FTS-DEPT OF COMMERCE

Moderator: Laurel Bryant
Recreational Stakeholder Session
January 22, 2010
1:00 pm CT

Coordinator: Welcome and thank you for standing by. At this time all participants will be in a listen-only mode until the question and answer session of the call. To ask a question at that time, please press star 1. Today's conference is being recorded, if you have any objections you may disconnect at this time.

I would now like to turn the call over to Andy Winer, you may begin.

Andy Winer: Good afternoon everybody. This is Andy Winer and I want to welcome everybody to NOAA's Listening and Discussion session on the draft NOAA catch share policy. This phone call is a follow-up to the stakeholder sessions that you participated in last summer.

And hopefully by now everybody's had a chance to review the policy and at this point we wanted to give everybody a chance to discuss your thoughts and input. Once again I'm Andy Winer; I'm the Director of External Affairs. And with me this afternoon I've got Monica Medina who's the Principal Deputy Undersecretary for Oceans and Atmosphere and Dr. Mark Holliday, the Director of the Office of Policy and NOAA's Fishery Service.

And then also with me - with us this afternoon are only representative from the recreational fishing industry is Earl Comstock and then we have a number of you on the phone call as well.

Now before I turn the call over to Monica let me just go through a few things with everybody. We are going to record and transcribe this phone call. And what we're going to do is to post the transcript of this on the catch shares Web page and it will be available for your reference or if you have colleagues that weren't able to join us this afternoon you'll be able to direct them there so that they can see the feedback that we had this afternoon.

And the way that we're going to do this is we're going to start with introductory comments from Monica and Mark and then we'll begin our discussion. And what we'll do is if there are people that are on the call we'll give you instruction on how to get in line so you can ask a question. And when you do get called to ask a question if you could identify yourself and your affiliation clearly so that we know who you are, that would help us all when we do the transcript.

So at that point like I said the Operator is going to give instructions on how to enter into the queue so that you can ask a question. And if there's any questions at that point in time hopefully we can address them. And so with that I'd like to turn the floor over now to Monica Medina.

Monica Medina: Hi everybody. It's nice to talk to you all today. Thank you very much for taking time from your busy schedules to talk to us again about the catch shares policy. Many of you probably participated in last summer's catch share stakeholder sessions where we - as we were drafting we asked for your views on what a policy might look like.

And I promised then that we would come back when we had a draft policy and hear your views again. And so we are very glad to have this opportunity.

And if we need to have another one I know that sometimes these are hard to make but I do appreciate that people are here today.

But if there are more folks that you think we need to hear from we'll set up another stakeholder call before the end of the comment process because getting feedback from constituents is really the most important thing that we can do now to improve the policy and make it something that folks feel they can work with.

So I also want to say that as we drafted the policy we did get a lot of feedback from around the country from the councils that were part of the process and from the various different sectors.

And I think that’s reflected in the policy but it is just a draft and so this is another opportunity for us to make sure that we have heard from, you know, all the various interests and rec fishing interests are most important to us, I mean, we really do want to make sure we've heard your views.

It’s really important to us that we have a policy like this in place but catch shares is just a tool it’s not an outcome. This is just one mechanism that we think has some promise for rebuilding over-fished fisheries. And the outcome that we care about the most is making sure that you in the recreational sector and commercial fisherman have a healthy fishery that you can enjoy and that future generations can enjoy.

So catch shares is really just a tool. It’s only one tool but it is one that we think can help in some circumstances. I think you'll see that the policy has an awful lot of flexibility built into it, you know, there isn't a one-size fits all prescription or formula for catch shares built into the policy and I hope we've actually built in a lot of flexibility.

But given councils and the public some of the kind of the things - the sideboards - the things that we think are important as policies are - whether using catch shares is considered and then when - if the council has decided to put a catch share program in place in the design of those.

This is a national policy but, as I said, you know, these will be locally designed and implemented. Each and every fishery is different and so we, you know, we stand here ready to both hear your views on this general policy but also we'll want to work closely with anyone who's interested as we design catch share programs to be actually implemented.

I want to make sure we have all the time we need for questions and answers and comments. I want to make sure we get all the comments in and then as much as we can we'll engage in dialogue. I just want to make sure everybody who's on the phone does get a chance to speak.

So why don't I stop here, see if Mark has anything else to add? He's shaking his head no. And if not we can go ahead and just start with the comment/question period.

Andy Winer: So at this point if we could have the operator explain what it is that we need to do to get into line to ask questions.

Coordinator: Sure, to ask a question please press star 1. You will be prompted to record your name. You may withdraw your question by pressing star 2. Once again to ask a question press star 1. One moment please.

((Crosstalk))

Mark Holliday: ...better than Star Wars.

((Crosstalk))

Coordinator: Okay our first question is Bob Zales. Your line is open.

Andy Winer: Okay we'll open up for Bob. And Bob, how are you doing? This is Andy and I just want to say to everybody on the call that (Bob Hayes) has joined us in person and he's now in our conference room as well.

Bob Zales: Thank you. I appreciate the opportunity to ask some questions. The key question that I'd like to know right now, right. Because I've heard several different numbers here, how much money has been allocated in the NOAA NMFS budget to push catch shares across this country?

Monica Medina: You know, I don't know the FY'10 figure off the top of my head, maybe Mark does. But I think, you know, we're going to do what we need to do in order to help councils and we're not going to short strip the regular processes but this is part of what we have to do as our job at NMFS.

We are also, you know, building so FY'10 is just this year soon there will be an FY'11 budget rollout and you'll see that we are thinking ahead and taking this into consideration.

And, you know, actually I think it helps us get more money for fisheries in general, for doing the things, the basic things that we need to do in order to rebuild no matter what mechanism we use to rebuild. So I'll turn to mark for specific dollar figures if he has them off the top of his head. But we can also get back to you.

And when our FY'11 budget comes out we can either email you - yes, and I'm getting - Andy's pointing out to me we have a budget briefing on the 9th of February at 1:30 pm. So if you want to listen in on that we will discuss this very question about kind of forward-looking what our budget, you know, kind of growth looks like for catch shares and in general obviously.

Bob Zales: Well clearly because this was a question that I've asked since Andy was at our meeting a little over a week ago and I've asked it to several other people by emails. And I've yet to get an answer. And to me that is a problem especially in a process that is supposed to be wide open and visible to everybody as to why when a 2010 budget has been approved and out there a simple question can't be answered.

Because clearly for me and people that I represent the issue here is we want to see whether the priorities within NOAA and NMFS are as to how our tax dollars are being spent. And that's what we're looking for. And to me it's just a very simple question.

I mean in my business I can give projections and what not as to what my budget for different items are within my business pretty quick. But yet it appears to me that I'm just being moved through a system that when I ask this person, oh I can't do it ask this one. Ask that one and you can't get an answer.

Monica Medina: Great. Well Mark has at least a number. But I think it's - the reason you're hearing that is that it's not quite as simple. But we can give you a number if, you know, if you need a, you know, sort of a basic starting point.

Bob Zales: That would help a lot.

Mark Holliday: Hi Bob, this is Mark Holliday.

Bob Zales: Hi Mark.

Mark Holliday: So the answer to your question, the increase amount in FY'10 was $18.6 million. Congress appropriated an additional $18.6 million. Those monies were identified to support the implantation of the ground fish sector program in New England.

Within our base program for the last four years - the last four fiscal years we've had $6 million in our base program to support the implementation of limited access privilege programs. And within the line item for the regional fishery management council of their approximately $23 million total they've had $1 million identified to support the consideration of limited access privilege programs.

So our base program prior to FY'10 a total of $7 million, $6 million to NMFS, $1 to the council. And in FY'10 there was an additional $18.6 million directed to support the sector program in New England.

Bob Zales: Okay.

Monica Medina: And let me just Bob that that number came, you know, we added that number. We worked hard to get that number in in this new Obama administration sort of on Week 1. We arrived because of when Dr. Lubchenco was confirmed we arrived when the budget was, you know, going to be rolled out a week later.

And we had about 10 minutes literally to say if we had some budget priorities and what we needed them for. We had not even really just begun to explain the catch shares potential and we knew of the problems in New England. So that’s why this year’s numbers look the way they do.

