# FTS-DEPT OF COMMERCE

**Moderator: Laurel Bryant**
**Commercial Stakeholder Session**
**January 20, 2009**
**12:00 pm CT**

Coordinator: Welcome and thank you for standing by. At this time, all participants are on a listen only mode until the question and answer session of today's conference. At that time you may press star 1 from your touchtone phone if you would like to ask a question.

I would like to inform all parties that this call is being recorded. If you have any objections, please disconnect at this time. I would like to turn the call over now to Ms. Laurel Bryant. You may begin.

Laurel Bryant: Hi everybody thanks for joining us. This is NOAA's Listening Session and Discussion on the Draft NOAA Catch Shares Policy. I'm sitting in for Andy Winer, Director, Office of External Affairs for NOAA. He couldn't be here today, he's on travel.

This is in follow-up to the stake holder sessions that many of you participated in earlier last summer. And hopefully everyone's had an opportunity to read the draft. And Monica Medina and Dr. Mark Holliday wanted everybody to be able to get back together and discuss your thoughts.

And before I turn it over to Monica and we have a number of folks here with us in person, we can go around the room and introduce everybody. Before I do so, I wanted to let everybody know that the audio recording as well as the transcription, as soon as they become available, will be put up on the Catcher's Web page so that you all have that to reference as you have further comments. And with that I'd like to turn it over to Monica Medina.

Monica Medina: Hi everyone. Good afternoon and thank you for participating. I guess we should go around the room and introduce so that the folks on the phone know who's here and maybe everyone on the phone can - oh right, we're in listen mode. You're right. Because there's so many callers, we had to do this in a listening mode.

So everyone isn't all connected, but it does make it easier for everyone to hear. So we'll at least let you on the phone know who's here in the room with me, it's Monica Medina.

Mark Holliday: Hi, this is Mark Holliday.

Jessica Dutton: Jessica Dutton, with the NMFS Policy Office.

Harlan Pearce: Harlan Pearce, (unintelligible) Council.

Jeff Pike: Jeff Pike with the (unintelligible).

Dennis Phelan: Dennis Phelan with the Pacific Seafood Processors Association.

Chris Meaney: And Chris Meaney with the NOAA Program Coordination Office.

Monica Medina: And I know we'll have a list of who participated also available on the Web site later in case you all want to see.

Laurel Bryant: Right, and as people - when we get to the Q&As, you'll be prompted, so please announce your name and your affiliation and then everybody knows who's making a comment.

Monica Medina: And we would like to have time for everyone to make a comment because I - everyone who wants to who is on the phone and in the room to comment. The purpose of these - of this session is to hear your comments.

I have a few short things just to introduce our, you know, our session today. But otherwise, this is your opportunity to let us know what you think about the draft policy, and whether there are things that we could do to change it or improve it that would make it better for - from your perspective. So thank you again for taking the time from your busy schedules.

I know we talked last summer, many of you were participants in that, and we promised that once we had a Draft Policy we would convene again to get your comments and that's the purpose of today's meeting. We really do want to get your reactions and I'm focused on making sure we get everyone's comments and as much time as we have for back and forth, we will use it. But I think the most important thing is to get people's - make sure we get everyone's thoughts.

There will be other opportunities to hear, you know, more comments. And as Laurel said, the transcript and the recording of this session will be available. So in case others that you know might want to hear it, it'll be available for people to listen to. And again, you know, we look forward to even additional or further comments as we go through this process.

As our primary partners in fisheries management, the councils were a critical part of this process and we benefited greatly from the active participation of the eight council members who served on the task force. Without their insights and experiences about catch shares, the policy wouldn't be as well thought out as it was - or is.

And we will continue to need the council's participation, understanding and hard work to - to - to implement the policy and we really want to impress upon everyone that the policy's intended to provide the council's flexibility and support for considering catch shares, it's again not a mandate for catch shares.

We just, you know, want to make sure that councils are thinking about catch shares when their looking at the whole tool box of tools, particularly in this difficult year where many fisheries must begin rebuilding.

Rebuilding our fisheries and sustaining jobs and communities is one of Dr. Luke Kinko's top priority. Everyone at this meeting realizes what the challenge is in front of us is significant. But we have made progress in rebuilding many fisheries under the Magnuson-Stevens Act. But we still have more work to do.

The Draft Policy, again, is a foundation for facilitating consideration of catch shares as a management tool to help us fully realize the economic and biological benefits of rebuilt fisheries. Catch shares are not a panacea, they're not appropriate for every fishery or every sector, but they are currently in use by six councils in 14 different fisheries. So we have some experience now to build on.

And what our experience shows us is that fisheries that are managed with catch share programs do perform very, very well -- better than fisheries managed with traditional pools. Even in the first years after implementation, catch share fisheries are stable and increasing productivity, their economic benefits and therefore benefit coastal - the coastal communities that are reliant on fishing.

