there are too many open access fisheries in
6 order for people to jump in and try to build
7 up their quota.

8 MR. DEWEY: Well, I wouldn't
9 suggest them jumping in.

10 MR. ALEXANDER: No.

11 MR. DEWEY: I was suggesting people
12 in those fisheries might build bigger, faster
13 boats to get a bigger portion of it.

14 MR. ALEXANDER: Yes.

15 MR. DEWEY: So that when it gets
16 rationalized, they'd get it. That was my --

17 MS. McCARTY: Absolutely. Not
18 only for the target species, but for bycatch.

19 In some of the fisheries people race for
20 bycatch so that, when bycatch is assigned in a
21 rationalized fishery, they have the highest
22 amount of bycatching that they can use.

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1 That's what happened. It happens. I mean, it's
2 just a natural occurrence almost.

3 Dave and then Martin.

4 MR. WALLACE: Well, on the East
5 Coast there are almost no open-access
6 fisheries left, as Terry was saying about New
7 England. And the control base was set and
8 limited entry was put in place to solve that
9 problem. And most councils, there are one or
10 two fisheries which are -- like in Mid-
11 Atlantic Council, there's at least one fishery
12 that I can think of -- two fisheries that I
13 can think of that are still all open access,
14 but they have had a control date. So any
15 vessel that comes in after that control date
16 would not be considered in any kind of
17 allocation scheme, and they understand that up
18 front. So you know, yes, it was a real
19 serious problem when we first started out
20 because there were lots of open fisheries and
21 they'd move from one fishery to the other.
22 But now that almost, at least on the East

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1 Coast, isn't a problem. And as, like the Mid-
2 Atlantic Council shuts the door on all its
3 squid and mackerel and a couple of others
4 which already have control dates on them, they
5 just make them limited-entry fisheries, then
6 it will cease to be a problem for that
7 council.

8 MS. McCARTY: Yes.

9 Martin?

10 MR. FISHER: Thank you, Madame
11 Chair.

12 In the Gulf, I guess we're the last
13 mammoth. We have one, two, three, four, five,
14 six, seven; seven commercially viable species
15 in reef fish that if you have a reef fish
16 permit, you can shift effort. It wouldn't be
17 so much as they could build a bigger boat or
18 that you capitalize in another vessel and/or
19 target these species that aren't identified
20 for catch shares in the immediate future, to
21 the best of my knowledge.

22 And then there's also kingfish and

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1 Spanish mackerel. You'd need permits for
2 those that are not reef fish permits. The
3 Spanish mackerel is open access. The kingfish
4 is not.

5 So in the Gulf of Mexico there is
6 effort-shifting, species-shifting happening as
7 we speak because people know that these other
8 fish are going to be coming on line. However,
9 the landings for those, other than amberjack
10 and B-Liners, the landings for all these other
11 fish are virtually nonexistent. They don't
12 have stock assessments -- porgies aren't even
13 in the FMP, they will be.

14 My point is, you couldn't even
15 exert a catch share program onto these fish
16 because nobody has any history. If you're
17 going to administer the program on catch share
18 history -- and that's something that maybe
19 could be explored in the future where if
20 you're going to have a catch share, there's
21 1400 permits, you divide the TAC by the 1400
22 permits and there you go. And then let the

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1 marketplace take care of the rest.

2 MS. McCARTY: Okay. That's one
3 way to do it.

4 MR. FISHER: And if I may, I wanted
5 to say one other thing not related to this.

6 MS. McCARTY: Go for it. Go for
7 it.

8 MR. FISHER: Okay. Um --

9 DR. CHATWIN: That's mentioned 12
10 times.

11 DR. CHATWIN: Um? Really? I was
12 working on that.

13 I feel really quiet, and kind of
14 content.

15 Really, truly, I think that we're
16 at a stage where we realize that we really
17 can't alter the document itself. The document
18 is the document, whether we like it or not,
19 whether we like catch shares are not, the
20 document is the document. Our job is to find
21 some creative way, which everybody is talking
22 about and everybody identifies now, to do

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1 exactly what Tony, Lee, Heather and everybody
2 else around the table recognizes that we need
3 to do. And I'm really happy to sit back and
4 watch you guys do it because I think you have
5 a much -- there are many people in this room
6 that are better than I at doing that. I think
7 I've done the work that I needed to do.

8 So, it's not that I'm not going to
9 participate, but if you watch me be quiet,
10 it's because I think that everybody's on the
11 right track.

12 MS. McCARTY: That's good. I'm
13 glad to know that.

14 So what you think we're doing is
15 providing a list of, sort of, for want of a
16 better word, guidelines or cautions or places
17 that councils need to be careful and consider
18 and all of those other words, however we
19 decide to put it together, of things that we
20 know an happen, know are pitfalls, know are
21 essential to a catch share program, whatever,
22 however you want to state it. Is that what

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1 you're referring to?

2 MR. FISHER: Yes. And -- and to go
3 along with that, I think that somehow we need
4 to engage Doc Holiday on a different level.
5 We need to get him actively involved in the
6 discussions so that he can say, I can't do
7 that, guys, or, yes, I'm willing to do that,
8 guys, because we can make recommendations but
9 unless we have the cooperation or NOAA sees
10 the advantage of taking our recommendations --
11 and why not invite Mark to be a little bit
12 more of the process so that we don't waste our
13 time, we don't waste his time and we don't get
14 frustrated by creating all these ideas and
15 then, well, it didn't happen or it can't
16 happen, or whatever.

17 And I'm not sure that I agree with
18 you, Tony. Sorry. But just because these
19 things are in descending order doesn't in my
20 mind necessarily mean there's less self-worth
21 at the bottom than the top. However, in each
22 heading the ones that you identify, and I

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1 don't know, Doc, if you want to do this, but
2 maybe we could shift the order. So that, for
3 instance, in number 3, your 3.3 indication:
4 conduct an 18-month schedule of regional
5 workshops, could be the first one instead of
6 implement a long-term educational outreach
7 strategy for public awareness.

