

MSB Goals/Objectives and *Illex* Permitting Amendment Hearings 1-3 Summaries

Hearing #1: March 30, 2020; Webinar, Geographical focus: Massachusetts and north

Attendees who identified themselves: Jason Didden, Peter Hughes, Alissa Wilson, Brady Schofield, Brendan Mitchell, Dan Farnham Jr., Doug Christel, Eoin Rochford, Eric Reid, Glenn Goodwin, Greg DiDomenico, Hank Lackner, Jeff Kaelin, Jeff Reichle, Kate Wilke, Katie Almeida, Kyle Goodwin, Laurie Nolan, Leif Axelsson, Mark Phillips, Meghan Lapp, Michael Roderick, Ryan Clark, Ryan Tillett, Sam Martin, Sigurd Johannessen, Stefan Axelsson, Zack G.,

Jason Didden first provided a presentation regarding the issues and alternatives in the amendment. After a clarifying question and answer session, comments were provided separately for the MSB Goals/Objectives and then the *Illex* Permitting components. Some participants provided detailed written comments, which have been posted as briefing materials for this action. To reduce duplication, if similar written comments were submitted by the same person, the summary below notes that written comments were submitted and focuses on points that extend beyond the written comments. Written comments are available at <https://www.mafmc.org/council-events/2020/msb-committee-webinar-april29>.

Comments on MSB Goals/Objectives

Jeff Kaelin (Lund's and JT Sea Products) spoke in support of adopting the modified unified goals and objectives. Staff or the hearing officer asked if anyone had any objections to the unified goals and objectives, and no objections were voiced.

Comments on *Illex* Permitting

Eoin Rochford (NORPEL): In addition to points also made in written comments, the following points were made: With mackerel, we implemented limited access but have not been catching the quota. Herring is the same with a reduced quota and catches after limited access. Limiting access to the *Illex* quota could cause the same thing where you are not able to harvest the quota (whether it goes up or down or where the fish are), which conflicts with the proposed objectives and would be detrimental to the fishery in the long term. It's better for the community if the fishery is spread far and wide with more participants.

Dan Farnham, Jr (Gabby G. Fisheries Inc. F/V Gabby G): In addition to points also made in written comments, the following points were made: Especially with COVID-19, we need the maximum amount of flexibility to survive with most other markets drying up. His vessel will need access to *Illex* to survive this year. Limiting vessels would conflict with the current FMP objectives to promote the growth of US fisheries and provide the greatest degree of freedom and flexibility to all harvesters, and achieve optimum yield (OY), which the fishery has not done consistently (written comments address new objectives). I view only catching the quota 5 times in 25+ years as a failure and catching the quota in the last three years should be applauded as good for the fishery and country. In earlier years when the quota was caught, there were 33

active vessels in 1998 and 30 in 2004. In 2018 and 2019 there were only 31 and 36 active vessels, so these are not outliers but along the historical norm for years of high abundance and drastic/draconian measures are not needed at this time. Decisions should wait until the results of the *Illex* quota working groups are available so that best available science can be utilized. It would be nice to slow this process down – these meetings are going to be webinars and at the last Council meeting we were kind of promised that there would at least be one in person AP and Committee meeting to hopefully get some kind of compromise. Industry has been working in that direction but we're not quite there. Slowing down and allowing more data in might allow us to get to a compromise. We are looking at vessels who are reliant on the resource getting cut out. We could be cut out even with a Tier 2 permit depending on the trip limit or sub-allocation.

Jeff Kaelin (Lund's and JT Sea Products): In addition to points also made in written comments, the following points were made: We at Lund's and JT's have been working to get a unified position for industry to come to the Council but that's not going to happen so what we want to offer is a tiered proposal that we put together with a number of people that have been in the fishery for a long time – we've been in it since the JV days. The discussion at page 10 is important and outlines the issues being addressed by this action. Spatial conflicts could be added as another issue being addressed in the list on page 10. With so many vessels in a narrow edge adjacent to the coral protection areas the increasing numbers of vessels (12 in 2016; 20 in 2017; 31 in 2018; 36 in 2019) are not sustainable. (The details of the described tiered proposal and rationale are in written comments.)

Brendan Mitchell (NORPEL): In addition to points also made in written comments, the following points were made: NORPEL processes and exports *Illex* and we operate the FV Nordic Explorer (that fishes *Illex*) and several cold storage facilities that also rely on *Illex*. Traditionally NORPEL has been a herring and mackerel processor, but NORPEL and the employees rely now more than ever on *Illex* due to issues in those other fisheries. The community and support services around New Bedford would also lose 100's of thousands of dollars of revenues. My main question with the Amendment is what is the purpose, what is the true biological reason for reducing access and participation? Fisheries need flexibility, especially geographic flexibility. There will be years the quota is caught and many not, regardless of the number of permits. If we cut permits we may never harvest OY, which provides no benefit to anyone. For these reasons I think we need to urge the Council to select status quo and take no further action.

Hank Lackner (FV Jason and Danielle): In addition to points also made in written comments, the following points were made: I'm an *Illex* fisherman landing in Cape May, NJ and New Bedford, MA. I'm in favor of a tiered system that's a compromise industry, the historical participants, has put forward (Often referred to as the "Historic Participant Compromise" in comments):

Tier 1 - 1997-2013 @ 500 K pounds

Tier 2 - 1997-2018 @ 100 K pounds (48K trip limit)

Tier 3 - 1997-2018 @ 50 K pounds (20K trip limit)

Incidental with a 10,000 pound trip limit.