But I would hearken you to tune in on the 9th of February and look at the 2011 budget requests from the administration. I think that'll give you a better picture of where we're going.

Bob Zales: Okay.

Monica Medina: And if I could tell what those numbers were now I would but I'm not at liberty.

Mark Holliday: And Bob if, you know, if you haven't got the notice on the budget briefing shoot me a quick email and I'll make sure that you get on the list and I'll tell you how to call in on that day.

Bob Zales: Okay I'll do that, thank you.

Monica Medina: The other thing, Bob, just one last thing to add that we're trying to do is see if there's money out there that other folks might be willing to, you know, we have this National Fish and Wildlife Foundation. And there may be ways for us to take some of our appropriations and get Foundation support to help implement catch shares as well so that we could take some of our funding and make it go farther.

Bob Zales: All right thank you. I'll probably have some more questions but I'll back off on it so other people can go on.

Monica Medina: That's great, we'll look forward to it. Thanks.

Andy Winer: Looks like the next line is (Patty Dorr). If we could open up her line. (Patty), are you there?

(Patty Dorr): I am, can you hear me?

Andy Winer: Yes we got you (Patty).

(Patty Dorr): Okay. We've - my (unintelligible) before about our concerns of catch shares, the rec sector and locking in allocations. The appropriations bill there was report language from NOAA to...

Andy Winer: Hey (Patty) are you like on a cell phone or something because we're having a hard time hearing you.

(Patty Dorr): I am, I'm sorry.

Monica Medina: That's better.

Andy Winer: It's okay we got you now.

(Patty Dorr): I'll talk louder. The appropriations bill had a report - had report language for calling on NOAA to do a report on the impact (unintelligible) recreational fisheries. Is there an update you can give on that about how you plan on conducting that and how that's going to play into this report?

Mark Holliday: Right, the report to Congress is being prepared by the Office of Sustainable Fisheries. They're working in collaboration with the Science and Technology Office as you know that spoke directly to how catch shares relate to the collection and improvement of recreational fisheries' data collection.

So it's a joint effort between those two offices to prepare a response to congress. They're working on that currently. I believe there was a 45-day

deadline to get this material back. So they're moving quickly to develop a draft and produce that internally for review to see if we meet the deadline set by the appropriation language.

(Patty Dorr): And how will it play in the outcome of that report - play into this catch share policy report?

Mark Holliday: Well certainly if there are conclusions or recommendations coming out of that report it'll be completed prior to the April 10 deadline for public comments on the draft catch share policy. So anything that comes up from that research and that analysis would be incorporated into the final findings and production of the report of the catch share policy.

So that's on a very quick timeline and I apologize, I don't have the exact date in my mind. But it will be done prior that April 10 deadline, it's a requirement.

(Patty Dorr): Thank you.

Mark Holliday: Sure.

Bob Hayes: And Mark this is Bob Hayes. I think you'd save yourself six weeks by going back to the committee and asking them what they were really asking you because the question you're about to answer is irrelevant. And the question that you're about to answer is not the question they asked.

So I would - if I was you I would go back up and ask somebody what they were asking you. And I think the answer you will get...

Monica Medina: Can you give us a hint because it sounds like you know?

Bob Hayes: Well the answer you will get is what are you going to do about recreational fisheries with respect to catch shares? And secondly a completely separate question what are you going to do about improving data collection for recreational fisheries?

Nobody gives a shit what catch shares can do to improve data collection of recreational fisheries; my God what a narrow issue. So I would suggest you go back and ask that question.

Mark Holliday: Well thanks Bob. I just was referring literally to what the appropriation language was and...

Bob Hayes: Yeah, I read it too.

Mark Holliday: Right.

Bob Hayes: But, you know...

((Crosstalk))

Bob Hayes: I suggest you go back and ask them.

Mark Holliday: Well...

Monica Medina: Is there a particular staff person that we should ask?

Bob Hayes: We will get that for you.

Monica Medina: Great.

Mark Holliday: Yeah, I...

Bob Hayes: Well get that all but you're answering the wrong question I guess that's what I'm suggesting.

((Crosstalk))

Mark Holliday: Just to, you know, just as an FYI I believe the staff have already been working through our Office of Legislative Affairs to get further clarification on the specifics because there was some concern about what the - how the language read - the plain reading of that appropriation requirement so...

((Crosstalk))

Mark Holliday: I think we're on top of that.

Andy Winer: Okay. Next in line right now is (Matt Paxton). (Matt), are you on now? (Matt)/

(Matt Paxton): Yeah, Andy can you hear me?

Andy Winer: We got you.

(Matt Paxton): Great, thanks Andy. To Bob's point one of the other elements of this language is really one of the things that is staring NOAA dead to rights on this issue which is catch shares are an effective tool; we all concede that. But that appropriations language really speaks to how do you do this in mixed use fisheries and avoid this allocation fight over time?

So, you know, to refine this response down - to hone it down a little bit I think a lot of people in the industry on both sides of the equation but certainly on the recreational side want to know how over time these allocation conflicts aren't exasperated, aren't just more intensified.

And I can tell you the Gulf of Mexico is going to be your fertile test ground for how those fights can get really sideways and really, really prevent good results. So I really hope there's a big focus on reducing this allocation conflict when you lock in catch shares in perpetuity.

Monica Medina: (Matt), thanks for that. I think, you know, we did hear that during our initial phase and we understand the issue. The question is, you know, can we say something in the policy that leaves a lot of flexibility so that we don't lock ourselves in on a particular prescription particularly before we even know what the, you know, what the particular issue is in a particular fishery.

So I think we're trying to make sure that we acknowledge that issue in the policy that we've made clear, that we understand it's an issue without being so overly prescriptive that we lock ourselves into something, you know, in perpetuity that wouldn't be helpful.

((Crosstalk))

(Matt Paxton): I agree.

Monica Medina: Thanks (Matt). And (Matt), I mean if there - on this point because it is so important if there are particular places where the language isn't clear or where we might say it a little bit differently or again we are very open to specific suggested edits so please feel free to send those to us any number of ways. We'll announce all the various ways you can email us at the end.

(Matt Paxton): Okay thank you.

Monica Medina: Earl.

Woman: Earl?

Earl Comstock: Yes, building on that point and I think it was one of the key things I had to comment on on this is in terms of where you're talking about language I wanted to compliment you guys on Page 5. I think you did an excellent start of recognizing this issue and sort of touching briefly on the allocation question.

I think my biggest overall observation about the document is I don't think it focuses enough on how do you bring recreational fishing into this as an option? Again I very much appreciate that this document goes out of its way to keep saying, look, we're not saying it has to be done for any fishery, it may not be the right solution for all fisheries. I think that's all good recognition.

But I think there's some fundamental issues with how do you apply the catch shares particularly as it's been included in the Magnuson-Stevens Act to recreational fishing. And, you know, the commercial sector works very well with this sort of individualized allocation.

The problem for recreation fishing is people don't know from day to day, you know, whether I'm going fishing or somebody else is going, I mean, there is a core group of recreational fisherman that have their own boats and that they go fishing every...

Monica Medina: Right.

Earl Comstock: ...you know, all the time. There's a lot of other people that go recreational fishing when the opportunity arises. They're clearly not buying catch shares. So I think that's where the document is most in need of improvement is what are options for designing a catch share plan that would work for recreational fishing?

And I think also then building on the point (Matt) was making, the biggest problem we've got is you've got a growing population base. Right now, NMFS - in their analysis there's two fundamental problems, one is NMFS does very little analysis of recreational fishing particularly recreational fishing economics vis-à-vis the economics of commercial fishing.

So it's very difficult to get information on the benefits to communities from recreational fishing. But the biggest problem you've got is they treat seafood consumers as separate and distinct from recreational fisherman. Recreational fishermen are a subset of seafood consumers. And basically what you've got is seafood consumers who are willing to pay even more money to go out and catch the food themselves.

And now I recognize this poses a dilemma for the commercial guys, because their whole, you know, argument in the value chain is oh we're bringing food to the masses. Well if the masses want to go personally and catch that fish and pay fives times as much to do it, that's a greater net benefit to the nation than paying a small select group of commercial fisherman to go out and catch it for the masses who then buy at the store. So we need some economic data to back it up for these allocation fights that that's really what they are.