8 To me, 3.3 is way more important
9 than 3.1 and maybe that is a way we could make
10 some suggestions that wouldn't require
11 rewriting.

12 MS. McCARTY: Just to address some
13 of your other comments there. I think that
14 I'm assuming as a Subcommittee we're kind of
15 doing a brainstorming thing. And if Mark sees
16 that we're way off-base, he's going to let us
17 know. But maybe when we get back together
18 tomorrow and we have more of a focused list of
19 things, that perhaps we will then say to Mark,
20 here's what we're thinking, how are we doing,
21 or whatever. That's what I was kind of
22 thinking.

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1 But I do hope, Mark, that you're
2 going to jump in if we're, like, wrong about
3 something, or it's there and we don't know
4 it's there or whatever.

5 And then I guess the other question
6 that I would have is in terms of
7 prioritization, the list that we have on page
8 18, is that it's not listed by priority, as we
9 just said, is it?

10 DR. HOLIDAY: It is not in priority
11 order.

12 MS. McCARTY: Okay.

13 DR. HOLIDAY: It is not within the
14 section on 2 or between section 1 and 4.

15 MS. McCARTY: Okay. That's what I
16 assumed.

17 So if you have limited resources
18 and limited time, you know Tony's provided
19 some things that he thinks are particularly
20 important to accomplish and I personally think
21 that 1.1 and 1.2 are pretty top-priority.
22 Would that be helpful to do that and to

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1 provide a list of top things? Because you
2 said --

3 DR. HOLIDAY: Top things, or things
4 that you think are missing that aren't on that
5 list that you would do instead. Both of those
6 would be extremely important.

7 MS. McCARTY: Okay. We can do
8 that.

9 I like Tony's thoughts on the five,
10 and I would just add 1.1 and -- okay. Tony
11 said 2.6, 2.7, 3.3, 4.2 and 4.5. And I like
12 those a lot. I think 1.1 and 1.2,
13 particularly 1.2 -- I keep pressing on this
14 because I've seen in our council how stymied
15 people are in moving forward with their catch
16 share program that we're working on right now
17 in the Gulf. People do not know exactly what
18 it means processor holding of shares, where is
19 the line and how do we go forward with
20 building a program if we don't know where that
21 line is? Do we have to build a program and
22 then get told by NOAA General Counsel that

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1 it's illegal and then we have to start all
2 over again? It makes so much more sense to
3 try to determine what's acceptable and what
4 isn't acceptable under the LAP provisions up
5 front.

6 So I guess if I had to say, if I
7 had to choose one on this list, that would be
8 it right there, 1.2.

9 MR. FISHER: And I totally agree
10 with you. That is the biggest frustration of
11 our ad hoc committee for IFQ, Because we kept
12 saying to the Administration, can we do this,
13 can we do that while we put the program
14 together and then we'll talk?

15 MS. McCARTY: Right. Right.

16 MR. ALEXANDER: Now that we're
17 doing this this way, I'd like to see one thing
18 added to this list. I don't know if anybody
19 else would. But Tony's point about the new
20 entrants. I don't see anything in any of
21 these bullet points here about new entrants.
22 And I think that's the most important -- one

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1 of the most important issues in our area is
2 making it affordable for people to at least
3 get started, you know what I mean?

4 So if we're going to add onto this
5 list. I didn't realize that we could add
6 points to this list.

7 MS. McCARTY: Oh, yes.

8 MR. ALEXANDER: You know, I'd
9 really like to see it so that you know my kids
10 or my grandkids could buy a share, a small
11 share and get started, you know, if they
12 wanted to.

13 MS. McCARTY: Absolutely.
14 Absolutely. I think it's important, too.

15 MR. ALEXANDER: And I'm surprised
16 it's not on here.

17 MS. McCARTY: You know, Martin
18 said we can't change the document. I think we
19 can. I mean, I think the document's going to
20 change. I think this is a draft. I'm
21 assuming that it's a draft.

22 I mean obviously the broad policy

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1 outline is there. We're not going to change
2 that. But we certainly can change some of the
3 pieces of it. That's the way I look at it.

4 Paul?

5 MR. CLAMPITT: Well, I agree. And
6 I'm surprised you didn't kind of flesh that
7 out a little bit further about the new
8 entrants when he brought it up. I was kind of
9 waiting for a little place to jump in there.
10 Because in Alaska, we have a loan program for
11 new entrants. And the first thing you have to
12 decide is who gets to be a new entrant. I
13 mean, is it anybody in the United States?
14 And, of course, anybody can. That's part of
15 the Constitution. But you can make
16 qualifications. And I think you might want to
17 discuss that. It's probably different for
18 every fishery. But in our fishery we said you
19 had to be onboard a boat for 150 days. And
20 that eliminates a lot of people. Not
21 everybody wants to go out on a boat to catch
22 halibut, really.

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1 And so what they get is they set up
2 a fund from part of the revenue, I think it
3 comes from the three-percent fee. And then
4 NMFS gives a low-interest loan paid back over
5 30 years.

6 I know of one crewman that took
7 advantage of that. And he could buy up to
8 50,000 pounds. And he paid -- the latest rate
9 he got was 3.25 percent over 30 years. That
10 makes it fairly easy to get in. It's like
11 buying a house. But the problem was they want
12 20 percent down, which is really tough to come
13 up with. I mean, you know halibut right now
14 is going for around between \$20 and \$30 a
15 pound. So you got to come up with \$200,000 to
16 get that 50,000. But, you know that can be
17 played with.

18 And one of the thoughts I had was
19 that, you know, everybody complains about the
20 windfall that a person gets when he gets his
21 quota. But it really isn't a windfall until
22 you sell. I mean, I haven't sold anything. I

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1 don't plan on it. When I'm dying, my wife
2 gets it. I don't know or care what happens
3 after that. But I mean so fishing never
4 really has changed for me. You know, we do
5 the same thing. But now, how does that
6 relate? Let me think here. I was making a
7 point.