The outcomes of catch shares can help also restore healthy ecosystems and getting - and get fisheries on a path both to profitability and sustainability. There are pros and cons to catch shares, no strategy is perfect. And we

hope that councils will look at the pros and cons of catch share alternatives when they - when they're considering them and we want to facilitate that hard look.

We don't set numeric targets with this policy for how many catch share programs we want to have. It is a national policy, but it has to be implemented locally. And so each catch share fishery will have a locally designed and implemented plan. I mean this is a national policy in the policy document, but implementation is absolutely local and to be determined by each council and local area that would implement them.

I do want to emphasize how much flexibility was designed - or was left in the policy. We tried very hard to make this policy something that would be durable but - and flexible so that each council considering using catch shares would have guidance but not have difficulty implementing or living up to the policy.

We do encourage that as councils are looking at catch share policies they think about the specific management goals they're trying to achieve. With any one fishery management plan, we encourage them to choose whether, when and to whom to allow transfers of catch shares. You know, that's a key design element.

We also encourage them to look at how catch shares can be used to help fishing communities. We encourage them to look at how a catch share program would benefit not just today's fisherman, but future generations of fisherman. So that we have young people who are still consider fishing to be a profession they want to enter.

We ask that councils really thoughtfully consider loyalties and - so that we can support the science and research and management needed to implement these catch share programs. They are complicated. And we encourage councils to be flexible in the - over time as they implement catch share policies and to review how their catch share policies are working so that corrections can be made, or changes can be made as the council thinks may be warranted if they're not meeting all their design goals.

We believe, and Dr. Lubchenco believes, first and foremost that considering catch shares can help the nation transform our fisheries and ensure their prosperous and sustainable for today's generation and for future generations.

And you know, we do sincerely want your feedback on the policy. We are looking for anything from general reactions to word edits. We do have

availability of the Web site, you can submit written comments on that. So we encourage that. And I just look forward to hearing from you.

I think we have probably 20 people or so on the line and three here in the room. Why don't we start with comments from the phone just so that some of the people who are on the phone can jump in here.

Monica Medina: Okay. If you'll give us a minute, we're going to ask the call moderator to turn on the lines so that you can get in the queue to ask questions or make your comment.

Coordinator: All right, thank you. We will begin the Q&A session. If you'd like to ask a question please press star 1 on your touchtone phone. When you're ready, make sure your phone is un-muted. You are required to record your name and your affiliation. And if you would like to withdraw your question, press star 2. One moment please for the first question.

Coordinator: I currently show no questions. If you would like to ask a question, once again it's star 1 from your touchtone phone. Star 1 from your touchtone phone.

Monica Medina: If there are no questions on the phone, at least initially we could turn the focus in the room and see if they have any comments or questions that they'd like to share.

Coordinator: I do have one question that has just come in. Give me one moment.

Monica Medina: Okay.

Coordinator: All right, Linda Kozak, your line is open.

Linda Kozak: Thank you. Good morning Ms. Medina and those who are present on the phone and here in Washington D.C. I would like to thank you for the effort that you put forward in this document. I think it's very readable and understandable.

I have - as you know from previous conversations, most of the folks on the line probably know that we in Alaska have catch share programs. And I support the implementation of catch share programs when done properly.

I've worked closely with the implementation of the IFQ program for sable fish and halibut, as well as the crab rationalization program. And we've learned many good lessons from both of those fisheries that can be

utilized in other regions for determining what kinds of social engineering that you'd like to have put into a program to protect not only the resource, but the participants and the communities.

I do have one comment on Page 7 of the Catch Share Policy Draft and at the top of the page it talks about royalties. And one of the things that I think is important, it says, "Currently no LAP program collect royalty payments," and then goes on to say, "that many important social, economic and community objectives of a fishery management plan could be funded by royalty payments."

And I'd like to make a note that in Alaska , all of our limited access programs that are individual or cooperative based have royalty payments paid directly as part of the quota allocation to communities. Bering Sea, Aleutian Island communities benefit from royalty payments based on my understanding of this paragraph, in order to achieve many of these goals. And I think it should be clearly identified that - and in the crab program for example, 10% of all of the catch of crab is directly funded to the CDQ groups as a form of royalty. And I think that that should be clearly, I think, noted because it’s something that we take for granted up here but it’s probably something the rest of the nation isn't aware of.

Monica Medina: Linda thank you for that comment. We probably can acknowledge that in some cases, in limited cases there have been, there is some experience with royalties -- or at least payments that benefit communities. I appreciate that. We wouldn't want to give the wrong impression here. So, point noted.

Linda Kozak: Thank you.

Monica Medina: And thank you for the nice things that you said at the beginning. We did work hard on it, but we can always make it better. Anybody in the room with a comment or thought on the policy?

Dennis Phelan: I'll jump in. This is Dennis Phelan with Pacific Seafood Processors.

Man: (Unintelligible).