And I think we need to build into this plan a recognition that over time, you know, there are a lot of discussion of fishing communities and waterfronts and

preserving the working waterfront, all of which appears very commercial-oriented. You know, it needs to incorporate the idea that a working waterfront may at the end of the day in the 21st Century be primarily a recreational fishing waterfront not the recreational - the working waterfront as it existed in 1900 or 1850 or even 1990.

Because, you know, prior to the availability of easy access to recreation gear, improved boats, etcetera, it was very difficult for people to go out and catch some of these species themselves.

So I really think that to me is where the document needs to be significantly improved is to look at okay how would this work and then that sets up a dynamic where maybe it can become a tool for resolving some of these allocation fights where you can transfer fish from one group to another. Because in many cases, you know, as the biomass goes up and down commercial fishing can expand up and down very easily, recreational fishing doesn't follow the same path.

So in many ways what you want is a situation where in low volume years a greater percentage of the fishery is going to go to recreational fishing and in high volume years, you know, in terms of the stock a much greater percentage is going to go to the commercial largely because recreational can't use it.

But I don't see much in the document to do that. I see a start on Page 5 and there was relatively little mention of recreational. The regional fishery associations which appears to me to be the only sort of concept that’s probably applicable for most recreational fisheries as a tool. And so then the question is how do you use that tool because RFAs can't be given an initial allocation, they can subsequently get an allocation but it seems to depend on their members sort of carrying the fish in.

But I think there's some things that need to be explored there. So.

Monica Medina: Well I appreciate that. And I look forward to, you know, talking with you about how we might actually make it clearer. We are very much open, as I said, to suggested edits and changes in the words so that we can make those ideas because that was the sort of thing we were trying to get at with, you know, in the places that you've pointed out.

The problem about data and recreational fishing is one that we have to confront no matte what catch shares or not catch shares is part of our solution we need, you know, on fishing in general and, you know, we want there to be fish for recreational fisherman to fish.

And we need to know how much they're fishing in order to be able to better manage that so that, you know, we are be conservative and assuring that, you know, the fishing - all fishing that happens is sustainable. So we are working on the data issues.

I think the more data we have the more we will be able to look at catch shares as a potential but, you know, obviously I think our priorities and the places where it's going in now are places where we have a lot of data and particularly in, you know, places where we have complex commercial issues.

So, you know, I think we don't want to foreclose the use of it but we have a long way to go.

Earl Comstock: And I think I'd just add to that that it's not just data about the recreational catch itself it's really the economic data, you know, since I've been (unintelligible) fortunate to - if you look at the three different economic

analysis that have recently been done on halibut and recreational halibut fishing, literally in the (EARAR)s there is a, you know, the only quantitative numbers that are there are the impact on the commercial fishery.

And there's absolutely nothing about what kind of value the recreational fishing brings. And in fact we just approved a limited entry program for that...

Monica Medina: Right.

Earl Comstock: ...that eliminates 43% of the existing operators with absolutely no data in the analysis about how frequently do the operators turn over? So is this, you know, 43% that have been around for a long time? Is it 43% that normally would attrite out?

Absolutely zero data on the economic impact of the elimination of the 43% of the operators from the communities in which they reside. And the jobs - the number of jobs involved, I mean, zero. The Secretary made a decision with absolutely no information on what were the economic impacts of this decision on the communities other than the admission in the document that yes we're going to - these people are not going to be in business.

But there was no detail provided. So again it's very difficult for the recreational sector to argue its case when we have nothing that we can...

((Crosstalk))

Earl Comstock: ...point to in terms of official information.

Monica Medina: Right.

Earl Comstock: And any information we supply is then immediately attacked by the commercial sector as, you know, being unfounded; not adequately vetted through science, etcetera. Well, you know, so that - so I agree that data collection on the catch share is, you know, catching levels is important. But I'm really making the point more about support.

And this goes to your, you know, are we going to help support people who want to do catch shares plans...

Monica Medina: That's the kind of data - well and...

Earl Comstock: We have nothing.

Monica Medina: You know, I can't agree with you more. And I think while, you know, there is probably not quite the - we're not quite ripe in many places for catch shares where there are mixed use fisheries the focus on economics that this brings can only help the very problems that you have raised.

I mean, you know, we have a lot of numbers about (IO) mass and the biology, you know, we need to be much more sophisticated on the economic side. And I think a focus on economics and the economically based, you know, tool like this one will I think bring us farther along in that regard.

So, you know, I hear you. I don't disagree. And, you know, hopefully the point of this policy is to have a changed future. One that has this new tool and with it, you know, better information and better management overall. So - and again word suggestions are most welcome.

(Matt Paxton): Could I ask a clarifying question?

Monica Medina: Yeah.

(Matt Paxton): About your comments so I make sure I understand it correctly. Is the linkage between using catch shares as a tool to reset the allocation of (tack) between commercial and recreational sectors. Is that - that's sort of at the heart of what I'm hearing that the policy doesn't address ideas of how catch shares could be used to do that? Is that accurate or not ?

((Crosstalk))

Earl Comstock: ...and Bob can certainly jump in. I think two things, one is it needs more detail on how you - it's really easy to see how you would apply these catch share policies to a commercial fisher and in fact the Magnuson Act is very much set up that way.

It's not so easy to see how you would create viable models for the recreational sector...

(Matt Paxton): Right.

Earl Comstock: ...given the sort of stuff that's out there right now. And so I think the policy would benefit greatly and have a greater chance of success amongst various councils and certainly would have a better chance of success with the recreational industry if it devoted some resources to here are some possible ways that this could be done for recreational fishers.

Monica Medina: Do you have suggestions?

Earl Comstock: I do that...

Monica Medina: Then we are all ears.

Earl Comstock: So and we can talk further about those later.

Monica Medina: Yeah.

Earl Comstock: But I think you need some of that. But then I also think, yes, a further discussion of in areas where there is this allocation question finding - really forcing the councils to come up with mechanisms. And you mentioned it, I mean, like you said there's good start here.

Really forcing them to address this issue because what the concern I think Matt was raising, and I know Bob and I have talked about it before, is what typically happens is whatever fishery - and it's a commercial fishery generally gets at that IFQ allocation first - maybe not only the grant if the IFQ and their percentage of the IFQ determining it is important, but it's the percentage that was allocated to that sector overall that they didn't view as sacrosanct.

Monica Medina: Right.

Earl Comstock: And they have been the resources because of the economics benefits of the IFQ to really devote substantial money to not only protecting that allocation but then advocating on behalf of either further increases or further safeguards for that allocation.

So what the recreational sector finds is all of the sudden they're considerably under the gun. Anytime their allocation appears to increase or their take goes over whatever the commercial sector feels is appropriate they're then assaulted and basically told, no, no you've got to stay under this limit because any, you know, the guys get out their calculators.

And every pound of fish that the recreational guys take that's over this comes right off their quota and their book and they calculate out. So it does exacerbate the already tense situation between recreational and commercial fisherman.

Bob Hayes: And there's one other point if I could raise it, it is which is consistent with this. If you were to manage these fisheries as you suggest based on economics, you know, I could get three guys in here from the Nuclear Regulatory Commission who know nothing about recreational fishing and nothing about fisheries management or any of this.

But if you handed them the economics they would conclude I believe that this is ludicrous the way in which we as a nation manage our fisheries. And I'll give you a specific example. NMFS has commissioned a report by Texas A&M to take a look at the economics and the biology of red snapper where we have an ITQ

And they wanted to know what's the benefit in the future, the next 20 years, of the reef fish complex and the shrimp complex because they are combined. And they gave some relative values to that. And here is the relative values, they said that the total was about $11.8 billion.

They said that the directed red snapper fishery for which we have the ITQ or catch share program is $250 million of that. The charter boat fisher is about $700 million of that, the shrimp fishery, the shrimp fishery is worth somewhere around $1.8 billion of it and - or 77% of the $11.8 billion is private recreational boats.