8 MS. McCARTY: Eligibility
9 requirements and loan structures.

10 MR. CLAMPITT: Right. So when a
11 person sells, there's a windfall. And I
12 suggest that you could tax that windfall at
13 the other end and make a fund for new entrants
14 to be able to purchase. That's an idea.

15 MR. DEWEY: You did mention, Paul,
16 the capital gains issue.

17 MR. CLAMPITT: I mean, there is a
18 capital gains issue. I mean if I sold
19 tomorrow, I'd have to pay 20 percent capital
20 gains. But, you know, that's a problem. If
21 you're forced to go on the deck and you're
22 crippled or whatever and you're too old to do

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1 it and also you're forced to sell, that's a
2 real problem. And that's going to be recouped
3 within the fishery. But still, people retire
4 and they're going to have to pay that.

5 I mean my objection is being forced
6 to retire. I mean that should be an
7 individual decision. I mean, forcing someone
8 to go on a deck, you know if the guy's 65
9 years old, I mean you're basically forcing him
10 to retire because he's not going to go back on
11 deck. But this is something different. I
12 mean there are people that just -- they go
13 well you know I've had enough. I'm going to
14 sell out. I'm going to get my \$2 million and
15 sit on the beach. Well, if you tax that
16 windfall at some point and put it back into a
17 fund for new entrants, I think that would be
18 kind of an interesting solution.

19 MS. McCARTY: It would, and not
20 very many people would want to do it.

21 MR. CLAMPITT: Yes.

22 MS. McCARTY: Tom and then Dave.

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1 MR. RAFTICAN: Yes. On the points,
2 I suspect the largest impediment to the
3 recreational segment on this thing is fear.
4 You know, you may talk about stakeholders
5 here, but I'm not sure the recreational
6 segment is going to consider themselves a
7 stakeholder here that they're going to
8 basically be subject to this. And I just
9 think that we need to get something that
10 includes -- and I'm looking up whether it's
11 informing and educating or providing expertise
12 and related support. Two point five: develop
13 business analysis and decision tools on the
14 web for use by recreational and commercial
15 segments. Just something so that we know that
16 we've got a stake in the game and that we're
17 not odd-man-out at the table.

18 And I just throw that out for
19 discussion.

20 MS. McCARTY: Just to make sure
21 what you're saying is that would include the
22 recreational sector in?

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1 MR. RAFTICAN: I think if there's
2 an inclusion there. And just so it's looked
3 at and it doesn't -- you know, I think when
4 you look across the recreational segment right
5 now, there is an immense fear of the unknown.

6 And part of the fear is that they are not
7 included in the decision making process. And
8 I think bringing us in, and not exclusively,
9 but as part of -- if you become part of the
10 solution, you're going to feel a hell of a lot
11 of better about participating in it.

12 MS. McCARTY: Yes. I think that's
13 good. I think we can add that.

14 Just to look at the trigger
15 questions at this point. Since we've sort of
16 gone through the list of things that we think
17 are important to consider in designing the
18 program. Everybody has it here or it's up
19 here if you can see it.

20 Do you see anything you might want
21 to add in response to these questions? Let's
22 take a look at number two. I think we've

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1 talked some about this, but just if anybody
2 wants to add anything, modified language or
3 anything like that. We've heard a little bit
4 from Tom Billy about modified language and
5 from Martin about the use of the term
6 allocation, for example, that might fit under
7 those categories.

8 MR. WALLACE: How about a larger
9 font?

10 MR. BILLY: Yes.

11 MS. McCARTY: A larger font.
12 Okay.

13 And then number three, these
14 possible actions, activities to assist in the
15 design. We've talked quite a bit about that.
16 We've identified a couple of additions and a
17 couple of modifications in those areas. Is
18 there anything else you can think of? Paul?

19 MR. CLAMPITT: Well, I'm not
20 exactly sure. I mean, are you looking for
21 comments on these?

22 MS. McCARTY: Yes. I think we've

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1 been commenting on it, because we're actually
2 looking at this table.

3 MR. CLAMPITT: I mean, the subject
4 of royalties bothers me.

5 MS. McCARTY: Are you looking
6 under number two, the last bullet?

7 MR. CLAMPITT: Number two, yes,
8 right.

9 MS. McCARTY: Yes.

10 MR. CLAMPITT: Because, you know,
11 fishermen aren't typically very good
12 businessmen. I mean, I know quite a few of
13 them that are -- you know, I mean they run
14 shoestrings. And so you're going to have this
15 catch share program and then you're going to -
16 - I mean, the idea that you're going to come
17 to these people and say, okay we're going to
18 extract a royalty, or we're going to auction
19 off the fish. They'd be precluded
20 immediately. You know, I don't know how they
21 would compete in an auction.

22 So, I mean, to me again the idea,

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1 getting the royalty at the end of the day when
2 the guy leaves the fishery, I would suggest
3 that that would be a better motive.

4 Of course, I caught your point.
5 You said, who would want to leave. That's
6 true. But the idea that you're going to
7 extract some rent payment up front seems
8 onerous.

9 MS. McCARTY: Okay. I think a lot
10 of people probably feel that way. On the
11 other hand, there's a large contingent of
12 folks who believe that it's a public resource
13 and that it ought to be paid for just like gas
14 and oil and so on.

15 MR. CLAMPITT: Yes, well, true.

16 MS. McCARTY: It's a policy issue.
17 I don't think that the policy is actually
18 being a proponent of a royalty program or a
19 royalty system. That's not what I've picked
20 up from the policy itself, but just talking
21 about it as an aspect of a possible catch
22 share program.

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1 Is that right, Mark?

2 DR. HOLIDAY: There's no
3 requirement that the royalty will be collected
4 in the first place. That's the council's
5 choice.

6 MS. McCARTY: Right. Right.

7 DR. HOLIDAY: There's no
8 requirement that the royalty will be collected
9 through an auction. It says auction or other
10 means.