Dennis Phelan: And actually I mainly just wanted to compliment the agency on the document. I think it’s an excellent document, it’s very well written. And as Linda said it’s very clear, very concise. And I was very glad to see that you didn't make what I think would have been the error of coming in as from the point of view of trying to force feed something as opposed to

more of a cheerleader role and outlining why these programs can be useful in various areas of the country.

You're going to have a better chance, I think, getting more of these programs accepted if people feel that it was their own decision and that it was regionally based and that it was not something being handed down from on high. You just know that - especially in the fishing industry there tends to be a lot of push back when things like that happen. Sometimes in the health care industry too, but...

Monica Medina: Yes.

Dennis Phelan: ...we won't get into that. But one of the things I wanted to - or two things I wanted to ask. One thing we're concerned about is you've got this good policy document and a good legal framework setup for these programs.

And then we've got, sort of waiting in the wings, the Marine Spatial Planning document, and some of us are concerned about what the relationship is going to be between those two. Because we don't want to have our current fishery management system, and the system for creating rationalization plans, catch share plans, being superseded by a new entity of some kind or another.

So I'm not looking for an answer so much on that, but just to throw it out because there is concern about whether the fishery management system is going to remain an independent entity.

And then the other thing which, if there is any answer available on this, I know that the (CARD) Appropriation bill contained funding for development of the catch share programs. And I'm trying to find out if the intent was for that money just to be for development of new programs, or if some of that money can be used in support of like research needs and other things with existing programs.

Monica Medina: Thank you Dennis, those are - that's a very good question at the end. And I do appreciate your comment about us not making it mandatory. We did hear that loud and clear. And made a very conscious decision to do this in a way that we thought would get greater acceptance.

And I guess that's one of my questions to everyone in the group is, "How can we make sure that that's communicated effectively? Because I'm concerned that people don't know or can't, you know, if they're still concerned and or worried about catch shares that they - and the fact that it's new and different, they let that overshadow kind of the flexibility that

we've built into this. So that's more of a question to you all, and I look forward to hearing more of your comments.

As for Marine Spatial Planning, and the Ocean Policy Taskforce activities that are going on, I haven't been as closely involved in that effort because I've been doing this one.

But my understanding is that that's an effort to reconcile and to just look at where there might be competition already in existence, or where it might be on the horizon and try and reconcile so that people appreciate and understand what all the various uses are that may be planned or taking place out there in the water now.

It's not intended to supersede Magnuson at all. It's in fact intended to be able to maximize all fisheries and fishery management in the context of all these other demands that are coming you know, or ocean. And so I don't think there's any - there's no statutory authority for it to override or supersede Magnuson, so I don't think anyone should worry.

The goal actually is really to make sure that we get the most that we can. And if fisheries are important in one particular region, that we let energy developers know that so that they're - so there's a forum for those sorts of conflicts to be discovered, analyzed and then considered by the various groups.

With respect to funding and the 2010 budget, the goal was to, you know, do as much to fund catch share programs as we possibly can. We were clearly looking at New England , but I don't know that we've - I think we have a little bit of additional funding for implementation that we weren't even - we just learned about.

So if there's a particular need that your, you know, your council or your region has, let us know. Because obviously, you know, it takes money to do these things and that's part of where we're trying to create, you know, the easiest possible way forward for parts of the country that are looking at catch shares. We don't want funding to be the stumbling block.

Any more questions on the - from anyone on the phone?

Coordinator: I do show a question from Steven Minor. Your line is open.

Steve Minor: Yes, thank you Monica. The - this is Steve Minor, I'm with the North Pacific Crab Association in Alaska . And I'm a little concerned that Alaskans are dominating this right now.

But we do have one concern in the Draft Policy, we always support catch share programs, we operate under one. But catch share programs are output controlled programs that rely on a strict adherence to a task. And even though the Magnuson (unintelligible) say that you can (unintelligible) catch shares, for instance, for the commercial sector. But you're not obligated to apply them to other users of the same resource.

We're starting to see problems with that -- not in our fisheries, but in other fisheries (unintelligible) Alaska where you restrict the output effort of one user group. But you'll allow uncontrolled growth, or unenforceable management measures amongst other user groups. You know, eventually you sort of undermine the entire sustainability goal.

So I know that there's a bit of a problem here in that the Magnuson-Stevens (unintelligible) Act does set up that sort of possibility, but it would be good if your Draft Catch Share Policy addressed this potential conflict, or this potential undermining of sustainability and it needs some more depth because we think it's just an emerging problem now. And that's my comment. Thank you.

Monica Medina: I appreciate that Steven. Thank you for that comment. I think we are aware of that tension. And I'm just curious if you think there's a particular place where we could work that in the policy. And you don't have to answer me now, but if you wanted to send us an email or place - put a comment on the Web site, that would be great. That would help us a lot.

Steve Minor: Yes I will follow-up. Thank you.

Monica Medina: Great.

Coordinator: I do show one other question.

Monica Medina: Great.

Coordinator: That's from David Krebs, your line is now open.