Now what you have by way of allocation is 51% to the $250 million. And if we took the charter boat and added it to the recreational part what we would find out is that that's probably not 77% but close to 80% plus, we are providing 49% of the red snapper fishery. And we're closing it, that's the reality, we're closing it - we're going to close it big chunks of next summer, we closed it big chunks of this summer.

And, you know, if you looked at that and you said gosh I'm trying to do this based on economics I don't think you'd come out with the same kind of a conclusion. However we realize - and I think this is Earl's point - we realize that once you give a catch share system to an individual sector that individual sector has got a awfully large motivation to defend that allocation.

And so the traditional way of allocating in let's say the red snapper fishery is never going to occur. And it's not going to occur because it's highly contentious; people get, you know, very upset by it. And so what we'd like to see, in addition to the comments that Earl's made which were all very good comments, what we'd like to see is essentially two things here, one - and we'll give you some working comments on all this - but we'd like to see intersector transfers.

We do not want a closed-loop system, a virtual monopoly created by the federal government to a small group of people over a public resource. We don't think that's very good public policy. I could make it sound worse but I won't.

So we'd like to see the - if it really is, I mean, this is a market tool, that's what (EDF) always tells me, this is a free market tool except we don't have a free market. So what we'd like to see is a free market intervention.

And so that it would become - and realize that, you know, we have to have permitting, we have to do data collection, we have to have sectors which are capable and - of using the resource. But to close it down to a very small group of people I think is not in the nation's interest. Frankly it's not in the harvesters' interest either.

The second thing we'd like to see is we would like to see not just communities but states have the capability of doing what I think Earl is talking about and - because I don't represent anybody in Alaska and I don't represent the halibut fishery; I know damn little about it, I'm going to use it as an example.

Earl can correct me. But there are a lot of years when halibut is pretty plentiful. There are a lot of years when there are surpluses in halibut that could be - which could only be caused by the commercial sector. And there are years frankly in which economies are down, last year, in which maybe the other users of it principally the charter boats fleet don't quite the same kind of bookings and the expense in those bookings they had before.

If the state of Alaska had the ability to come in and buy let's say 20% of the available ITQ, they could return some of that on an annual basis to the commercial fleet by selling it back to them, or they could expand the use of the recreational fleet by making sure it was available to them either by way of sale or some other mechanism.

But they'd have a capability to mange it on a real-time basis that frankly I don't think the federal government can ever have.

Monica Medina: Do you think states have, I mean, I don't know enough about state laws, do they have authority to buy something like that?

Bob Hayes: I think they don't today. Today...

((Crosstalk))

Bob Hayes: Well but I also don't think - I've had a discussion with at least three governors for, you know, which have written you a nice letter. I can tell you I know three governors in this country that are more than happy to go down with us to a state legislature and ask for authority to do this.

And to me it takes what I view at the moment with respect to recreational fishing, not with respect to commercial fishing, but with respect to recreational fishing I view this as a very crude tool virtually locking up ITQs. And that's, you know, this - I can tell you it’s the locking up of them I think that drives the angst for most people.

So they sit there and say we’re never going to have access to this. It doesn't matter how many population we've got, how many economic interests we've got, how much money we’re worth, it doesn't matter. So the way - to me - to do this is to say look if you want to protect an interest here - that would be the interest of the recreational fisherman - we've got to make the tool itself much more sophisticated than just the tool to rationalize and require recreational - excuse me - commercial fisherman to abide by the rules.

We've got to do something beyond that. And essentially what I'm suggesting is a buying consortium of - that a buying consortium by an entity who has a responsibility to do something for the public. That’s a different entity I believe than the National Marine Fisheries Service. And maybe they'll get...

Monica Medina: Maybe later.

Bob Hayes: Maybe they'll get there someday but I don't think they're there today. But I do think the state - there are a number of states that are there and you could do this (unintelligible) is an awfully good example of it. But you certainly can do it where it's happening.

Monica Medina: If we allocate ourselves - that's a really interesting question.

Andy Winer: Any comments on any of that or we've got Bob Zales is waiting online but I don't want to stop this conversation if there's more to say.

((Crosstalk))

Mark Holliday: We may hear people on line they may...

Andy Winer: Yeah.

Mark Holliday: ...be willing to jump in on the same...

((Crosstalk))

Andy Winer: Okay why don't we - let's...

((Crosstalk))

Andy Winer: Let's let Bob Zales on. Bob, can you hear me?

Bob Zales: Yep.

Andy Winer: Okay you're on.

Bob Zales: Okay thank you. Now I've enjoyed this conversation here between Bob and some others. First off some quick comments. Number one and this is where many of us think that priorities are mixed up here. Data is the key. And I don't think anybody can argue with the fact that data is the key to all of our issues here.

Because, number one, without proper and accurate data you have no clue as to what your stock abundance is. Without proper data you cannot develop a reasonable economic analysis because clearly if you don't have the correct data as to the amount of effort that's out there versus what is being harvested or let go you cannot create a reasonable economic analysis.

So to us data is the key. And if you correct the data, if you get the data out there to where it's reasonable because I think in this day if you live on Mars you understand that in the United States that the recreational data collection system is flawed, every bit of it.

And so until that gets to where it's become reasonable because I doubt very seriously it'll ever be totally precise. But we can get it a lot better than where it is, if you develop a catch share system today for a recreational fishery it's going to be based on flawed data so therefore you're going to have a flawed catch shares system.

Getting into the issue - and I'll jump on red snapper because I actively participate in it and for those that don't truly understand the real world of this situation the current allocation for red snapper in the Gulf of Mexico was established back in the late 80s clearly on a more flawed system than what we have today. And it's been etched in stone ever since that period of time.

Now that you have - and I have two program in red snapper - that's given these people 51%. This plan comes up to be re-looked at in about two more years. I doubt very seriously that that's going to change in the current atmosphere of the council makeup plus the political situation that we're in.

But at the same time when you're talking about also too when you're talking about an interstate transfer and you're talking about having states being able to own quota shares and to be able to transfer shares between commercial and rec, the reality of it is in the current red snapper IFQ program that is constrained within 100 or so guys out here that own that share, none of that share is available to anyone today amongst themselves.

Nobody is selling. When you use the words sell versus lease, people say well they're buying quota shares; no they're not. Nobody is selling red snapper quota shares. They're crazy if they've got any kind of an amount that they own they're crazy to do it because they can lease it out by sitting on telephone. They don't even have to own a boat.

So having quota share out there and say okay well we're going to be able to transfer between sectors, yeah, okay, you could if it was available. And you can if you're willing to pay the price. And that is the other part of the problem is that the price is going to be up there to where people will not be able to afford this.

So unless you're going to take and take a fishery such as red snapper and have the government take some percentage of that, say 20% of the total and put out there that can be freely transferred between people and have some agency manage this so that it can be done. In the situation that we're in today it can't be done, because people will not afford to be able to do it.

When you look at community organizations or whatever you want to call them that they own quota shares if they buy up a bunch of it which is going to be difficult for them to do without spending a lot of money, whatever they pay for an individual is going to have to pay so much for that individual's share, it's not going to happen.

So essentially what you're going to do especially on a recreational fishery you're going to drive people away from fishing. And that is the worst thing we can do regardless of the (unintelligible) good, bad or indifferent the worst thing you can do is drive fisherman away from a fishery because then everybody loses.

Monica Medina: Bob, I appreciate that comment. I hear you. You know, I think we do need to be educated by the experience that you all have had in the Gulf. We need to learn from that. You know, we clearly know what the problems are what we're determined to do is find solutions and we may not have them today but, you know, data is the key.

We can always have better data; we'll never have as much as want, it'll never be perfect. But more is always better. We are sensitive and I want to react to both Bob's comments about being a public resource and wanting to make sure that what is designed is fair and not fair today but it's fair over the long run.

That is something we're sensitive to. And those issues arise even in just a straight commercial allocation. And antitrust is, you know, a real concern there. So, you know, when you're talking about business and unfair aggregation.

So it's really - it's the same sort of issue and we are mindful of it and we are, you know, I think going to keep our eye on that and I think we have to look

for some creative solutions. And I'm very interested to talk to you more, Bob Hayes, about what your conversations have been with governors.

I mean, you know, I think we don't want to see recreational fisherman shut out because of catch shares. We also don't want to see them shut out because the fish are gone. So...