11 There's no requirement that a
12 royalty be collected at the outset. It could
13 be collected at some other point in time.

14 So there is almost infinite
15 flexibility in how, when and by what means a
16 royalty payment could be captured. And all
17 the monies that are obtained from a royalty
18 program go back to the fishery from which they
19 came. So they could be used to help support
20 new entrants and they could be used to help
21 support sustainable community objectives, they
22 could be used in any variety of ways.

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1 Fisheries have said their purpose,
2 they could impose a one percent fee on its
3 transfer.

4 I mean, the councils have all sorts
5 of different opportunities to collect some or
6 none of the royalty on the rental value that's
7 going to be generated through the catch share
8 program.

9 MS. McCARTY: Does that address
10 your concern?

11 MR. CLAMPITT: Yes. I was just
12 going to ask him, so, Mark, what you're
13 saying, it would take basically an act of
14 Congress to change that? It's the Magnuson
15 Act that any royalties collected has to go
16 back into that fishery. And so, I mean, a
17 council could just go, well, we don't like
18 that idea, we're going to change it. It would
19 take an act of Congress, is that correct?

20 DR. HOLIDAY: It's in the law what
21 goes to this limited access administration
22 fund and it's defined what those purposes are.

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1 MR. CLAMPITT: Okay.

2 DR. HOLIDAY: And it's in the law.

3 So to have those funds diverted someplace
4 else would require a change in the law. So is
5 that --

6 MS. McCARTY: I would say not
7 worry about it. I think it is a council
8 prerogative and I'm not seeing it being part
9 of any of the things that I've been a part of.

10 But that doesn't mean it won't be in the
11 future.

12 Bill, did you have a --

13 MR. DEWEY: Just on this subject of
14 royalties, you know, my personal opinion is
15 the discussion in the policy at the bottom of
16 page 6 and top of 7 regarding royalties is
17 pretty comprehensive along the lines of what
18 Mark just shared with us and think it covers
19 it well.

20 MS. McCARTY: I do, too.

21 MR. DEWEY: You know, there's one
22 other use considering it has to be invested

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1 back in the resource that maybe should be
2 mentioned, and I think over time catch shares
3 may catch onto this, is the opportunity to do
4 enhancement for the fishery.

5 For example, in New Zealand, a
6 Tasman Bay scallop fishery, the fishermen have
7 a cooperative. They put out spot collectors
8 and collect juvenile scallops that they then
9 plant out on the common fishing beds for all
10 to benefit from and have seen, reaped benefits
11 and improved catches. So over time they may
12 use aquaculture technology to do enhancement
13 of that resource.

14 And then one last point on the
15 royalty is, and I'm not advocating for
16 royalties, don't get me wrong here. But I just
17 want to point out, perhaps, an inequity in
18 that with aquaculture, we're moving forward
19 and clearly anyone who invests in aquaculture
20 is going to obtain a royalty in the form of a
21 lease just to use space. Not to extract any
22 resource, but just to use the space. That

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1 segment of our fishing production is going to
2 be paying a royalty to be there. And so you
3 know, I would see that personally as an
4 aquaculturist as a bit of inequity here where
5 the fishing community gets to extract fish and
6 not pay a royalty, yet if I want to go grow
7 fish, I'm going to pay a royalty just to
8 borrow some space.

9 MS. McCARTY: Right. There are a
10 number of examples of limited-entry fisheries
11 in Alaska that assess themselves to provide
12 either enhancement or research. The salmon
13 fishery in Alaska assesses themselves by
14 region and they tax themselves. They use that
15 money to create these enormous hatchery
16 systems that then have the fish come back that
17 are caught by those limited entry permit
18 holders.

19 In the crab program there is a
20 self-assessment of processors and harvesters,
21 voluntary, that supports an augmented survey
22 program that does a side-by-side survey with

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1 NOAA surveys to sort of ground-tooth NOAA
2 surveys.

3 There's also a growing crab
4 enhancement program in Alaska that I'm
5 actually part of that the industry is
6 investing in pretty heavily, and exactly the
7 kind of thing you're talking about along the
8 lines of scallop fishing in New Zealand, which
9 I think is the original example of
10 stakeholders in a fishery taking seriously
11 both the enhancement and the stewardship of
12 that resource. I think it's a great circle.
13 But that's all voluntary, whereas a royalty
14 program if it was put in place by Council and
15 by regulation, would be an entirely different
16 issue.

17 I actually have that on my list,
18 Bill, of things that ought to be considered in
19 catch share programs, is the responsibility of
20 the participants in the fishery to maintain
21 research and those kinds of things, because
22 it's a good thing for the resource, and it's a

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1 good thing for them themselves as sort of
2 participants in that program. And so it's
3 definitely talked about in the Alaska programs
4 all the time. I think it's a really fruitful
5 avenue for catch share programs to go down
6 because for one thing it's good public
7 relations. You know, when people are using a
8 public resource they sometimes are thought of
9 in a certain way by the general public and if
10 you use some of your resources to improve that
11 resource, you're really doing the right thing
12 in the public eye. So I think it's an
13 important consideration.

14 Martin, did you have your hand up?

15 Go ahead.

16 MR. FISHER: Thank you.

17 MS. McCARTY: I'm on my soapbox.

18 Sorry.

19 MR. FISHER: No, no. No problem.

20 Now I'm really uncomfortable saying what I
21 want to say.

22 Everything you said I agree with.

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1 However, this says program features for
2 special emphasis.

3 I think we should all link hands
4 and go screaming into the dank darkness
5 kicking if we want to suggest that we start
6 meaning to collect royalties for taking fish
7 out of the ocean, whether it's for
8 recreational purposes or commercial, or any
9 other. But what I'm uncomfortable with is
10 that this is a feature for special emphasis.