David Krebs: Yes, good afternoon. David Krebs, President of the Gulf of Mexico Reef Fish Shareholder 's Alliance . And I too wanted to thank you for all the work you guys are doing on catch shares policy and getting out the

design features that can affect all these communities that are looking at them.

But of interest, and my comment, is just I think I understood Harlan Pearce to be in the audience there, from our Gulf Council and that's awesome. If I understood that right.

And I'm just excited to hear you announce that there's some additional funding available. And just would like to make sure that that gets followed up to our council because we certainly have a couple of reef fish fisheries that we're associating a lot of discard with that we would like to move forward on implementation of the - of a catch share program.

So that's my comment and thank you all for the good work.

Monica Medina: Glad to - we'll follow-up with you on which ones those are so that we can be as helpful as possible as you go down - start to go down this road. I mean we're very pleased with the success of the Gulf Council with catch shares already, and know how difficult it was to get there. So we're grateful. And just look forward to working with you further.

David Krebs: Thank you.

Monica Medina: And I'm going to apologize because I may sneeze. I have a terrible cold. But I think I have one more question from...

Laurel Bryant: John...

Monica Medina: John...

Coordinator: John Sackton, your line is open.

John Sackton: Thank you, yeah. This is John Sackton, I'm publisher of Seafood.com news. And I'm also based up in New England . And I apologize if the question seems a little bit naïve to some for the people in the agency, but my question on catch shares is this, "is that the catch share policy is running on one track. And NOAA science, and particularly in New England, the Northeast Fishery Center, you know, science of understanding stocks and setting annual catch entitlements and annual catch limits is running on a separate track."

And my question really is this, "Because one of the primary benefits of catch shares is reducing uncertainty about fishing mortality, particularly in

terms of discards, to what extent is the agency willing to use that reduction in uncertainty as a positive tool in implementing the actual allocation of catch share entitlements and catch limits when a fishery is undergoing a transition from a effort control fishery to a catch share fishery?"

And the reason I ask that is because in the past as those better sort of scientific data has become available -- for example through a reduction of discards, or through a better understanding of fishing mortality -- it's normally taken a few years for that to cycle back into the tax setting process. And I wonder if there's any sense in the agency that they would be open to speeding up that process?

Laurel Bryant: (Unintelligible)

Monica Medina: Yeah Mark, let me just give you an initial reaction, which is that that's a very, very specific comment. And so I want to answer it but I just - I don't know if there's - if you, John, can think about the policy and sort of the more, I don't know, 20,000 or 30,000 foot level that we're trying to aim this policy at. You know I'd assume you wouldn't want anything too specific on a point like that, other than maybe a recognition that it takes time to maybe make the transition between - from - going from a, you know, a effort control fishery to a catch share program.

Would that be helpful? Is that something that you think we need to include in this policy? And then we'll get back to your specific...

John Sackton: Let me say why, because I think that this is all for the - aiming for the success and the greater take up of catch share programs, which the - the - the policy document I think does a very good job of laying out a lot of benefits. But there's a lot of resistance and a lot of potential economic dislocation that has been possibly falsely attributed to implementing catch shares.

And the only reason I ask the question on a policy level is to say whether there can be any - you know, is there some boundary that we just cannot cross? Or is it reasonable to think that the catch share policy could have some recognition that the benefits be taken up in terms of changes in fishing mortality on an accelerated basis?

Mark Holliday: So Monica, if I could just jump in, I think the way to put this in context is that catch shares really is the tail end of process that starts with

conducting the stock assessment scientific analysis. And that scientific information goes to the council (unintelligible). And they're the ones recommending to the council how to account for that scientific uncertainty and setting an allowable biological catch for each of those species over time. So that's the starting point of how we get to distributing that allocation.

The council then take that ABC, they account for the management uncertainty. They've set the total allowable levels - total allowable catch for the year. And the catch share program or the (Fecta) program then distribute that among the participants that are in that program.

So anything that you're doing to improve the quality of the science, and the delivery of less uncertain removal levels it's going to affect that initial allocation that the council started off with as the recommendation of that (SFP).

The Magnuson Act doesn't allow catch shares, or anything else to, you know, intercede and say there's a accelerated pace. We have to have APL, we have to abide by them. There's roles and responsibilities for the (SFP) to account for that scientific uncertainty, council to council to management uncertainty and set those annual (TAT)s.

So I think we want to try to maintain, you know, perspective that we can't get more precise distributions unless we have good science. And I think the approach NOAA has taken in trying to balance improving the quality of the science, looking at discard rates, you know, spent investing in both the science and the management side are complimentary. And that's how New England has been approaching this in 2009 and with the 2010 budget.

But I don't think the policy itself, the catch share policy itself is the appropriate place to target that reduction in scientific uncertainty. That starts with that scientific process that's conducting the stock assessment itself.

Monica Medina: I do agree that with Mark, that it's hard to put everything we want about fishery management into this policy. But I hear you on the fact that, you know, our science has to be really good. and the basis - the foundation for all our management has to be really, you know, as good as we can make it with the resources that we have.