((Crosstalk))

Monica Medina: Right. So we're doing the best we can.

Bob Zales: I've got - if I could I've got one other question and one other...

Monica Medina: Yes, go ahead.

Bob Zales: ...and one other point especially to make about the fact about what it has to do - what catch share has to do with increasing fish abundance. First off my question is in the current (lap) programs that are out there and the various IFQ programs that exist as of today and for however many years they've existed has there been a fishery - any fishery to where a percentage whether - and kick out the ones that are totally commercial.

But has their been one in a mixed use fishery where an allocation was established, an IFQ program was set such as red snapper at 51% of it where that percentage that's gone to the - to one side or the other has changed based on a limited program.

Bob Hayes: I don't know.

Mark Holliday: Yeah.

Bob Zales: I mean I think not. I don't know of any but I'm not in you all's position to know that. But the other thing is - and I guess some people have seen this and I haven't read the report yet but I've seen information that there was a study done by the Lenfest...

Monica Medina: The Lenfest Ocean Program.

Bob Zales: Yeah. And what I've seen there's a statement in there by the author of that report that clearly says that it's questionable as to whether to not a catch share program will have any benefit at all increasing stock abundance of a species of fish.

((Crosstalk))

Bob Zales: And then - there in lies another issue that I have with the way the catch share program is being propagated out here as to it indicates that yes it can - that if you go to a catch share program you're going to do great things for the fishery. Well in reality you're not doing anything for the fishery you're only doing things for the people that are involved in the fishery and eventually only a handful of them who become the fish lords of whichever stock of fish that they're in.

Monica Medina: Fish lords. We're trying to not be the fish lords. If we were lords - if we had any kind of magic powers we'd just make more fish, believe me, if we had anything that approached that kind of power.

Bob Zales: No, no, I'm not talking about you being fish lords I'm talking about the individuals who the fish...

((Crosstalk))

Monica Medina: Ah.

Bob Zales: ...such as the owners of the red snapper IFQ...

Monica Medina: Got it.

Bob Zales: ...in the Gulf of Mexico. They've been given the public resource, it didn't cost them a penny. Some of them happened to be lucky and fall into the arbitrary time periods that benefit from this thing. And now all of a sudden you've got people sitting in - I know some of them - they sit at home on a telephone, don't even own a boat and sit here and make money.

All they've got is a phone bill by transferring share.

Monica Medina: Right.

Bob Zales: And therein lies one of the very serious problems and I think one of the major concerns of probably pretty much everybody that has to do with recreational fishing anywhere in this country.

Monica Medina: I understand now. And I, you know, to your point about whether there’s ever been an allocation change I don't think there has been. But I think we also haven't had this kind of focus on it at headquarters with the policy like this that makes it clear that we’re not going to allow inflexibility that permanently disenfranchises a particular sector of the fishery.

We do have to work through the council process, I mean, this is not so simple we, you know, we do want there to be a lot of local control and input but

that's not to say that, you know, there won't be times when we have to step in in order to make sure that fair is fair.

You know, I think as to whether catch share programs have been successful there may be a Lenfest study that says that it doesn't benefit the fishery resource but there's a whole lot of studies that show that it does. And some actual experience in other countries, I'm sure that we've got references to those studies and the experiences, you know, on our Website.

But if it doesn't work - let me just say - if we find that it doesn't work and we're not doing any better then that's why it's important and we talk about the benchmarks and making sure we measure success and we measure it fairly then we'll have to find something else.

What I know is that, you know, we're over-fished in a lot of places and we don't have a good handle on it now. And the current system of effort controls isn't very precise and isn't working in a lot of places so we need to look for some other tools and that's all we're trying to do here.

Andy Winer: Mark, did you have a - do you have a comment?

Mark Holliday: Well to Bob's question about allocations and whether or not they've been changed as a result of catch shares I don't have any evidence that suggests that catch share has done that. But in all fairness I think in non-catch share fisheries we haven't seen allocations change either. So I think that - the tools - we're looking for a tool...

Monica Medina: Right.

Mark Holliday: ...to solve the problem. We may not be efficient or effective in just (seeing) that catch share to reverse this allocation issue.

Monica Medina: But at least this gives us a mechanism.

Mark Holliday: Well.

Monica Medina: I mean a way to manage it that actually takes these factors into account.

Mark Holliday: Right. And again I think it all comes down to the design in how a catch shares program could be designed. And again I'm not talking about the programs to date, but this is why we're trying to encourage some broader thinking about how catch shares could be designed, so that some part of the allocation is set aside and it's decided on that allocation every year to what sector or to what purpose whether it's for recreational use, or forage use, for whatever reason.

We're looking for people to think about issues such as, okay, you know, the initial people who got the shares we're going to revisit that allocation. And yes it's very painful and very difficult, politically charged. But if you design something from the outset that incorporates this and the Magnuson Act gives some very clear instruction about how frequently these catch share programs have to be reviewed and compared to the objectives of the plan.

And it says right up front these are not in perpetuity. And so we need to make sure that councils and the participants who, you know, NOAA and the people - and the stakeholders involved hold catch shares to the standards that they're designed to - and capable of doing.

So part of what the policy is - and that's where, you know, if we could come back to where and how in the policy do we focus on making these statements

about what catch shares are responsible for and what they're sort of not responsible for? Because I think both pro and con attributes of catch shares sometimes get attributed to them when in fact we've got problems with allocations that we've had since 1977.

Summer flounder has been 60/40, you know, ever since that - and that's not...

Monica Medina: Catch shares.

Mark Holliday: That didn't - cause by catch shares and is catch shares helping it? Well maybe it's not but we need to find a tool that will help that, that's where I think we have that challenge in front of us.

Bob Hayes: Well if I could make one more thing to that point for what you just said and then I'm going to get back to the red snapper IFQ program. When - and I was actively involved in this because I was on the AP that helped establish that red snapper IFQ program.

The council and the fisheries service both clearly sold the red snapper IFQ program. One of the benefits was that to those fisherman that would qualify for quota share for their businesses this would enhance greatly the ability of those businesses to then establish a firm business, even go to banks and financial institutions to borrow money based to buy on quota share because of the fact that they were having a certain percentage of that share allocated to them in a sense in perpetuity.

Even though at the same time they said well, you know, this could change; over time you may lose this. And clearly that's the reason why the five-year thing was done.

But it's hard for me to imagine that you're going to have 100 guys out here that have - that own 51% of a fishery that have based their business decisions, have purchased boats, purchased fish houses, whatever they've done with their equipment, borrowed money, everything else. And in two years from now the council and the fisheries service is going to come back and they're going to say oh we're sorry, we're going to take 25% of that 51% and we're going to give it to somebody else.

And you all just - your business and your loan you'll just have to adjust to that. The reality says that ain't going to happen.

Monica Medina: Well I mean the law says it's a privilege not a right.

Bob Zales: I understand that.

Monica Medina: And, you know, we say that I think, you know, right up front in the policy again and we'll say it over and over and over again. Whether there are banks that loan people money on the basis of promises that other - or, you know, bills of goods that they're told or sold isn't my concern. I mean, my concern is the public resource.

You know, and I hope that the situation you describe doesn't happen. you know, it maybe beyond my control because it maybe beyond my tenure. But the policy itself is pretty clear and if we need to make it even clearer, I mean, you know, help us find the words.

Andy Winer: Earl?

Earl Comstock: On that note and, Bob, we're obviously wrestling with the same thing up in - with the halibut in Alaska. You know, the logical thing is, you're right, the

councils in particular given their makeup aren't going to suddenly say gee, you don't get 51% you get 31%.

But what - I think what we're coming around to in saying is - and this is where I'd like to see the document flushed out a little bit more is that the recreational side in particular needs help crafting something and the councils frankly need pressure to set up something I think as Bob was saying, let's have a market-based mechanism. And what it's called up in Alaska is compensated reallocation.

I mean, we're not suggesting we take this fish from these guys and don't pay them anything for it. The point is right now the councils design these programs and there's all kinds of built in protections to ensure that no one but these fisherman can get this quota.