11 MS. McCARTY: Where are you in the
12 document?

13 MR. FISHER: Number three. No,
14 number two. Sorry.

15 MS. LOVETT: From the annotated?

16 MR. FISHER: The current structure
17 of the draft policy program features for
18 special emphasis. I don't think it belongs,
19 personally. We don't have that -- if I'm in
20 the wrong section of a discussion, I'm sorry.

21 MS. McCARTY: No, it's fine. I
22 just wanted to identify where you were.

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1 MR. FISHER: Okay. And to just tee
2 off of something that Paul said about being
3 kicked to the deck. What I said before about
4 that we couldn't change the policy, Heather?
5 What I really meant to say was we can't change
6 the imperative tone of the policy. I don't
7 think there's anything that we can do about
8 changing the imperative tone of the policy.
9 It says you don't have to, but it says you
10 shall, whether it uses the words or not. This
11 policy is telling the councils that they will
12 consider and they should promote catch share
13 programs.

14 Now we have royalties to contend
15 with. You know, is that just for catch
16 shares? Is that excluding recreational
17 interests? I mean, we're already paying a
18 royalty. We pay permit fees. We pay a cost
19 recovery fee. And we've never had or even
20 thought about -- or no one's ever asked us
21 before, when we were in open access systems,
22 to pay a royalty. Certainly recreational

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1 anglers don't expect to pay a royalty,
2 although they do. They have salt water
3 license, that's a royalty.

4 So that's it. I'm just very
5 uncomfortable with this word, this concept, as
6 something to be considered for special
7 emphasis.

8 MS. McCARTY: Okay. Duly noted.

9 Paul and then Tony.

10 MR. CLAMPITT: You forgot income
11 tax.

12 MR. FISHER: Thank you. Well, we
13 all have to do that.

14 MR. CLAMPITT: Well, what I'm
15 getting at is, if you derive your income from
16 a fishery, you know you have to be -- to be
17 successful at it, you're going to give 40
18 percent back to the government anyway.

19 MR. FISHER: Well, that's true.

20 MS. McCARTY: All right. Tony?

21 DR. CHATWIN: So I've looked
22 through the document. I haven't seen anywhere

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1 where it says program features for special
2 emphasis in the document.

3 MS. McCARTY: Yes.

4 DR. CHATWIN: And that royalty
5 language, it starts with "NOAA will assist the
6 councils if and when they determine that it is
7 in the public interest to collect royalties in
8 connection with initial assessment allocations
9 or limited access privilege programs." So I
10 was sensitive to what you said, but I couldn't
11 find that the features for special emphasis, I
12 think that's more --

13 MR. FISHER: Just a talking point?

14 DR. CHATWIN: -- a characteristic
15 of this list.

16 MS. McCARTY: Yes. I think that's
17 right.

18 MS. LOVETT: It says "Pay
19 particular attention to these types of
20 features in designing your catch share
21 programs" in the text. He means special
22 attention to these because of all that's

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1 involved in this.

2 MR. DEWEY: Because of all the
3 stuff you just said.

4 MS. LOVETT: Yes.

5 MR. FISHER: Well, forgive my
6 passion, but at least it's on public record.

7 MS. LOVETT: Meaning special
8 emphasis, i.e., attention when you design your
9 catch share program. Not that you have to do
10 this. Martin?

11 MR. DEWEY: I'm perfectly
12 comfortable striking royalties off that list
13 as long as you're supportive of free rent for
14 aquaculture.

15 MR. FISHER: Free what?

16 MR. DEWEY: Free rent for
17 aquaculture.

18 MS. LOVETT: Just a minute. These
19 two we need to really look at closely.

20 MS. McCARTY: Yes, no, I think he
21 brings up a really good point, though. And
22 obviously it's not something that's going to

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1 go away. Just people are going to continue to
2 talk about royalties.

3 MR. FISHER: I'm sorry if I
4 misconstrued the --

5 MS. LOVETT: You didn't.

6 MS. McCARTY: No, I think it's a
7 good point.

8 Okay. We're sort of moving into
9 this number three trigger question. And
10 again, I think we have talked a lot about this
11 number three. And we've identified a few
12 things that we want to add.

13 Are there any other additional
14 comments on this? If you're looking at the
15 table on page 18, we've already made a couple
16 of additions in the notes to it.

17 You know, I'm struggling with the
18 addition of the recreational sector. And I
19 don't know where all we might need to include
20 it. I think there was a good point made by
21 Raftican over here about adding language,
22 perhaps, in 2.5.

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1 Does anybody have any suggestions
2 about where else we might need to add that
3 kind of language? I think we all agree that
4 we -- I'm not saying we all agree. I think we
5 should, and I've heard from a bunch of other
6 people that think that we should. But any
7 specific areas? I'm kind of looking at you,
8 Earl, and other recreational folks. You don't
9 have to tell me right now, though. Yes, and
10 then Tony.

11 Earl?

12 MR. COMSTOCK: I was just going to
13 say in terms of talking about on this list,
14 certainly mentioning them. Recreational isn't
15 mentioned that heavily, and you would
16 certainly want to help them develop the
17 business analyses for doing that. So 2.5
18 would be a good place.

19 If you look at the more detailed
20 sections of the policy, my comment would be --
21 it's more just recognizing that they're there,
22 as opposed to having to change so much of the

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1 language. The language is really focused on
2 past experience, which was commercial sector.
3 So it's recognizing that it might be just
4 adding a sentence of saying that we'll pay
5 particular attention to fisheries in which
6 catch share programs have not yet been
7 applied. The types of fisheries including
8 recreational, and there may be others where
9 there is no prior model to look at really, or
10 they may have unique characteristics that make
11 it difficult to apply past models to that
12 particular fishery.

13 MS. McCARTY: Okay.

14 DR. CHATWIN: So my only comment is
15 that I ran my little thing here, at least in
16 the back, that table does a disservice to the--
17 -

18 MR. COMSTOCK: To what it says in
19 the--

20 DR. CHATWIN: -- the statement
21 because it's mentioned nine times in the
22 document.

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1 MR. COMSTOCK: Right.