I'd like to go with D2, the fish hold requirement for limited access permits.

(Rationale is detailed in written comments, plus the following)

Words with the letter C are very important for this action. Council Commitment: It's very important that the Council gets a complete understanding of this entire fishery from both the historical participants and those who just got in during the last year or two. There are not a lot of fishermen on the Council and there's some mis-information flying around and they should do their due diligence to understand what's going on and what has gone on in this fishery. The Council should look at: Comfort level with this action, consistency, control date, capacity, capitalization within the fishery, conservation, compromises and concessions being made, catch, possible conflicts of interest, confusion and the changing dynamics within the fleet. Comfort level: What does the Council want this fishery to look like? The Tier 2 proposal accommodates those vessels closer to what they are currently doing. We have some new boats coming into the fishery, but in life you don't just go out and get a job and fly to the top. The historical participants are the backbone of this industry and have earned Tier 1 access. Never before has so much emphasis been placed on landings after the control date. The control date put the industry on notice, and after scoping additional years were added as a qualifier – that's unprecedented and in my mind pure garbage. There's no way 2019 should be used in this document. No credit should ever be given for Tier 1 for history after the control date. Where does it stop? Are we going to start considering 2020? Regarding capacity, in 2017, 11 vessels caught 95% of the quota and the vast majority of the fresh boats were operating under an industry-imposed 100-ton trip limit so we were cut down on production and would have caught the quota faster if not under that trip limit. The fishery was already fully capitalized with those 11. The capital spent by the historical fleet is getting lost – we invested in large RSW systems, freezers, and modern day electronics to catch the squid cleanly. The shoreside processors spent millions and millions of dollars building plants and freezing capacity to support and handle the historical participants catches and store catch when necessary. Credit has to be given to the historical participants who made this fishery what it is today. Related to conservation and consistency, is the Council following its own risk policy with having 70 boats targeting *Illex*? That's never happened before in terms of biological impacts. People fishing in new areas are areas we considered sanctuaries but aren't now – what's the impact of that and on the stock? Could there be bycatch issues? Our tier option has a lot of compromise – from the numbers on both Tier 1 (30+) and Tier 2 (17-20). Requests for 80,000-100,000 pounds for Tier 2 do not represent a compromise. Reliance is not one year of landings – it means you do it all the time and truly rely on it. We are being compromised by the early closures and I have to tell my crew the last three years you're unemployed. It's being overlooked that we don't have other things to do. If you look at the data, the new entrants have always had something else to do. Last year when it closed the new *Illex* boats went back to what else they were doing. There is confusion – there have been no new purpose-build plants in the *Illex* fishery. These are pre-existing plants e.g. for mackerel and herring. Regarding landings and OY, availability and price drove landings – not participants. There may be a slight conflict of interest within the Council. It seems like we're drifting away from managing the fish and I hope we can get back on that path. The changing dynamics within the fleet are really important and tied to capacity. 3 freezer boats have been converted to RSW boats in the last couple years, increasing their efficiency, increasing capacity from around 850,000 pounds per week for them to 2.4 million pounds per week. That's a big

change and not shown in the data. A fourth permit from a freezer was leased and it's on a 160-foot herring boat that accounted for about 5% of landings last year – that's also not really being looked at. There's a fifth herring boat that got active late in 2019 they can jump in and they can do the same. I'm not in favor of delaying – this has been kicked down the road too many times and this is the world we're living in now.

Meghan Lapp (Seafreeze Ltd:): In addition to points also made in written comments, the following points were made: The compromise that the historical participants have come to is a major compromise. The Council's own documents say that 6-15 vessels caught all the *Illex* for the past 20 years up to 2015. The compromise we're putting forward qualifies 34 Tier 1 permits, double the number of permits that actually caught the fish. We are giving up a lot in this to come to some middle ground. The historical participant proposal [see written comments] we're supporting compromises on both dates and poundage thresholds. It's important to hold to the 2013 control date for Tier 1. The control date was reaffirmed in 2018 prior to the development of this action and the industry was put on notice that this is a real control date and that was noticed to the industry. The Council needs to be consistent and we just used the control date in the Loligo Amendment. People make business decisions on control dates. We're supporting through 2018 for Tier 2 to consider recent participation. The scoping and scoping comment period was already completed in April of 2019 well before the 2019 season started. Activity after scoping for this action designed to limit capacity should not be considered, to be consistent with previous Council actions and policy. [Seafreeze also supports the fish hold option and an expanded incidental post-*Illex*-closure trip limit for Tier 1 while longfin fishing, detailed on written comments.] The Council needs to understand the investment of the historic participants. SeaFreeze has purpose-built 2 boats and stretched them in 1994. We purpose-built a facility to unload those boats, bought and held product, at our risk to build markets. We bought and purpose-renovated another facility for *Illex*. Even with poor markets and/or availability we fished because it is all we could do – this is what we built our business to do for over 30 years. The only people that not taking action is going to hurt is the historic participants. If the Council doesn't honor historic participation, which is how our entire fisheries management system is built, and this fishery continues to be overcapitalized, when the fishery closes the new entrants will go back to doing what they were doing, but historic participants like our vessels will be tied to the dock, and 100s of millions of dollars of investments over 30 years would be placed in jeopardy. Seafreeze can't survive on a 1-2 month fishery and net benefit to the nation should not mean that historic participants are no longer viable so I request the Council consider the compromise being put forward by the historic participants.