And one of the things I'd urge you to take a very hard look at - and I know the statute says leasing is allowed but I think there's a role for the Secretary to come in and say you know what we're not interested in seeing a program and in fact we will have a difficult time approving a program that allows any kind of in perpetuity leasing.

You know, leasing should be something that's available to deal with a hardship issue or a sudden financial crisis or something else, your boat broke down.

Monica Medina: Right.

Earl Comstock: But the idea - and see our problem is every time we go to the council and try to suggest something that would allow some shift of fish to the other side the

commercial response is sure we'll do that, let's set up a leasing program. And oh by the way it can't be more than 10% of the allocation.

And basically they want us to rent the resource from them if it's available. But I think Bob brings up a very good point which is we've looked at the analysis and when the stock is down there's not going to be anything for us to lease. So that's not a solution. And I think that's the kind of thing that the document does need to go into and say look there are some constraints on designing these programs.

And if we're going to use this for reallocation sure, if we set it 51%/49% at some point in time and we think that it ought to change that's fine but the people who invested in that 51% shouldn't just have it removed from them. But there needs to be a mechanism to allow another sector to purchase fish.

And you can even transfer it back and forth, maybe, you know, one year it's 65%/45%, you know, 35% another - it could go back and forth. But I do think there's a real problem with the way the councils deal with this. And they typically set up mechanisms that, as Bob says, set up a process where somebody can sit there and why would they ever sell shares?

Now I think the North Pacific Council has been a little more effective at watching the leasing thing but still every time it comes to transferring between two groups the hammer comes down it's like oh no, no, no, we're not interested in selling you anything we might lease it to you.

And that's not, you know...

((Crosstalk))

Monica Medina: You mean sales not...

Earl Comstock: Right.

Monica Medina: ...just the lease.

Earl Comstock: And by the same token I would say look if we set it - set up a pool that buys for the recreational sector because I think the nature of recreational is such that we're going to buy - have to buy more than we can actually use...

Monica Medina: Right.

Earl Comstock: ...maybe you don't lease back, maybe you set up a free use by the commercial guys...

Monica Medina: Right.

Earl Comstock: ...so that we're not running the resource either. But I think there's got to be some focus given to that, because otherwise the councils' tendency given their makeup is to design a program that's a very much an insider deal. So once you get in on the program, you know, there's all kinds of mechanisms to make it so you can hang onto your quota and get revenue from it but that doesn't lead to any kind of system that didn't (require) this transfer...

Monica Medina: Right.

Earl Comstock: ...between groups.

Mark Holliday: So getting back to the policy - this is Mark again for those on the phone. You'd like to see in the policy some greater specific discussion about some of those options as information for people to consider is that...

Earl Comstock: Right.

Mark Holliday: ...what I'm hearing?

Earl Comstock: Absolutely.

Mark Holliday: We’re not prescribing you do this but you could set up a program using these kinds of eligibility, transferability and participatory, you know, criteria. I mean we do talk about different ways of allocating things that doesn't have to be based on historical catch; you could make, you know, all sorts of - percentage - half of the catch is based on just participation, half is based on - you can't keep doing halves but a percentage is based on...

Earl Comstock: Yeah, right.

Mark Holliday: ...participation a percentage based on history. You could have, you know, a lottery for some part of it, you could have an auction for other parts of it. I mean there’s different mechanisms that have different distributive outcomes.

((Crosstalk))

Earl Comstock: ...just allocate it to the state. Let the state decide how to distribute.

Mark Holliday: Well again there are - I think there are lots of - there is lots of flexibility within the statute. I think our practice in these 14 programs to date has been

very much, you know, similar to what we've seen elsewhere which is based on a - an allocation based on some...

Monica Medina: Yeah.

Mark Holliday: ...historical time period…

((Crosstalk))

Monica Medina: We are going to get more sophisticated, I mean, we are. I mean...

Mark Holliday: Right.

Monica Medina: ...we are going to learn more, we're going to...

((Crosstalk))

Monica Medina: ...deal with more - different scenarios and people are going to be creative. I'm - I always am, you know, optimistic about the kind of power of the human mind and creativity to solve a problem. So I'm sorry I didn't mean to interrupt.

Bob Hayes: No, no that's fine. I think what Earl is talking about and what I've been talking about is very, very consistent. We're just saying this is a blunt instrument...

Monica Medina: Right.

Bob Hayes: ...it's not like designed to address commercial fishing. It really - your policy isn't really designed to figure out what to do with recreational fishing because - and what we need to do is work with you to give you some better analysis of what we think are things that are doable.

Monica Medina: Yep.

Bob Hayes: And if that means we have to, you know, jointly go down and talk to governors or jointly go talk to various state legislatures or whatever those kind of things then we're...

((Crosstalk))

Monica Medina: Without a doubt.

Bob Hayes: Let me suggest one other thing that I was sort of - people have sort of come close to but it is something that I find highly deficient in this document. There is no exit plan in this document. I believe when Mr. Obama ran for President he was concerned that Mr. Bush had gone into Iraq without an exit plan.

Monica Medina: That’s a really bad...

((Crosstalk))

Bob Hayes: It is true though. Well this is - it depends on who you are, this might be a disaster too. But there’s no requirement here, in fact there’s not even a suggestion that yes we have these statutory requirements in place that say you have to review it.

And it sort of suggests you've got to have some matrices by which to, you know, some standards by which to review it.

Monica Medina: Right, to measure success.

Bob Hayes: The question becomes how does one unravel a catch share system? How do you do that? And I honestly think that in order to be fair to the commercial fisherman you ought to tell them that in advance. That ought to be part of the development of a catch share system that says oh by the way if the following things occur we might unravel this and this is how we'll do it.

Monica Medina: Well, I mean, I think we have to go back to the basics of how Magnuson works. If the council, you know...

Bob Hayes: First - I'm sure the council would put the...

((Crosstalk))

Bob Hayes: Yeah.

Monica Medina: ...control plans or whatever the next thing is that we can do to make the fisheries. I just - I hear you, I understand.

Bob Hayes: Yeah.

Monica Medina: I, you know...

Bob Hayes: I'm just suggesting that there be some - it doesn’t have - maybe it’s a requirement, maybe it’s a suggestion. Maybe the guy - whatever it is but there’s nothing in this thing that says what happens after you do that 5 or 10 year check back if you decide this system doesn't work.

Monica Medina: Well I don't know that we can prescribe that anymore than we can prescribe using it. That’s my only concern is that, you know...

Bob Hayes: I think actually if you put it in as a guideline I think that would be, I mean, that would be adequate for my purposes. You'd be telling the councils - trying to help the councils here.

Monica Medina: Right.

Bob Hayes: You’re going to say look...

Monica Medina: Right.

Bob Hayes: ...you've got to figure out how to unravel one of these things at the same time. And maybe there’s a general concept of unraveling, I don't know, maybe that’s a - an on-high - this is how we'd unravel it if we were unraveling one.

Andy Winer: Any other questions on the phone?

Coordinator: Once again press star 1 to ask a question.

Andy Winer: Okay it looks like nobody’s on the phone. Is there anymore questions in the room?

Earl Comstock: Yeah, well, I mean, just to build on what we've been discussing here, I mean, really I think it is guidance to the council because, you know, the councils are an interesting tool but they can run pretty roughshod over groups that aren't well represented on them. I have - my former boss was heavily involved...

((Crosstalk))

Monica Medina: ...who would have done that?

((Crosstalk))

Earl Comstock: So I'm very familiar with the intricacies of how the council works, the way the council works. But I do think there's a role for greater guidance.

Monica Medina: Right.

Earl Comstock: And again part of it comes down to giving participants in the process ammo, you know, the...

((Crosstalk))

Earl Comstock: If there is guidance that says...

((Crosstalk))

Monica Medina: Well how about an ability to participate in a meaningful way?

Earl Comstock: That would be helpful too. But, you know...

((Crosstalk))

Earl Comstock: ...governors to nominate people and put people up.

Monica Medina: Right.

Earl Comstock: Having agency guidance really helps.

Monica Medina: Right.

Earl Comstock: And having things to say, you know, leasing shouldn't be something that is allowed...

Monica Medina: Right.

Earl Comstock: ...to, you know, go on. You know, is it an adequate too for addressing...