2 DR. CHATWIN: And so we should find
3 those times and then make that in the back
4 more part of that.

5 MS. McCARTY: Make it reflect?

6 MR. COMSTOCK: Right.

7 MS. McCARTY: Okay. Tom, did you
8 have another comment?

9 Any other things that we might want
10 to add to this table, or to the actual
11 narrative? Patty?

12 MS. DOERR: To kind of go back to
13 the recreational thing and what Earl presented
14 yesterday, you know I have some concerns with
15 including that at this point. And I don't
16 know if that's what folks were suggesting.

17 I think there was a lot of merit
18 and great points for discussion that really
19 got me thinking. But I don't know if we're at
20 the point in which we can go and suggest to
21 NOAA and to Mark to include many of those
22 ideas into his report right now.

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1 Right now I'm comfortable with that
2 motion.

3 MS. McCARTY: I think we'll
4 probably have this discussion again tomorrow.

5 So I think we just need to put on the list
6 something, and then -- is that okay?

7 MS. DOERR: Okay.

8 MS. McCARTY: Any other thoughts
9 on that? On the whole recreational piece?
10 Okay.

11 Yes?

12 MR. COMSTOCK: Just to follow up a
13 little bit more on what was just said. I
14 think it's not so much that catch shares can
15 apply to recreational. It's recognition that
16 if you were going to try to apply catch shares
17 to recreational, that they have unique
18 characteristics. That there aren't currently
19 models out there that you can easily provide.

20 And so I think it's that sort of discussion.

21 And the document, actually, if you
22 go into the details of it in the places where

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1 recreational is mentioned it's typically in
2 the context of: this may not be the right
3 solution for those fisheries. So the document
4 recognizes that. I think it's more when you -
5 - where I would say the document perhaps might
6 be beefed up a little bit is recognizing that
7 -- in the event you want to go down this path
8 -- you may need additional support that isn't
9 readily available now for looking at how to
10 design that.

11 MS. McCARTY: Pardon. Oh, I'm
12 sorry.

13 MR. RAFTICAN: And that really is
14 pretty much exactly what Earl was saying, and
15 I looked in particular with the specific
16 activities proposed to support considerations.

17 Recognizing it's not how recreational fishing
18 fits in there, but recognizing that there is a
19 consideration there and that it's going to
20 have to be approached. We're part of the
21 solution and not just simply an afterthought.

22 MS. McCARTY: I think I understand

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1 your points. And I --

2 MR. RAFTICAN: I don't know how to
3 put it in there.

4 MS. McCARTY: That's what I'm
5 asking -- is, if you could provide -- if you
6 think something needs to be added to the
7 document in anyplace. And I'm just using the
8 table as kind of a key to the places. Is
9 there additional language that needs to be put
10 in the document to reflect the conversations
11 that we've had or to propose to the whole
12 MAFAC group that we might add? So that's all
13 I'm asking of the recreational people.

14 And it sounds as though there's a
15 couple of different ideas going around. So
16 maybe tomorrow we can get more specific about
17 that.

18 DR. CHATWIN: Can I ask a question?

19 MS. McCARTY: Yes.

20 DR. CHATWIN: On this. Do you see
21 this as a technical impediment, that we don't
22 have models for the recreational fishing?

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1 Because maybe that's a place where you could
2 say -- because I'm still thinking of the new
3 entrants and where to put that. And I'm
4 thinking that maybe issuing guidance on the
5 development of mechanisms for new entrants, or
6 you could also have something that says in the
7 cases where the Council decides it's
8 appropriate to consider recreational fishing,
9 it will need guidance on how to develop that,
10 or something along those lines. Because it is
11 a technical kind of an issue. There isn't a
12 model there, right? So that needs to be
13 corrected.

14 MR. COMSTOCK: And frankly, in the
15 absence of some -- as I was calling them
16 yesterday -- templates, it's very difficult
17 for the recreational sector to approach it.
18 And if you take your section 2.5 that we were
19 mentioning just a minute ago, and you look at
20 the text in the document on what it says, it's
21 completely oriented toward -- basic coming up
22 with a spreadsheet that fishermen could plug

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1 in -- here's what would happen to me under
2 various allocation schemes. And so it's very
3 oriented toward an individualized fishing
4 quota model. That doesn't help you very much
5 if you're talking about a sector allocation.
6 It doesn't help you very much if you're
7 talking about a recreational pool approach.
8 And so there aren't really -- if that were the
9 extent of NOAA's technical support, there
10 wouldn't be anything there for these
11 recreational groups to use to try to figure
12 out -- could this work for us. And that's I
13 think the concept we're trying to get across.

14 Is you may need to do -- rather than wait for
15 the Council to develop something to bring to
16 you, it is -- well, I think much as Martin was
17 saying earlier. It is -- you might need to
18 develop essentially models that sit out there
19 that people could say, that this would be one
20 way to approach it. And then they might tweak
21 that model to fit their circumstance.

22 MS. McCARTY: Yes. Bill?

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1 MR. DEWEY: To that point, I was
2 wondering as we were trying to identify ones
3 that we might want to call out, 1.5 came to
4 mind to use for creating a model catch share
5 program design. Perhaps after process you can
6 insert "for the various sectors" to capture
7 whether it's recreational or commercial.

8 MR. COMSTOCK: I think that would
9 help, but I think it's a little different than
10 the process. It's a model of an actual
11 program as opposed to a process.

12 1.5 is talking about, it seems to
13 me, you're talking about a process where this
14 is the steps you go through to develop one.
15 But it doesn't necessarily speak to what is it
16 you're developing.

17 MR. DEWEY: A fair point.

18 MR. COMSTOCK: And so that would be
19 the point.

20 MS. McCARTY: Could you
21 recreational folks get some language together
22 maybe and come up with something by tomorrow?