Katie Almeida (Town Dock): No one reached out to us for this "compromise." I believe that's what a compromise is, when you sit down and discuss issues and come to some sort of agreement. That didn't happen here. No one on our side of this issue has agreed to anything. I didn't want anyone to think this was discussed with both sides or we agreed upon anything.

Sam Martin, Atlantic Cape Fisheries: In addition to points also made in written comments, the following points were made: There's a lot of unrest in all of our businesses with COVID-19 – we

don't know what's going to go on with our markets/fisheries. A lot of sectors of our businesses are shut down. We have no idea about the landscape after the fact and impacts to large and small businesses. It's an appropriate time to slow this down and delay this action because of the tremendous uncertainty everywhere across sectors. We stand to lose 50% of our permits through this action for access to this fishery.

Jimmy Ruhle (FV Darana R): In addition to points also made in written comments, the following points were made: I support what Hank and Megan said, I'm one of the historical participants. We have made significant compromises on the proposals in the last week even if we didn't talk to everyone.

Leif Axelson (FV Dyrsten): In addition to points also made in written comments, the following points were made: I support Hank and Megan and Jimmy. My family has been involved in this fishery as long as anyone could have been. Overcapitalization is an easy thing. We've always had the capacity to catch the quota but we were hampered by markets and availability. Letting more boats in – we don't know what that will do and we've never hammered on the fish on the northern and southern ends at the same time. The fish hold definitely needs to be taken into this to freeze the footprint for capacity. In mackerel and herring, there were mentions to slow things down, and it wasn't until after we overcapitalized that anything was done. We're trying to get a hold of that and I don't want the same thing to happen here. This is a fishery we've worked long and hard for and given up other permits and invested in along with the shoreside plants.

Hearing #2: March 31, 2020; Webinar, Geographical focus: Rhode Island and Connecticut

Attendees who identified themselves: Jason Didden, Peter Hughes, Bill Toegemann, Bob C, Bob Conrad Brady Schofield, Brendan Mitchell, Brianna Hughes, Chris Lee, Dan Farnham Jr., Dewey Hemilright, Donald Fox, Doug Christel, Eoin Rochford, Eric Reid, Gerry O' Neill, Glenn Goodwin, Greg Didomenico, Hank Lackner, Jeff Kaelin, Jimmy Elliott, Justin Hamilton, Karson, Kate Wilke, Katie Almeida, Kevin, Kevin Ralph, Kyle Goodwin, Laurie Nolan, Leif Axelsson, Mario Gonsalves, Mark Phillips, Mark Wollenweber, Mary, Meghan Lapp, Melissa Chace, Michael Hall, Mike Roderiick, Noah Clark, Paul Rago, Phil Ruhle, Robert Laughlin, Robert Ruhle, Ryan Clark, Ryan Selsa, Ryan Tillett, Scott Charlwood, Shawn Laughlin, Sonny Gwin, Stefan Axelsson, Steven Follett, Wayne Reichle, Wes Townsend, William Bright,

Jason Didden first provided a presentation regarding the issues and alternatives in the amendment. After a clarifying question and answer session, comments were provided separately for the MSB Goals/Objectives and then the *Illex* Permitting components. Some participants provided detailed written comments, which have been posted as briefing materials for this action. To reduce duplication, if similar written comments were submitted by the same person or made by the same person in previous hearings, the summary below notes that, and focuses on points that extend beyond the other comments. Written comments are available at <https://www.mafmc.org/council-events/2020/msb-committee-webinar-april29>.

Comments on MSB Goals/Objectives

Staff or the hearing officer asked if anyone had any objections to the unified goals and objectives, and no objections were voiced.

Comments on *Illex* Permitting

Ryan Clark (Town Dock): In addition to points also made in written comments, the following points were made: Town Dock is the largest family-owned seafood company in Rhode Island and one of the largest processors and distributors of calamari in the country. In 2020 we're celebrating our 40th year. Re: COVID-19, Americans eat 2/3 of their seafood away from home - \$70 billion. Seafood is not a takeout item and restaurants have been decimated. Seafood sales are down over 80%, having a profound recent negative impact on markets, fishermen, suppliers, and other businesses. We don't know when it will ease or how/scope...Will people feel comfortable going out to eat or will that be one of the last things to change. One bright spot remains *Illex* squid. The season will come online hopefully when the disease is ramping down and domestic and global markets may still be good in 2020. This reinforces the point that flexibility and the ability to harvest *Illex* to it's full potential for all active participants is critical for our collective survival in 2020 and beyond. I don't consider participants historical or recent, but active or inactive based on the data. But I can tell you firsthand it's not about profits anymore it's about survival for our crews and captains – and hopefully if the fish show up, *Illex* will play a big role this year in keeping all of us going.