((Crosstalk))

Monica Medina: ...flush out fairness a little bit more.

Earl Comstock: That would be very helpful. And the other things is, frankly, though, as I said, really the economic analysis. I truly - go back and take a look at the last several documents you've done on halibut. The (EARAR)s are frightening in their lack of any kind of substantive information.

And they've, you know, (unintelligible) says up front well we don't have this data, we couldn't get it in a timely fashion. This has been going on for 15 years so, you know, that may have worked five or six years ago but to keep saying it, you know...

((Crosstalk))

Earl Comstock: And in fact it was in a response to a comment we pointed out that there was a draft analysis on a catch share plan. And we said, you know, oh by the way if you look at that analysis here’s the economic impact. The response that the Secretary put in the final comments, well that hadn't been approved for Secretarial review yet so we’re not going to look at that.

You know that kind of thing makes it very difficult for groups and why I think you get so much resistance from some rec groups because they are traditionally very disorganized. They don't have the kind of representation...

Monica Medina: A lot more individuals.

Earl Comstock: Well it's individuals and they're smaller mom and pop operations. As I said the catch shares creates a group that has a real financial wherewithal to go to battle on these things. And, I mean, the North Pacific Council is probably the king of these things in terms of having well-funded, well-represented...

((Crosstalk))

Monica Medina: ...in other places where there are smaller fishing operations that are in the midst of a catch share, you know.

Earl Comstock: Yeah, it...

Monica Medina: We're going to learn, we're going to keep learning.

((Crosstalk))

Earl Comstock: I think frankly if we could get some time with people to really talk about what are some options that you could do for recreational that would be very helpful because...

Monica Medina: We are glad to do that.

Earl Comstock: You know, the idea of having to go - I'll be honest, Bob, going to state legislatures or back to the Congress while all that's pretty...

((Crosstalk))

Earl Comstock: ...now you're looking years down the road as to whether you can do something. And we're getting hit by the freight train now. So it really does come to what can you do under the existing statute.

Monica Medina: Well and I do think there's a lot of fear out there among recreational fisherman. And we want to allay that fear. I mean, I think we do need, you know, the help of folks who are interested and willing to work through this with us. Because if we don't, you know, we won't be able to successfully implement this and fix some of the problems that we know we can fix with it much less the ones that are more challenging that need, you know, more creativity and a little more time. So...

Earl Comstock: And just to give you an example could you set up a regional fishing association that essentially hold the pot of fish for recreational? And then therefore maybe they're involved in selling the fishing licenses or something, do you need a halibut stamp or do you need a red snapper stamp or whatever it is you need...

Monica Medina: I mean do you have a sense where your markets are growing?

Earl Comstock: They're growing everywhere.

Monica Medina: Well but it can't be...

Earl Comstock: I mean the bottom line is...

Monica Medina: ...everywhere everything. I mean...

Earl Comstock: There is no - I don't think there's a recreational fishery that is declining in terms of participation except where they've imposed such limits that nobody's interested in going.

Monica Medina: No.

((Crosstalk))

Bob Hayes: Some on fresh water but not in salt - salt water they're all growing.

Earl Comstock: They're all growing and they're going to continue to grow. As the population moves closer and closer...

Monica Medina: Right.

Earl Comstock: ...to the coasts.

((Crosstalk))

Earl Comstock: ...consumers, the largest class of seafood consumers is probably recreational fisherman. I mean, they're the ones who are familiar with the fish, they're the ones who will go out and eat, you know, perch and all these other fish that most people look at in the supermarket - you see them, they know salmon, they might know halibut. They don't really know what's in the white breaded stuff that comes in the freezer, but they'll take it.

You know, I mean, but if you put John Dory, you put out things that you might buy in a restaurant, the only people that go into stores and buy those are probably themselves fisherman.

Monica Medina: Well, I mean, my sense is that your community, the rec fishing community cares a lot about sustainability and conservation.

((Crosstalk))

Earl Comstock: So our problem is, you know, the allocations traditionally go first to the commercial fisheries because they're the ones that are managed, we understand that and we're probably not going to change that. But we then need a mechanism to move fish what is - every catch share plan that's been implemented there's been a declining number of commercial participants - that was part of the intent was to get rid of the over-capitalization and reduce the number of participants.

Well, you know, why should the 1200 commercial fisherman in southeast Alaska have a permanent monopoly on 87% of the fish? Which is what the council keeps trying to give them.

Monica Medina: Totally understand. Totally understand.

Earl Comstock: Versus, you know, 50,000-100,000 angler on the other side and that number continues to grow. So which of course is part of the problem which is why they, you know, keep wanting...

((Crosstalk))

Earl Comstock: But I really think we need the economic analysis. And then the other thing is we need - it would be helpful to have some examples of, you know, here are ways that it could be done for recreational...

Monica Medina: Yeah.

Earl Comstock: ...fisheries.

Monica Medina: Yeah. Well let's flush those out. I mean, if you want to send us some suggestions..

Earl Comstock: I'll probably need to talk to your legal counsel first to answer some basic questions.

Monica Medina: We can set that up.

Earl Comstock: Because there's some potential problems in the way that the statute is drafted right now.

Mark Holliday: Well just as a point of information what if you look back to Section 3.3 where we talked about going around the country and setting up workshops with stakeholder groups. It was to brainstorm things that would make sense for them. So I think NOAA is already on record as saying we want to sit down, we want to work with people to develop not another ITQ but a catch share program that works for you.

I mean, we can bring experts from around the...

Monica Medina: Right.

Mark Holliday: ...country that are part of NOAA or part of the industry.

((Crosstalk))

Monica Medina: Would that, you know, would that be helpful? I mean so it wouldn't just a comment answer, point, counterpoint sort of thing or are you just telling us that if we had a whole day where we sat down and said okay well let's brainstorm what are some of the potential ways that we could work on this, you know, that we could get to something that might make sense and we get experts - we'd be happy to do that.

Bob Hayes: Okay, I should suggest thought that what we're not talking about, I just want to make pretty clear here, we are not talking about catch share systems who are recreational fisherman; that's not what we're talking about. We're talking about what - how do we take a commercial catch share system and make that resource available to an expanding recreational fishery be that a charter boat fishery or a private recreational one?

And I can tell you what absolutely scares the death out of me is well we're going to put these - we're going to see how catch share systems work for you. Well as soon as a recreational guy hears that he says holy smokes they're going to basically divide up this fishery and hand it out to people. They don't like that. That one's not going to - that is not going to fly.

((Crosstalk))

Earl Comstock: It's got a be a pool concept.

Bob Hayes: Right.

Earl Comstock: There has to be a this entity that holds a pot of fish...

Monica Medina: Right.

Earl Comstock: ...that has the ability to...

Mark Holliday: Right.

Earl Comstock: ...to do this compensated reallocation based...

((Crosstalk))

Earl Comstock: ...to buy out...

((Crosstalk))

Monica Medina: I mean, you know...

Bob Hayes: Stamps, you know, part of...

((Crosstalk))

Bob Hayes: ...I mean there's lots of ways of generating money. You know, you could get appropriated money not likely, you could - maybe you could get some (unintelligible) money. Maybe you could go get a stamp system. CCA 10 years ago went and imposed a salt water stamp on themselves the entire proceeds of which are used to buy out coastal shrimps.

Now if we can do that we can certainly put a stamp out there that'll actually have a direct benefit.

Monica Medina: We do appreciate that you have the ability to, you know...

((Crosstalk))

Bob Hayes: ...but my point is that I think what we need to really start talking about by way of specifics as you suggest is is I like the idea of a symposium meeting, something, but we need to sit down and basically start talking about what are some really specific ways in which we can do that.

Monica Medina: Right.

Bob Hayes: So that you...

((Crosstalk))

Monica Medina: Right I wouldn't want it to be us talking that you, you know, sessions where experts talking and not any - we'd have to design it in a way that really allowed us to have a lot of dialogue.

Bob Hayes: Right and actually the more I think about we ought to hold a meeting and invite you to it.

Monica Medina: Yeah.

Bob Hayes: That might be a better system. But for all you folks on the phone call that just rolled over we'll - but we'll have a broad discussion on this.