And I am also mindful of another thing that you said that I think we have to work hard to kind of counteract, which is this misconception that somehow catch shares is causing the dislocation for the, you know, the difficulties with continuing fishing at the levels that we have in certain places.

And I'm mindful that the two are related. And that, you know, discards is a, you know, another aspect of that problem. So I hear you and I think we take your point. And we'll think about how we might be able to at least, if not in the policy itself, as we continue to roll it out in certain places we keep in mind what you've said.

You know, I do think we try to emphasize the importance of science. I think one of the things that is a benefit about catchers is that it’s a more precise way to actually regulate a fishery because you, you know, take in sort of these effort controls that are infrasized (sic) and turn them into much more precise, exacting controls on particular fisherman and locations and time.

So you know, that is the goal, to get as close as we possibly can to being able to, you know, maximize these fisheries and minimize the controls on fishing.

John Sackton: Thank you.

Monica Medina: Jeff? Let me see...

Jeff Pike: Yeah?

Monica Medina: ...in the room here. Jeff Pike.

Jeff Pike: This is Jeff Pike. I just want to follow-up with - on John’s remarks. And maybe with a little different focus. But Monica, you know that New England fisheries are undergoing the largest transformation they've seen since March 1, 1977 when Magnuson went into effect.

And under Amendment 16 on the (Ground) Fish Plan, we will now have 19 sectors. They’re implementing a catch share program as we speak.

Management system, the council system and NMFS is under assault right now. (Unintelligible). Everything is being questioned. And I'm not just saying that’s right or wrong but everything is being questioned and there’s a lot of anxiety.

I think one of the things that John was referring to, and maybe at the 30 foot level you could do this, is some sort of statement about the timing of the science to coincide with decisions on allocation. And let me give you a very specific example; we are trying to get 19 sectors up and running (unintelligible) multi-species troll fishery. There's not enough Pollock to go around, and Pollock is a buy catch. If you don't have Pollock quota, you can't go fishing for anything else.

Monica Medina: Right.

Jeff Pike: Allocation decisions have to be made in March/April timeframe. In June there's a new Pollock assessment due out, which is going to show that the Pollock resource is actually much healthier than the old (unintelligible) because of the efforts of council (unintelligible) today.

But we would have already had to make that allocation decision. And it just does not - the system doesn't seem to be working to sort of create an environment where people embrace catch shares in a way that says, "Yeah, we can survive." I think that's what he was getting at.

I'd like to mention one other comment. And I - it's referenced on Page 5, specifically National Standard Number 4, and the Excessive Share issue. We have in various catch share programs there are requirements that no one person or entity may hold or own a percentage of the quota -- for obvious reasons. Prior to Amendment 16, in New England (Ground) fish, sectors were only allowed to have the maximum 20% of the quota of any of the stocks (unintelligible).

There are no excessive share standards in Amendment 16 now.

Monica Medina: Right.

Jeff Pike: And it's conceivable that an entity could in fact own or hold more than 50%, 70% of a particular stock, which all of New England would need.

So I think, while it's referenced here, I think you need to be more specific about what you view as acceptable and not acceptable. And I'm not sure that means numbers, but it could mean things like market manipulation, where the result would be an undue, unfair price per quota so that other participants in the fisheries could continue to harvest their allocation.

This was the big issue in the (Surf Plant) Fishery recently, (Joel McDonal) brought it up in trying to establish an (unintelligible) program in excessive share. It's very hard once the program is underway.

So I would just ask that you consider including in the review of Amendment 16, whether or not there ought to be appropriate caps on ownership as you go about allocating these resources. Because it could lead to some very, very significant consequences. And your community benefits and all those other things we're hoping to get could be wasted. Anyway, thank you.

Monica Medina: No, Jeff, thank you for those comments. I appreciate your help in further explaining what John was getting at. That was very helpful. And we'll have to look at that point about how the science and the timing on allocation need to be as closely aligned as we possibly can get it.

You know, in a perfect world it would be that we have the science before we had to make the decisions. And you know, maybe that's something for us to look at when we're in the early stage so that we can accelerate if we need to in order to have the information that the council needs to have to make these hard allocation decisions. And I think, you know, we all appreciate that allocation is part, and the hardest part, of sector management.

I don't want to say too much about Amendment 16 because that is sort of a very specific one. On the other hand, the issue about excessive shares was one that we thought long and hard about as a policy. And now seeing how it's played out in Amendment 16 has informed my view about the policy.

And you know, we look to the council that hits hard because our regulatory process is what it is. You know, the council will give - serves us up something and we can't - it's harder for us at the end of the process to change what they give us. You know, we have very crude tools; yes, no, partially yes, no. But you know, we're beyond design which makes it hard for us.

On the other hand, you know, we though really hard about this excessive share issue and we didn't want to have a situation where people felt like there could be this stockpiling of shares or, you know, that somebody would get undue market power and create an unfair situation. So we are thinking about this right now.