[Clark summarized his preferred alternatives in written comments, no action or a re-qualification for full access of at least 50,000 pounds in any one year 1997-2019, and presented an industry tier requalification plan of (all based on best year, no sub-quotas):

Tier 1 - 1997-2013 @ 500 K pounds OR 2014-2019 @ 1 M pounds (approx. 40 permits)

Tier 2 - 1997-2019 @ 100 K pounds (90K trip limit) (approx. 8 permits)

Tier 3 - 1997-2019 @ 50 K pounds (47K trip limit) (approx. 3 permits)

Incidental with a 10,000 pound trip limit. (approx. 25 permits)

These would essentially requalify all active permits. My rationale on why has to do with the boxplot analyses showing a number of potentially non-requalifying boats having more than the median of 30% of revenues from *Illex* of historical participants' dependence in 2019. Boats with high dependence need to be classified as Tier 1 boats and there needs to be a mechanism to qualify some of the "recent" participants into Tier 1. 2019 needs to be included for consideration and Mike Pentony stressed that at the Council and the Council voted to include 2019 for consideration and 2019 inclusion is critical for us. Our tiers mirror the other tier proposal except to the inclusion of 2019 and the associated trip limits. A 47,000 pound trip limit is unworkable for Tier 2 for this volume fishery. 90,000-pounds (the Council's 85,000-pound option plus 5,000 pounds), is an adequate amount to separate Tier 2 from Tier 1, but gives the Tier 2 boats an ability to make a trip for the costs and have a bit of a buffer to eliminate discards relative to the average trip of about 67,000 pounds. We need to account for the boats that average more than 67,000 pounds and give them a buffer given how hard it is to estimate what you have onboard. 90,000 should be enough and it's not 124,000 pounds. We can support the VMS option, and we can't support to hold capacity option. In addition to written rationale, the hold capacity is cost prohibitive up to \$12,000, and lower Tiers already have a limit on what they can bring in. NMFS enforcement has indicated it is difficult to enforce, and there are already length and horsepower restrictions. We have a lot of respect for the families and fishermen still active here in 2020. If you've made it this far you have to be doing something right or lucky or a bit of both. People like the Goodwin family, the Reichle's, the Axelson's, many others, I'm second generation seafood industry and it takes a lot for all us. I'm looking forward to getting back to normal after this working together as a unified front rather than fisherman against fisherman, dock against dock. That day will come, until that day, I'd like to point out that since the control date, prices have tripled, the stock is robust, there are new markets available, the catch is robust. The Manderson report that we all contributed to in excess of \$10,000 toward is very rosy and there's a probability and eventuality of a potentially substantial increase in the quota benefiting everybody and the idea of our plan is to retain everybody in a workable fashion. Our plan is very similar to the other plan offered. No one reached out to us on their plan. Our plan does respect the historical participants. The independent fishermen built our businesses and docks and have been through hell and back. The Council's decision is do we want to be more or less restrictive and it's not by much. This Amendment is all about economics. There's nothing about biological/bycatch and the race to fish is a weak argument. We can't call it about only economics because there will be a lawsuit and it won't fly with NMFS. But essentially it's about who gets the fish, who has access, who

gets what Tier permit, what's a permit going to be worth, what can I sell my boat for, and it has nothing to do with the usual things we've all dealt with the last 20-30 years being cut out of groundfish or other fisheries where there was a legitimate biological problem. This is all about economics in the face of a Manderson report that has a high probability of raising the quota in the short term. The data does not support that some of the permit holders, be they historical or recent are solely dependent on *Illex* – the charts show a 30% median *Illex* dependence in the highest dependence year for the requalifiers at 500,000 pounds with 1997-2013. There's probably 80% of those years where 0%-10% of their revenue dependence was from *Illex*. To cut out 5 boats and the other 10 permit holders to make an unworkable tier at 47,000 pounds vs 90,000 (not 124,000) pounds is wrong and economically driven. We have a robust stock, record prices, record landings and record profits. I can't listen to comments from an employee of Seafreeze that says they are going out of business for boats are tied up for months. I'm not saying that's not happening but I think that employee needs to remember we're about 100 yards away from your facility. Your boats are fishing right along ours. While I'm not saying they're not true and I have ultimate respect for the Goodwins, it's hard to hear that when I'm down at the port every day with my team. After a clarification from Seafreeze staff, there was an apology offered that this topic was assuming Seafreeze staff had been talking about all their boats.

Kyle Goodwin (Captain of the FV Persistence and co-manager Seafreeze Ltd.): In addition to points also made in written comments, the following points were made: There were uninformed comments made about the ownership of Seafreeze and its vessels, which are not owned by the Spanish company Profand. The vessels sold by my family are 75% owned by an American citizen. All companies under the Seafreeze umbrella pay the same federal and state taxes they always did, and likewise with employees with federal and state income taxes. And those employees are the same people there long before the sale. Seafreeze is a Rhode Island company.

Mark Phillips (FV Illusion): In addition to points also made in written comments, the following points were made: I got bumped in 1996 when the Council was concerned about overcapitalization due to CPH not existing when my vessel sank. That seems to have been forgotten - now it seems it's about being inclusive and punishing historical participants. Moving the control date on herring was a disaster – look at the stock now. Same thing with mackerel, look where that stock is now. Historic participants are the Axelsons, Jimmy Ruhle, Seafreeze, Lund's, and Hank [inaudible]. All the rest jump in and out. These people are the big losers in this process and everyone else are the winners. If the Council moves the control date or thinks everyone deserves a permit, I want mine back also. Because I actually had landings unlike most people who are arguing with the Council now.