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1 DR. HOLLIDAY: Yes. I would just
2 caution that there are a lot of different
3 perspectives on catch share in recreational
4 fisheries. During the course of developing
5 the policy we heard a lot of feedback from
6 people that they want -- certainly they want
7 NOAA to be designing catch share programs for
8 anybody, whether that was the Council's job --
9 crossing over this line and getting into the
10 details of the catch share configuration,
11 that's not what the policy should be doing.
12 That's the Council's burden. If the councils
13 wanted to pursue that, then the counsel of the
14 Fishery Service would be very helpful to do
15 it. But from a top down put this in the
16 policy, I think it would be very poorly
17 received by a number of people both on the
18 Council and from some of the other people
19 we've heard from.

20 And not this kind of a value kind
21 of the tools and means to assist the Council,
22 but to have this type of technical information

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1 it adopted in itself would be contrary to our
2 commitment at the outset that it's not for
3 prescriptive. And even though it's optional
4 to use the Council, there's some very strong
5 sensitivities here I think we just want to be
6 aware of.

7 MS. McCARTY: Yes, I'm sure.

8 Tom?

9 MR. RAFTICAN: I hear what you're
10 saying loud and clear. Without developing
11 more and more and provide councils a list of
12 possible characteristics to evaluate catch
13 share applicability, characteristics of
14 sectors -- of rec and commercial sectors -- to
15 evaluate catch share applicability. Now, I
16 don't know that that's the place to put it in.

17 But what I'm just saying is that if you might
18 want to put a note in there so that it's like
19 -- and I don't know if this causes a problem
20 with the other side. But I just see it
21 greatly reducing the fear by seeing something
22 there, going "all right, we're being

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1 recognized."

2 MS. McCARTY: Earl?

3 MR. COMSTOCK: And not just -- I'm
4 not suggesting that you actually put the
5 templates in the policy. It's more as -- and
6 that's why I was using 2.5 as an example --
7 it's more that NMFS is going to develop over
8 time, working with stakeholder groups, these
9 models that could be available. So in other
10 words, as part of your commitment to a
11 process. It's not that you would try to slip
12 those in the policy itself. But I think in
13 the absence of that, you get very much a
14 chicken-and-egg problem. And there are some,
15 you're absolutely right, who are vehemently
16 opposed to catch shares, who don't want any
17 information available because it might
18 facilitate it. So it's a problem. But I
19 think for those who are going to look at it.

20 DR. HOLLIDAY: I agree with you. I
21 think keeping it separate from the policy is
22 the more appropriate way to do it. Because we

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1 continue to say that we're not here to impose
2 a catch share on your sector. And that's not
3 -- we went to great lengths to talk about this
4 section of the policy on fairness and equity.

5 We're not in the business of designing catch
6 shares and imposing them on the recreational
7 sector. That's not the purpose of the policy.

8 So I don't want to allude too much to the
9 subsequent step of 2.5. That's fine. That's
10 in the future.

11 MR. COMSTOCK: Right.

12 DR. HOLLIDAY: When requested we'll
13 be there and up front even, in helping to
14 figure out how to do it.

15 MR. COMSTOCK: Right.

16 DR. HOLLIDAY: Otherwise, that
17 means the kiss of death for the policy.

18 MR. COMSTOCK: You're right.

19 MS. McCARTY: Tony?

20 DR. CHATWIN: Just a question,
21 Mark. In 1.5 in the text, where it says
22 "using public hearings and workshops as a

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1 catch share design handle." Wouldn't that be
2 an appropriate place to have something that
3 we're discussing as an example, if you could
4 find an example.

5 DR. HOLLIDAY: It could very well
6 be that's a good place for it. But I think
7 the original idea behind 1.5 was the kinds of
8 things that you're listing as check offs that
9 the councils have to consider when they design
10 a program; those important issues would be
11 part of this design.

12 One of the questions that councils
13 have to face is -- that Dorothy notices -- is
14 that they had to discover those questions sort
15 of on the fly, either by omission or
16 commission of not dealing with some of these
17 things. So by providing that advice and that
18 best practice up front in the design process -
19 - not as a design cookbook, per se -- but as
20 the process of having to go about -- and this
21 coincides with those, look at design manuals,
22 design sort of limited access privilege

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1 programs, the best character, the various
2 steps. But it's, again, part of the capacity
3 building of the councils -- is to provide them
4 tools and provide them expertise.

5 And in some cases, research. I
6 mean, part of this is -- you don't have very
7 many examples to draw on for recreational
8 catch share programs -- scattered here and
9 there across the world, but there's not a big
10 track record. So some of it's research, in
11 how could you do this, to meet the goals and
12 objectives of the Secretary. And you may have
13 to conduct some firsthand research to get to
14 that point.

15 MS. McCARTY: If we look at the
16 number 4 trigger question, is any topic
17 completely missing that should be addressed in
18 the draft catch share policy? I think we've
19 identified a couple of things. But are there
20 any other issues?

21 We've identified a few, and we'll
22 list them when we make the report tomorrow.

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1 But is there anything that hasn't been
2 mentioned that people want to bring up at this
3 point?

4 Looking good.

5 Okay. Well, we kind of got where
6 we needed to go in a really roundabout way.
7 But I think we got there. I think.

8 DR. CHATWIN: And right on time.

9 MS. McCARTY: Yes. Well, I think
10 we have until 5:30, but somebody has to write
11 this up. And I think that's probably going to
12 be me and some other people.

13 I think the approach that we
14 outlined of providing this list of things and
15 putting them in front of the full Committee
16 tomorrow for additional discussion is the way
17 to do it. And then agreeing as a group, as a
18 MAFAC group, on what we might want to present
19 as comments, I think that's how we should
20 proceed.

21 Does anybody else have any thoughts
22 on process?

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1 And also, from the discussions that
2 we've had today, I think if people think more
3 tomorrow and want to add some stuff, it
4 doesn't mean you can't do that. You know we
5 may not have brought up everything that
6 everybody has in their mind.