And I appreciate you bringing it back to the policy because it may be that we could say a little bit something more that would have given a council more guidance about this, maybe would have made it more of an issue for them as they were in the design phase. So point taken.

Harlan Pearce: Harlan Pearce, Gulf Council. I understand John saying (unintelligible) council is really laboring and fighting hard on the data side. We're pushing very hard for new electronic data collection (unintelligible). And I think it behooves NOAA, as well as the council (unintelligible) data collection processes and be mindful of that problem and to help us move along with electronic (unintelligible) goals that we hadn't set (unintelligible) council. We had the notion to give them six months, three months as a time frame, but we want to get it done now. It's very important to the development of catch shares that (unintelligible).

The other thing I would like for them to do, is that I think that those electronic (unintelligible) goals should be across all fisheries, no matter if the current status is correct. We have fisheries in the Gulf that have been closed for 25 years that we can't wake up (unintelligible), and give them (unintelligible) migrations that were more active (unintelligible) and we haven't done that.

And I think that it's the worth the (unintelligible) to get that done, I believe (unintelligible) I know at the council level, at the Gulf Council, we're going to push back with electronic reporting goals. I know this is (unintelligible) higher sectors pushing hard with us right now, and I hope that by (unintelligible).

Monica Medina: Harlan, thank you for that. We couldn't agree more. It's time that we have fishery management that's in the 21st Century and can take advantage of all this technology that's out there, to better manage our fisheries. And we're going to work hard to do it.

You know, we keep putting in additional funding requests. Budget isn't available yet, but it will be soon and, you know, we are trying very hard to get the funding that we need to do just that.

And we appreciate that if we can get that funding and can, you know, do things like improve our technology and make electronic data collection a reality we will do a better job, we know that.

Harlan Pearce: What I've found too is that foresight (unintelligible) the worst than none at all. And if you don't have the funding for the correct stock assessment...

Monica Medina: Right.

Harlan Pearce: ...don't do it at all.

Monica Medina: Right.

Harlan Pearce: We've seen a lot of stocks testing come down that just were terrible. And it - all that doesn't hurt the fishery at all. When you're going do a stock assessment, spend the money, do it right. And get it done, and then we'll come up with (unintelligible).

Monica Medina: You know, I think that's sort of the Hobson's choice in all government. Do you take the limited funds you have and try and spread it out so that you get something for - a little something for everybody, or do you do a really good job in the places where, you know, you choose to - and then how do you choose?

So it is always on our mind, and I do appreciate that and it's actually is - in our thinking about funding on catches, we really were thinking that we needed to be able to fund fully, so - peer programs that were in the works so that they were done right and they were seen as fair and, you know, world class. Rather than trying to give each council a little bit to spend on catch share.

So, give us time and we will get around to everybody, and I think the success of these things help us get more funding in the long run. So I take your point and, you know, it's just - it's always the struggle we have adjusting. So are there any more - there's another question on the phone.

Laurel Bryant: It's Robert Alberson.

Monica Medina: Robert.

Coordinator: Robert Alberson, you're line is now open.

Robert Alberson: Listen, am I coming through?

Monica Medina: Yes you are. Hi Robert.

Robert Alberson: Yes, thank you very much for an invitation and putting this together. It's very useful and I - we have a beautiful morning on the West Coast

here, early afternoon there. So, I want to compliment and endorse the comments made by Dennis Phelan and Linda Kozak, and the overall draft here is - it's very easy to read and I - it - it's very well done.

On Page 5, you were talking to that issue on Page 5, there was a couple of issues. One has to do with - it states, "Reallocation can be considered at any time," and in the next paragraph it mentions, "A program can be amended at any time, specified by the council."

And where I - we find those to be accurate statements, the thing that we think is a bit missing there, is that if a council chooses to amend or revoke an IFQ program, they need to go through the same analysis, legal, social. They can't create a worse situation than they got, in other words.

So I - they way we kind of read that, it kind of scares some people that, "Well we got a majority vote this year, so we can just pull the program." There's a process for amending programs and getting things through the system. And if you are going to pull something or change it, they still have to meet those same national standards.

So, I'm thinking that one or two lines to suggest that, it would be helpful and at least alleviate some fears on the West Coast because we have some many IFQ programs that are heavily invested that when we see things - that things can be changed at any time, and everybody gets a little prickly on the West Coast. So...

Monica Medina: Yeah

Robert Alberson: ...and then the second issue I noticed coming out the December council meeting of the North Pacific Council, there was a concern of losing some survey time in the Aleutians and Bering Sea. And the (FSC) noted that by losing that survey time because of budget restraints it could shift.

We have these tiers based on the amount of science that our different resources have and each tier gets more conservative as you go down the list. So there's a concern that we - that the science and the surveys are extremely important on the West Coast, both in the Pacific and the North Pacific Council in maintaining these catch share programs. So, I'm just putting it in a plug in to keep those surveys at their current funding. Thank you very much.