Katie Almeida (Town Dock): In addition to points also made in written comments, the following points were made: Related to the possibility of 36 boats wiping out an *Illex* cohort made in other comments, the science out there has stated there are multiple cohorts coming across the shelf in waves. The Manderson Summit report states that "...cohorts of juvenile and adult squid appear to move from the slope sea onto the continental shelf and off again in broad waves and

not through a few chokepoints on the continental shelf where they would be vulnerable to aggregating predators and humans.” Consistent immigration of squid from the slope sea to the shelf break with along-shelf movement shows that squid are continuing to replenish themselves up and along the shelf. Regarding comments about protecting *Illex*, the Manderson Summit report states that due to protected areas “large areas of the Mid Atlantic Bight, Southern New England, and Gulf of Maine serve as reserves and areas of escapement for shortfin squid from the fishery.” It also states that high concentrations of juvenile and adult *Illex* have been found in the shelf slope sea in very deep water away from fishing pressure and there are large concentrations of early and late stage larvae and juveniles that occur only in the shelf slope sea, also protected from fishing pressure. These reports are finding the fishing footprint is very small compared to the overall *Illex* habitat, leaving a lot of protections and areas of escapement for *Illex*. The Council should wait for these seemingly positive scientific reports before taking action in this already small fishery. We chose not to requalify in the fluke fishery, a fishery with 100s of permits and serious status issues over the years. Why are we choosing to do the opposite here? The scientific information coming out does not support a drastic reduction in access for any participants and seems to support an increase in quota which is all around good news. There’s room for all current participants and I hope there’s enough time for all to read these reports and see just that. Over the years I’ve heard many in industry complain about not hitting OY in other fisheries and that there’s a need to increase some species quotas or change management so that we can hit OY. For some reason now hitting OY is a negative issue. If we want the Council to follow precedent and possibly set a new precedent, will we be moving to restrict access in other fisheries every time a species hits OY? Without increased participation the fishery would not be reaching OY. Data in the public hearing document shows OY has been met only 5 times in the last 32 years, achieving it only with increased participation. Why is it now that we’re reaching OY it’s being seen as a negative instead of a positive, or as Dan Farnham referred to it last night, as a success?

Mike Roderick (Town Dock): In addition to points also made in written comments, the following points were made: I support the Town Dock proposal as Ryan Clark stated. Regarding community impacts, why does our dependence matter less? We all hold permits that qualified under the same qualification. We built successful markets that are now dependent on us, same with the communities that helped us get there. Why is it OK to hurt our business?

Justin Hamilton (Town Dock Sales): In addition to points also made in written comments, the following points were made: I strongly support the very fair and logical plan that was put forth by Ryan Clark. As someone who’s been selling this product into both food service and retail for years, we’ve seen not only great acceptance but sustained success with *Illex* nationally. Outlined this evening was an objective to come to the overall greatest net benefit to the nation and I believe the greatest benefit would be to continue to provide a great quality *Illex* to the county as a widely accepted US. alternative to Chinese squid and fully support the plan put forward this evening.

Phil Ruhle (FV Prevail): In addition to points also made in written comments, the following points were made: I’ve been *Illex* fishing for 22 of the last 30 years, that’s historical in my book.

I don't have anything against the new players. I sold my boat to the Town Dock with a good permit. A lot of the other permits going the last few years won't qualify with the 2013 control date and that's a problem but I don't qualify for scallops, tilefish, or swordfish. I don't understand how we can think we can decide the 2013 control date just means nothing. You have to be consistent to build a plan that these things are used, you can't just throw it away because some people have money and want to be political. I'd support the 2013 control date put forth by Hank and Meghan and it's the only way to be consistent, I think that's what we should do.

Robert Ruhle (FV Darana R): In addition to points also made in written comments, the following points were made: I definitely want to agree with what Captain Phil said. The control date was there for a reason, it wasn't a secret- everybody knew it was going in place. It's been upheld in 2018 and was fine for the same issue in Loligo. Regarding freezing the footprint of this fishery, it's very small and can't ever expand – you're up against a rock and a hard place east (coral) or inside. If you increase the participation you're possibly going to increase the amount of bycatch because you're adding fishing pressure on a very small area, and you're going to have a giant increase in interactions with fixed and other gear. Where we *Illlex* is not a big area. Like others said, I've been *Illlex*'ing since I was 5 years old and I'm a long way from 5. I've gone every year and I'd say that's historical participation. Prior to the last three years, which is an anomaly catch three years in a row, the fishery closed two prior years with very limited participants with no significant increases to the quota at the time. The fishery is already at maximum capacity with the historical participants. From my perspective the [historical participant compromise] proposed by others is more than fair to account for any new participants while still protecting historical participants.

Mark Wollenweber (Town Dock Processing): I support the Town Dock option. I've been in the boat unloading and seafood processing business in New England since the early 1990s. In both Pt. Judith and New Bedford I've seen a lot of hardworking people go out of business because of stocks that needed strict regulations. *Illlex* is not one of those fisheries. The stock is strong, *Illlex* is MSC certified and doesn't need to be restricted at this point. There are a lot of boats and businesses making a living from this and it's sustainable. Town Dock has spent a lot of time, money, and effort developing a food service and retail domestic market that never existed. A lot of the new participants that are coming in it's because we have a new business model and this is about economic benefits for a lot more people than just the old players.

Briana Hughes (Town Dock Quality): In addition to points also made in written comments, the following points were made: We see *Illlex* as helping promote a local US industry and I support the proposal put forth by the Town Dock.