7 Yes?

8 MR. DEWEY: Just going back through
9 my notes, I had one other point that I caught
10 from Bruce yesterday, and this was kind of
11 overarching on the policy. But he made the
12 comment that, as he read it, that catch shares
13 came across as the tool. And he made the
14 point that there are a number of other tools.

15 He went through a list of them, that are part
16 of our traditional fisheries management tools.

17 The policy kind of glosses it over. That was
18 his impression. I don't know if other people
19 shared that opinion or not. But he obviously
20 has a lot of experience and had a lot of
21 experience with catch shares. So I thought
22 I'd call that out.

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1 MS. McCARTY: I feel the same way.

2 And I think the emphasis on catch shares as
3 being the tool and the cure-all and the
4 management; even if it isn't intended to sound
5 that way, I think it does a little bit. And I
6 think maybe some modification in the
7 introductory language might deal with that.
8 And maybe we can do that tomorrow.

9 I've got a few ideas. As we've
10 talked about, it is a management tool that
11 helps with biological issues. But it's a
12 management tool that -- from the applications
13 that I've seen -- deals much more with
14 economic issues. And so I think it's best to
15 look at it that way, rather than just a
16 biological management tool that's going to
17 solve all the problems of overfishing into the
18 future. Personally, I think that's kind of a
19 one-sided look at it. So I agree with his
20 comments. I think it would be good to try and
21 capture that somehow.

22 MR. DEWEY: The other thing I heard

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1 was raised again today -- that I heard a
2 couple of different times yesterday -- was
3 that particularly as it related to allocations
4 that it's important to get it right the first
5 time, because that's a hard thing to go back
6 and reverse once you've gotten that aspect of
7 it done. I heard that from at least a couple
8 of different people. I don't know if that
9 comes out well in the policy or not.

10 MS. McCARTY: But how would you
11 insert that sort of thought?

12 MR. DEWEY: Well, just trying to
13 emphasize the importance of -- that this
14 particular aspect of a catch share is
15 difficult to change once it's in place, so
16 particular attention needs to be given to it.

17 And this is from the lessons learned from
18 other catch shares, that it's not an easy
19 thing to do this once you do it.

20 MS. McCARTY: Yes. Specifically to
21 allocation?

22 MR. DEWEY: I think that was the

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1 point I heard. Probably again I'm not
2 experienced in this --

3 MS. McCARTY: I'm not really
4 remembering that.

5 MR. DEWEY: -- area of catch
6 shares. I don't know. I'm interested in it,
7 so I've been paying attention. But if it's
8 not an issue, then I'm fine with it.

9 MS. McCARTY: Paul?

10 MR. CLAMPITT: Well, you know, it's
11 a huge fight, and at the end of the day I know
12 there's people that get the allocation could
13 say they got it right, but the people that
14 don't, disagree. I don't know how --

15 MR. DEWEY: How you say you got it
16 right or not?

17 MR. CLAMPITT: I mean, that's the
18 whole thing, you know. It's the whole thing
19 is the allocation. And, you know, halibut
20 fought with that for ten years, and people
21 still would say they didn't get it right. I
22 mean, I think it's the number one thing that's

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1 addressed. So I don't know how important it
2 is to have.

3 MR. DEWEY: Okay. Very well.

4 MS. McCARTY: It's almost obvious,
5 kind of. It's almost like one of those things
6 that --

7 MR. DEWEY: Fair enough.

8 MS. McCARTY: Yes.

9 Okay. Anybody else? Lee, do you
10 have anything further to add?

11 MR. ANDERSON: No. Well, I think,
12 you know -- your statement there about the
13 ITQs or catch shares are mostly an economic
14 thing, I think that's true. But I think still
15 if you read the U.S. Commission on Ocean
16 Policy and their treatise, or that little
17 section on catch shares, they go quite ways to
18 showing that there are both biological and
19 economic advantages to them.

20 So, you know, I respect your view,
21 and I think you are expressing it as a view.
22 And there are other views on the subject as

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1 well.

2 MS. McCARTY: You know, I'm hoping
3 I'm not sounding one-sided on that. I, of
4 course, understand the biological advantages.

5 MR. ANDERSON: Yes. And you said
6 yours, I said mine, and we can shake hands and
7 be friends.

8 MS. McCARTY: Yes. In the AFA,
9 for example, I mean one of the major changes
10 in that fishery that's occurred is the higher
11 utilization of each pollock. And I think it's
12 something like 25 percent more recovery from
13 the pollock resource. I mean, that's huge,
14 not to mention the bycatch reduction and
15 everything else. I mean, I think the
16 biological advantages to catch share programs
17 is huge. But I think that in the policy
18 itself it tends to:

19 (1) De-emphasize the economic side
20 a little bit. And it also tends to put
21 forward catch shares as sort of the -- as I
22 think Bruce said -- the major tool to solve

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1 the biological problems in some of the
2 fisheries that are in trouble. And so I think
3 the tone of it is just a little bit off in
4 that sense. That's what I was trying to get
5 at.

6 MR. ANDERSON: The major tool to
7 fix biology is a TAC or an ACL that is
8 enforced.

9 MS. McCARTY: That's exactly
10 right.

11 MR. ANDERSON: That is set
12 correctly and enforced.

13 MS. McCARTY: That's exactly
14 right.

15 MR. ANDERSON: But then that's the
16 heart of a catch shares --

17 MS. McCARTY: Yes, that's exactly
18 right. So it's not catch shares by itself,
19 it's other things as well. So I didn't mean
20 to de-emphasize the biological stuff. I don't
21 want you to misunderstand me. Because I've
22 seen it firsthand.

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1 MR. ANDERSON: I'm going to quote
2 you. And I'll quote you correctly.

3 MS. McCARTY: Okay. All right.
4 Anybody else? No.

5 Okay. Then I guess we're
6 adjourned.

7 (Whereupon, at 5:17 p.m. the
8 Subcommittee meeting was adjourned.)

9
10
11

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