Monica Media: Got it. Thank you for your comments, you know, we hear you. And I do appreciate your comment on - the first one about - you know going

through a process that you're going to change or revoke a quota or catch share program. You know, that having to be a fair process as well. It's kind of - we'll see if there's something we can do in this part of the policy to make that clear.

We wanted to be flexible, we wanted it to be - the policy to encourage these catch share programs to be dynamic and respond to the needs of the community and the resource. But, you know, we appreciate that nothing should be done precipitously, because these are very important decisions for people's livelihoods and for communities.

Anybody else in the queue and in here in the room who wants to give us any other feedback. I mean we are really grateful that you're interested. I do need everyone's help in talking this - talking about this with people in their communities and making sure that people understand that we are not trying to mandate this. We're not trying to create controversy around fisheries management with this.

We really are trying to find another tool. A good possibility to, you know, create the kinds of economic and resource stability that will, you know, make everyone's lives easier and better in the long run. And transitions are hard and we understand that so...

Laurel Bryant: I do have another question.

Monica Medina: I have a new question now. Arnie?

Coordinator: I do show Arnie Thompson. Your line is open.

Arnie Thompson: Yes, this is (Arnie Thompson), I represent the Alaska Crab Coalition and we've been involved in the Crab Rationalization Program in the Bering Sea for many years.

And we also are - participated as an observer in a development of the Halibut Sable Fish IFQ Program and the Pollock Cooperative Program and, you know, I think, that up in the North Pacific all these programs now are pretty much are viewed as successful and beneficial to not only fishermen and processors.

But you know, in particular their resources and the communities have also obtained a lot of benefits. I think that this NOAA catch share policy document is really well done, well developed and it is surprisingly full, you know, for, you know I guess you could say a first crack at really big policy issue.

I'd like to endorse the comments of (Linda Kozak) and Dennis Phelan and (Bob Alberson) also as (Bob) endorsed them. As I think those comments are quite pertinent. Also (Steve) Minor's comments.

In addition I'd just like to take a minute and draw attention to a couple of other things under Goals, Page 2. We have talked about the whole thing about impediments and term limits on catch shares. And catch shares, as (Bob) noted and it's in the document are privileges. And the councils can go through the process to, you know, unwind or just ban a catch shares program, the other port authorities do that.

But in our discussions about term limits, they can create a short term attitude towards a resource. If person's think that, "Okay, I got 10 years, so I'll get what I can out this, and sell out or leave." The other issue in terms of impediments, but we all - we certainly have dealt with it. I think we've dealt with it in an admiral fashion, up in North Pacific is the social economic costs social engineering.

And this is part and parcel of well constructed catch shares programs, but they create a lot of fear for participants who will be involved in a catch shares program. Because they're trying to figure out where there's going to land at the end of the day, when that catch share decision goes down. So I just point that out, and there is the 3% management fee.

Up in Alaska with the community development quota programs, it's been very successful. This is a regional solution, a regional track royalty, but the benefits stay in the region, and those communities on the quota programs, at least up in the North Pacific have been very successful programs (Blue Straps) programs.

Another issue is that you touch on is cost recovery - pardon me, the NMFS finance program. We finally have funded through appropriations bill a - somehow an $8 million increment for loans, for crab crewman. And it's been very frustrating for the industry.

That was part and parcel of the council action to implement a loan program, but due to congressional delays, it just finally got funded after five years after the program got started. So I think that an emphasis on the loan program being available for new catch share programs is a real positive thing.

Cost recovery, the crab program, and this is just for other listeners online, we, you know, we started out with costs being maximized at somewhere around $3 million a year. And that's been reduced within four years it was down - got down to about $1 million. And so there's

administrative efficiencies that develop under these catch share programs, and the National Fishery Services has a lot of experience with that.

Also I - one final comment, you note there about looking and developing models, helping industries by actually, you know, putting on a hand book on catch shares using experiences elsewhere, and I think that's really a good idea. Workshops and that sort of thing, I think that's what could become a very important part of your program. Thanks for the opportunity to comment.

Monica Medina: Arnie, thank you for all those comments. Those are very helpful. I think you hit upon one of the things that really makes this, you know, something I really have a lot of passion for, and want to work on, and that is the community aspect of this. The fact that in these programs people are thinking about, you know, you call it socialized marrying. But I think about it as sort of the greater good of the community and how, you know, helping the community helps everybody in it.

So, I, you know, I take your points on that. On, you know, the - on our outreach and we can help, I appreciate your endorsement for, you know, more workshops. The New England Council did one, and I think it did help to dispel some of the fear and the myths that were, you know, out there about catch shares.

We have a lot of work like that to do, and handbooks and anything else that people think that would be helpful for us to provide to you councils and the fishermen and communities so that they can better participate, please let us know because that's exactly the kind of thing we want to do.

We do want to, you know, be helpful, which I guess scares people a little bit, but it's true. And you know, I'm glad that they policy is easy to read and accessible, that was very much the goal. And hopefully our implementation can be the same. Anybody else, any more comments?

Man: What's the timing process?