Glenn Goodwin (Seafreeze Ltd and FV Prevail): I've been fishing *Illlex* for about 35 years in a row. I never went into any other fisheries – we thought we could create the demand and we did. Some of the early trips on the Persistence I shared the edge with foreign trawlers. We've come a long way with the *Illlex* fishery from relative no markets and very low profit margins. We spent years with inventory in the cooler from the previous year. We've lengthened vessels and

invested infrastructure for storing frozen product. We've literally spent our entire business model around the *Illex* fishery. Regarding reliance – our vessels in the last three years have been tied up at least three months early. This market isn't a new phenomenon. From the first year we caught them they went into human consumption and all kinds of uses all over the world. The relatively new entrants don't understand we don't have other options. The ramification for our vessels to be towing around the 3-mile line south of Nantucket/Long Island will be huge for the Loligo fishery but we chose to leave the spawning Loligo to spawn. Has the risk policy changed? You were listening to the last 5-7 years for the forage fish amendment and freezing the footprint and stop fisheries from being created to protect forage fish or new risk policies but now you are looking at 4-folding or more the capacity of the fleet by adding a bunch of new entrants. In 2017, about 11 boats caught the quota – so I don't understand why we need 30 or 40 or 50. Just the boats at Lund's could catch the quota in a good fishing year in about 10 weeks. We don't want to end up like herring and mackerel – you were warned that would happen and it exactly happened when control dates were moved forward and more entrants came and fleets were upgraded and those fisheries are a disaster to this day. I don't want to put anybody out that actually went fishing, if the boat qualified and had history then they are in. I believe we should go with the [historic compromise] with the 2013 control date for Tier 1 and 2018 for others.

Meghan Lapp (Seafreeze Ltd:): In addition to points also made in written comments and previous hearings, the following points were made: In regards to reliance on *Illex* for income in 2019, reliance is not jumping into a fishery for one year because the price is high and making a windfall. Reliance is when you do it every year because it's what you do and you have to, and you have no other options. If you're reliant you were reliant before the control date. To see what vessels are truly reliant, look at those participated when the prices were low or the fishing was poor. Those vessels are reliant. On page 47 of the public hearing document, only N. Kingstown, RI and Cape May, NJ are ports that are dependent on *Illex*, and N. Kingston is the most dependent. That's because that's where Seafreeze is, two boats, more dependent than any other port. To emphasize how much of a compromise the historic participant option is, the document says most *Illex* from 1996-2015, most *Illex* was caught by only 6-15 boats. Even if the Council accepted it as is, Seafreeze would be the biggest losers as the historic participant compromise [see description above] allows in more than double that. This is not the most restrictive option – we could have said we wanted landings both before and after the control date or a million pound qualifier or both but we didn't. We are trying to compromise. Using the control date is extremely important for Tier 1 – that's how business is done and how the Council has conducted business for many years and consistency is important. New effort in 2019 was purely speculative and permit holders were more than on notice that they were very likely going to have their access limited before they even went. However a Tier 2 permit under this proposal would still provide opportunity for new entrants. Only 10 trips at 48,000 pounds results in a half-million pounds of landings and most vessels are going to do much more than that. Tier 3 with a 20,000 pound trip limit is double the incidental limit and consistent with the recent Loligo Amendment. We also support the fish hold option as very important for the purposes of freezing the footprint – it's the same as mackerel, it's already been done and it's the only way to freeze the footprint of capacity. We've heard in other comments that there are

plans to upgrade vessels and vessels have been upgraded and the capacity of the fleet has been changing. *Illex* was not always lucrative and SeaFreeze and historic participants have made tremendous investments building the market for U.S. product that need to be acknowledged. Without decisive action we are headed to a 1-2 month fishery and SeaFreeze can't sustain on that. With a 1-month fishery, which could easily happen, we will be forced into inshore fisheries where we don't want to be and weren't built to be – we have been tied up for months in a row the last three years, and for boats that literally landed 40% of all *Illex* for 20 years, we have nothing else and we'd respectfully ask the Council to consider this in deliberations. *In response to a comment about whether or not boats were tied up, the following was provided:* The SeaFreeze vessels have been tied to the dock because of early closures for the past three years for 2-3 months at a time. Those vessels dock in N. Kingstown, not in Pt. Judith. That is why this action is extremely important to SeaFreeze.

Brendan Mitchell (NORPEL): In addition to points also made in written comments, the following points were made: NORPEL supports the Town Dock proposal on the basis that industry needs the flexibility in the fishery to support all the participants both at sea and shoreside. If there's a lack of markets, we certainly should not be limiting participation especially when the newer participants are creating new markets both domestically and around the world. There should be a concentrated, coordinated, collaborative group effort to support a sustainable U.S. *Illex* fishery. On behalf of myself personally as a fairly young industry member, it is somewhat of a dying industry and *Illex* is a ray of hope for us young people. By limiting any permits and participation we're only preventing future growth of the fishery and keeping the next generation away from the fishery. I can't agree with that because every day we hear about collapsed/failed fisheries, mackerel, herring... Why are we going to prevent the next generation of fishermen and shoreside workers from joining this industry by creating less participation.

Melissa Chase (International Purchasing/Sales Town Dock): I support the Town Dock compromise laid out by Ryan Clark – I really believe this is a reasonable compromise action considering there is no scientifically backed biological reason to limit access to the fishery. This is in line with the goal of implementing minimal restriction to fisheries. This really was a 100% export fishery until we got involved and expanded to new markets domestically. We're now able to rely less on imported product by supplying higher quality *Illex* product. This in turn supports the domestic fishery and bolsters the price. I think the increased competition in the fishery is good for the fishery overall.