Andy Winer: Okay back on the phone it looks like Bob Zales has another question or comment. Could we get him back on?

Bob Zales: Yeah, I'm still here. I'm just...

Andy Winer: Okay you’re on now Bob.

Bob Zales: Okay.

Andy Winer: We hear you.

Bob Zales: First off so that everybody understands - and I think anybody that has to do with recreational fishing understands this concept. Recreational fishing is all about the opportunity to catch. That's what that's about because recreational fisherman there's a lot of them that go fishing never catch a damn thing but they don't stop fishing and they don't stop spending money.

And so...

Monica Medina: We're all pointing to ourselves.

Bob Hayes: Yeah.

Bob Zales: I'm one of them at times. It's the opportunity to catch; that's what it's all about is an opportunity. When you take that opportunity away there's no reason to go. So that needs to be considered.

And I'm going to open a door here that I probably shouldn't open up even though it's been discussed years ago with the development of IFQ plans for snapper here in the Gulf is the IFQ is an individually transferrable quota, right, an individual fishing quota.

There was discussion in the early stages of talking about red snapper IFQs to where they just talked about an IQ, an individual quota. You couldn't transfer it. That got shot down. Why? Because there was no financial incentive to do it. That's what's driving this.

So in the development of this and some more stuff in here -- and I suspect we'll be sending comments on this -- it maybe that you want to figure out a way to - if you go to a catch share system whether it’s a stamp for a rec guy or if it’s a share for a commercial guy, that that quota has to be used by that individual that has that quota, that they cannot do it.

So as an example in a commercial fishery if I owned 100,000 pounds of red snapper I've got to fish it. And I can fish it one of several ways, I can do it myself, I can own the boat that has my crew on there catching those fish for me but I can't lease it to Bob Hayes and make any money off of it.

When you take that financial incentive away from that I think your whole attitude is going to change dramatically because in my mind the concept of fisherman - fisherman that especially that fish for income they fish to make money on what they can do. They’re not owning share to make money because somebody else is doing it, if you understand what I'm saying. So...

Monica Medina: Right so you’re more opposed to the passive investor type fish owner than, I mean, it’s not the transfer itself it’s the how you use it.

Bob Zales: It’s how you use it and it’s how it’s determined how much of it you get to use because that - and that gets back to my data thing because, I mean, anybody that knows me knows that data is my big thing with the government. And data is the key.

And when you’re setting - and I think this is all areas especially in the government probably in Alaska. When you’re setting allocations 20 years ago that that same allocation is today even though the whole economic climate has changed, participation has changed, everything has changed to a different

picture but yet the allocation is not catching up with the times that is a problem.

Andy Winer: Okay, thanks Bob. (Ed Sapp) has got either a question or a comment. Could we get him on please?

((Crosstalk))

(Ed Sapp): I'm here, can you hear me?

Monica Medina: Yeah.

Andy Winer: We got you.

(Ed Sapp): I'm (Ed Sapp). I'm a recreational appointee to the Gulf Council. And I appreciate the opportunity to be a part of this process. And I can assure you that there's a lot in this policy or draft policy statement that's useful to me as a council member to, you know, kind of let me know what some of my options are as we move forward with some of these issues.

I wanted to reinforce some of the comments that Bob Zales just made. One of the things that I did as a council member is I along with (Yulee Morris) who's an environmental appointee to the Council decided to - on our own convene a little work group to explore the possibility of catch shares in the recreational sector.

And we invited people that we thought would be open minded and we included from the environmental side environmental defense and - and ocean conservancy and of course I had CCA guys there and fish and rights alliance guys there.

And, you know, we basically went around in circles and didn't accomplish a whole lot in our day-long workshop that we had. But I can tell you that after I got feedback from all the recreational people that were involved and heard about the meetings that we held I've got a lot better sense for, you know, what the sentiment of the average recreational fisherman is towards recreational catch shares.

And that is they don't want them. What they want is open access to the ocean. And if means that the seasons are going to be short and the bag limits are going to be low they would very much prefer that to having to have some kind of an auction or lottery system to, you know, to decide whether they could go out on the ocean and fish or not.

So that whole issue that Bob was raising of access to the resources is a very real mindset of those people that are out there fishing recreationally. And on this whole - we've had a lot of discussion about red snapper and the Gulf of Mexico, you know, we're going to be dealing with a very real issue that we've already begun to get a lot of comments about and that is that, you know, we have - the history of the red snapper is that they were fished out of their historical grounds.

And for the last couple or few generations their populations have been limited to a very narrow geographical distribution off of the panhandle of Florida and a couple of the adjoining states. The last - as we've managed these things toward a recovery they are repopulating all of their historical grounds which is basically the whole edge of the continental shelf that extends all the way down to the Florida Keys.

And we're hearing loud and strong from the commercial guys who don't have any access to those fish. They're out there throwing them back by the thousands if we hear the stories correctly as they try to catch grouper. But they don't have any ability to buy the shares. And if they did they couldn't afford them.

So, you know, we've created kind of an untenable management situation with red snapper. And, you know, as we move forward we're going to have to come up with some ideas for how to correct, you know, what might be wrong management policies that we've implemented.

Monica Medina: Thanks for that, that's very helpful.

Andy Winer: Okay are there any other questions either on the phone or in person?

Mark Holliday: Just remind us again what are the timeframe is...

Monica Medina: Oh right and we were going to give you...

((Crosstalk))

Andy Winer: So we're going to give you that information if - Mark, you had the information on where the comments can be submitted and then I can talk about deadlines.

Mark Holliday: Right. So the online comments if you have to - if you'd like to send it in to the Website it's www.nimfs.noaa.gov/catchsharecomments, it'll lead you right to the comment page where you can type in your comment, have it posted online.

If you'd like to send an email comment instead of posting it on a Website you can send it to catchshares@noaa.gov. If you'd like to just send it in by snail mail you can send it to the Office of Policy, 1315 East West Highway, Silver Spring, Maryland, 20910.

We'll take them just about any way that you're comfortable submitting them. And so we're recording this discussion because this is part of the record of getting information from interested parties to improve the quality and the content of the policy itself. And we appreciate every effort that you've made to help us do that.

Andy Winer: And the comments are going to be due by April 10. The one other thing that I will say in terms of soliciting comments although we aren't necessarily recording all of the other sessions there has been other outreach that has been done and if there is a desire - and there will be other outreach that is occurring over the next month through councils, other venues.

And if there are groups, organizations, that are interested in a briefing or interested in a presentation regarding the catch share policy please let me know. You can reach me, Andy Winer, I'm at andrew.winer -W-I-N-E-R- @noaa.gov.

And if you get a hold of me I think Bob referenced the fact that I came out and I spoke to the National Association of Charter Boat Operators. I've also been out to a couple of other groups and we're certainly available to send speakers out if there's an interest in that and please let us know.

As we mentioned the audio - we're transcribing what happened today. It's going to be posted by early next week. And (Jessica Dutton) who's here with

us today will send out an email to everybody when it's posted. As of now the commercial fishing and the...

Monica Medina: NGO.

Andy Winer: ...NGO comment that took place earlier in the week is already posted and online. So I want to thank all of you for participating today. We look forward to hearing more from you. We look forward to seeing your comments.

And please let us know if there's anything more that we can do to assist in facilitating comments from you or anybody else in the recreational fishing community over the next few weeks. And everybody have a great weekend.

Monica Medina: Thank you.

Coordinator: Thank you. This concludes today's conference, 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	Laurel	Bryant	NMFS Communications and Outreach

In the Room

	First Name	Last Name	Organization
1	Earl	Comstock	Counsel for the Charter Halibut Task Force
2	Bob	Hayes	Coastal Conservation Association

On the Phone

	First Name	Last Name	Organization
1	Patricia	Doerr	American Sportfishing Association
2	Frank	Kearney	CCA - VA Government Affairs Committee
3	Mike	Nussman	American Sportfishing Association
4	Matt	Paxton	Coastal Conservation Association
5	Tom	Sadler	Theodore Roosevelt Conservation Partnership
6	Ed	Sapp	Gulf of Mexico Fishery Management Council
7	Jason	Schratwieser	International Game Fish Association
8	Bob	Zales	National Assoc of Charter Boat Operators