Monica Medina: Well we have more of these listening session with other groups of stake holders, we'll probably do even another set. You're at the end of the comment process. We're trying to every council meeting where the councils have a desire to talk through the policy with us. And we are trying to do some additional outreach at other meetings that, you know, where we know that stakeholders have an interest.

So if you have in any of your regions or in any of the fisheries that you work in, if you have a meeting that you want someone to come and talk about the policy at, please let us know, we'll make that happen. We want to take advantage of technology as much as we can, so please talk up getting more comments from other interested people in your regions or your sectors. The more input that we have, I think the better this will be.

The comment process ends April 10, so we'll try and finish the policy really quickly after that and come out with a final version. And like I said, if you have anything else you want us to know as you are thinking about this more, please let us know. We are very much welcoming any additional feedback.

And I apologize for having such a bad cold. I'm so sorry, and I appreciate your time, anybody else? Really, you know, we have blocked another hour, so anybody else, you know, please feel free to jump in.

Coordinator: Once again press star 1 from your touch tone phone if you'd like to ask a question. Please record your name and affiliation clearly. Once again that’s 1 for a question.

Monica Medina: Yeah Mark, can you talk about just for a minute, have we gotten any comments online?

Mark Holliday: Comments are coming in two ways online. One is the Web site where people post their comments, and other people can see them online. As to the Web site, we have four dozen, you know, 50, 60 comments. The other is people are sending comments via email, through catchshares@noaa.gov, and we've gotten thousands of comments coming in that way.

Many of them campaign comments, but we've had hundreds of individual comments that were written out. Some for, you know, strongly for catch shares, some strongly against catch shares. Some of them even actually talk about the policy itself. So - it - we got all sorts of questions fielded as well, so people are taking advantage of the opportunity.

But we encourage people to get on the record, and even if, you know, all the material we've done today is part of our record comment and consideration and, you know, drafting a final policy. But please encourage people to go to www.nimphs.noaa.gov - catch shares, and that will direct you to the Web site to the email address.

It’s people’s opportunity to really have a voice in shaping the content of the direction of this guidance. So we’re really encouraged about the response so far. And as we get out in the field I think we'll get more,

again, closer to the deadline a lot of people kind of step up as a sort of the last minute to get their comments in to us. So we'll take them now, we'll take them later.

Monica Medina: Right.

Mark Holliday: Vote early, vote often. (Laughter)

Monica Medina: Right. And we do appreciate the feedback we got in the process of actually drafting the policy from you all and others at the time. So, it definitely made it better and we look forward to more comments. And if we do another one of these, we'll let you know. And thank you again for your interest.

Laurel Bryant: This is Laurel, just before we close out on this, thanks again to everybody and once the transcripts and so forth from this phone call gets done, we'll go ahead and mail that out to everybody and give you a heads up that it’s up online and available if that’s helpful to anybody. Anything else?

Monica Medina: No. Thank you.

Laurel Bryant: Okay, thanks everybody.

Monica Medina: Thanks everybody. Bye-bye.

Coordinator: That concludes today’s conference. Thank you for participating, you may disconnect at this time.

END

## Participant List

NOAA Representatives

| | First Name | Last Name | Organization |
|---|---|---|---|
| 1 | Monica | Medina | NOAA Special Advisor to the Under Secretary |
| 2 | Mark | Holliday | NMFS Office of Policy |
| 3 | Jessica | Dutton | NMFS Office of Policy |
| 4 | Chris | Meaney | NOAA Office of Policy |
| 5 | Laurel | Bryant | NMFS Communications and Outreach |

Stakeholders in Room

| | First Name | Last Name | Organization |
|---|---|---|---|
| 1 | Dennis | Phelan | Pacific Seafood Processors Assn. |
| 2 | Jeff | Pike | Pike Associates |
| 3 | Harlon | Pearce | LA Seafood Promotion & Marketing Board |

Stakeholders on Phone

| | First Name | Last Name | Organization |
|---|---|---|---|
| 1 | Monica | Allen | NOAA |
| 2 | Robert | Alverson | Fishing Vessel Owners Association |
| 3 | Everett | Anderson | |
| 4 | Susan | Chambers | West Coast Seafood Processors Assn |
| 5 | Kenny | Down | Freezer Longline Coalition |
| 6 | Tom | Gemmell | Marine Conservation Alliance |
| 7 | Gretar | Goodmanson | Alaska Crab Coalition |
| 8 | Linda | Kozak | Linda Kozak |
| 9 | David | Krebs | Ariel Seafood, Inc |
| 10 | Jennifer | Litteral | Island Institute |
| 11 | Steven | Minor | North Pacific Crab Association |
| 12 | Edward | Paulsen | Alaska Crab Coalition |
| 13 | John | Sackton | Seafood.com |
| 14 | Jim | Stone | |
| 15 | TJ | Tate | GOM Reef Fish Shareholders' Alliance |
| 16 | Arni | Thomson | Alaska Crab Coalition |