Jimmy Elliott (F/V Maizey James and F/V M.F. Hy-Grader): In addition to points also made in written comments, the following points were made: I support Ryan's (Town Dock) industry compromise plan [described above]. I am one of the newer participants in the fishery in acquiring permits. I did my homework with buying permits slowly over the years. There is no criteria on pounds related to the control dates. I have one permit with very good history, and another the man did show participation for a few years in a row before the control date but then couldn't do it anymore. But when you put in a control date if you want a new participant there's got to be another wave of people to take this over so how does one make a smart business decision in keeping people employed? If you keep requalifying permits how do you do

a smart decision on what you're buying. The Tier option Ryan put out works well for both of my cases.

Ryan Scelsa (Purchasing and Fresh Sales for The Town Dock): In addition to points also made in written comments, the following points were made: I support Ryan and Katie on what I think is a reasonable solution to this Amendment. I've seen all 360 degrees of how this works. We took advantage of this fishery's availability and invested quite a bit in development and have a customer base now relying on us for this product and we're relying on them for these sales. I have to support using science through 2019 and support everything Ryan, Katie, and Town Dock have proposed for this Amendment.

Noah Clark (The Town Dock): In addition to points also made in written comments, the following points were made: I've seen what's happened the last 50 years in Rhode Island. I've seen the reductions and restrictions placed on all our fishermen. We were once a big fillet house and as the laws came down we moved to Loligo squid and lately *Illex* squid catching and processing business. I've read through all the documents and I can't support any of the measures to take away from a fishery in a robust position. We need freedom and flexibility to continue to harvest and process and clean *Illex* for our U.S. citizens. I support Ryan Clark's position and I hope the Council will entertain that.

Mario Gonsalves (Owner/Operator Gabby G Fisheries): I support the Town Dock proposal and hopefully it will be recognized.

Donald Fox (Town Dock): In addition to points also made in written comments, the following points were made: This whole amendment is wrapped around a few problems brought up by a group of people in the industry including gear conflicts, safety, and race to fish. Racing to fish will exist with this short season and it won't change anything by eliminating people given the short season. No practices have changed from 1997 to 2019 and there's nothing in the documents to support that. I'm not sure the Council should be in the business of regulating safety by not qualifying certain permits. I urge you to try to get people to take care of their safety issues. Gear conflicts were brought up because of one letter – the fishery south and west of Hudson has open areas – in our area the issue is mitigated by lobster RGAs – maybe we need some lobster RGAs down there to mitigate the gear issue in the Mid-Atlantic. All of this stuff that was mentioned with hours and weeks of labor for these issues there's no proof they exist. In my mind this was done to limit access to the few at the expense of the many. It's a national asset - it doesn't belong to ten people/permits. It belongs to everybody who had a permit. Where I come from they call that the fox guarding the henhouse at least and self-serving at best. The fox guarding the henhouse remember that, or self-serving.

Bob Conrad (Co-owner FV Gabby G): I'm one of the newbies, but from what I've seen with the fishery, the quota has only been caught 5 times in the last 25 years. We're dealing with a very healthy stock that's not overfished with no bycatch issues. There's no evidence of localized overfishing and the Council's been looking to understand quota so cutting out permits makes no sense. I'm in alliance with Ryan Clark and the Town Dock proposal and with the investments

those guys have made and creating new markets and the ability for boats like us without tanks it's done wonders for us and given us the flexibility to get through summer. We never had access without tanks and now that we do it's not a reason we should be cut out. That 2013 date is obsolete and you should look though 2019 for any proposals.

Jeff Wise (captain FV Lightning Bay): I'm a recent participant into the fishery. History is history and a lot is ancient history. Fishing is changing, fish are moving. We're always trying to adapt and change. There weren't more participants 10-15 years ago because we were more diversified and there were other options available. Other boats chose other fisheries. We just don't have those options now. In a capitalistic environment, I appreciate the effort of the historical contributors like Seafreeze/Lund's to establish the market but now the market is there and we need to exploit it as well as we can. With everything going on it's getting harder and harder for boats to make money. Unfortunately it's necessary for boats that were in one fishery to move into other things just to sustain themselves. I'd really like to see instead of getting pushed out, a collaborate effort occur to increase the TAC so everyone could get a little piece of this pie. I support no action at all but if there is to be action I support the Town dock because it will allow everyone to get in there and exploit this fishery to its potential because we're running out of ways of getting it done.

Scott Charlwood (Director of Operations Town Dock): In addition to points also made in written comments, the following points were made: I support the Town Dock proposal. If you choose not to it will adversely affect my operations and we will absorb many job losses. Our customers buy other products from us and if we can't provide *Illex* may lose that business also.

Leif Axelson (Captain FV Dyrsten): In addition to points also made in written comments and previous hearings, the following points were made: I'm a third generation *Illex* fishermen - my grandfather, dad and uncle started this developing the markets with Lund's to where we are today. I took my dad's boat as captain at 20 with 16 cents per pound and \$4 for fuel. There wasn't hardly anyone out there – folks weren't interested, they were doing other things – we didn't have the option. I'll back up what others said with herring and mackerel and overcapitalization and letting too many boats in. We were told it's OK with plenty of quota. Should we still be hesitant? Should we take that risk again, dealing in the future with a fishery that was once robust? We ramped up and look where we are now with herring and mackerel. With *Illex*, why is it a ramp up in 2018? 10-12 boats caught it in 2017. In 2018 and 2019 is it speculation? Prices? The price is good enough but I didn't have time for it in the past. For us historical participants this is all we have, all we ever had. We don't have other things to fall back on - we were kicked out of other fisheries. If you look at the charts, the recent participants that say they have dependence on *Illex* - they have scallops for a good portion of their other dependence, we don't have that if we get shut down early. I do have other options – I could go tow off the Islands and drag around – do we want that? I'd rather stay offshore for what the boat was designed and made to do. I go along with Robert Ruhle and Meghan and Hank with what I think is more than fair. 2019 should not count. The compromise lets in a lot of boats, a lot more than other things our family has been kicked out over the years because we focused on *Illex*. Our family and the dock we pack into has invested millions into that fishery and almost

lost it all until it finally got to where it is today. As other's have said for the Johnny-come-lately's wanting to have their piece of the pie and here we are the historical participants putting forward something that doesn't really kick everybody out. It gives everybody a chance. And if the quota goes up, everybody else increases in what their abilities are to do and how much longer the season goes.

Phillip Merris (FV Excalibur). In addition to points also made in written comments, the following points were made: I'm one of the Johnny-come-lately's I guess but being an ice boat we had no market until recently. I really don't want to get shut out and it's become a big part of our year especially this year. We're in the shipyard...it's going to be a huge part of our year. We'll be dependent on it to have a good year and for that reason I support the Town Dock proposal.

Michael Hall (Town Dock): In addition to points also made in written comments, the following points were made: I started *Illex* in 1990 with a tank boat. Prices weren't very good, we did it to fill in the gaps. Never in my wildest dreams did I think 30 years later this is what we'd be going through. I support the Town Dock alternative. Either no action or theirs and the least invasive alternative. This isn't fair. It's not fair to someone who wants to be a fisherman. And someone who wants to buy a boat and permit and then five years later someone decides I catch more than you so you don't deserve any. It's not how we should go, I've seen too many of that it's just wrong on all fronts.

Joanne Green (Seafreeze Ltd): I've worked at Seafreeze for 30 years. They were the first to be involved with *Illex* and all the guys on the boats and our company are reliant on that season especially with all the other quotas and areas being lowered and shut down. The last couple of years, great catches, but shutting down early has had a huge impact on the crews and their families. I agree with Meghan's and Glen's and Kyle's positions alternatives for this port for the future.

Gerry O'Neil: I'll speak in support of what Meghan/Glen/Kyle/Leif were saying for the historic fishery.

Hank Lackner (FV Jason and Danielle): In addition to points also made in written comments and previous hearings, the following points were made: I appreciate Ryan Clark's proposal. I'm in favor of the historic participant compromise [see description above] and the fish hold option. This is a compromise 500,000 pounds down from 1,000,000 pounds – at 1,000,000 pounds I'd call myself a failure. I struggle with including after the control date – it doesn't give historical participants the credit they deserve. Regarding goals and objectives, flexibility could have two meanings. One is for boats that don't fish for *Illex* jump in, or boats that rely on *Illex* can move around and persecute the fishery as they are used to doing in. We'd jump around canyon to canyon moving around to avoid bycatch to keep the fishery clean. Too many boats on the edge goes against everything the Council has worked for. Flexibility needs to be thought about in a different manner – it doesn't just mean ability to move from fisheries you've always done into other fisheries. The boats that rely on *Illex* they need flexibility too and some of the current proposals will take away flexibility. Flexibility does not mean open access that everybody has a

permit. We need to look hard at the meaning of flexibility. I'm hoping something constructive can come out of there now being two proposals, and it's important that there are proposals on the table.

Jeff Kaelin (Lund's): In addition to points also made in written comments and previous hearings, the following points were made: Mark Phillips had some of the strongest comments of the evening. Regarding race to fish, we've gone from a 6-month fishery to a 2-3 month fishery, that's the problem with a race to fish. We have a plant also and a lot of people and they are laid off when the fishery is shut early. I agree with Hank that dependency is being confused with speculative entry. That's a powerful statement and I totally support it. We've all been around a long time. We saw limited entry come in and it was very difficult to understand why gas stations could be on all four corners but we could only have so many boats in a fishery and there's a reason for that. It was recounted earlier with mackerel and herring and the promised robust quotas and the super-abundance of capital that went in and many people had to leave as a result. The Council needs to be consistent. We've used control dates in the past. People have been on notice for a very long time about this fishery further reducing effort. There were only 36 boats in the fishery in 2019 and 34 would be qualified as Tier 1 and another 14 in Tier 2- we think ours is a generous proposal.

Steve Follett (FV Heather Lynn): In addition to points also made in written comments, the following points were made: I support the Town Dock's tier system – I've had many other permits taken away like groundfish and scallops. I don't need any more taken away. We've lost the herring fishery, I don't need to lose any more.

Hearing #3: April 1, 2020; Webinar, Geographical focus: New York

Attendees who identified themselves: Jason Didden, Laurie Nolan, Alissa Wilson, Bill Miller, Bud Brooks, Chris, Chris Joy, Dan Farnham, Dan Farnham Jr., David Novsak, David White, Dewey Hemilright, Eric Reid, Gerry O'Neill, Greg Didomenico, Hank Lackner, Jack Burke, James Lund, Jeff Kaelin, Jeff Reichle, Jimmy Elliott, Kate Wilke, Katie Almeida, Kyle Goodwin, Leif Axelsson, Mark Phillips, Maureen Davidson, Meghan Lapp, Michael Roderick, Noah Clark, Paul Rago, Phil Ruhle, Robert Ruhle, Ryan Clark, Ryan Scelsa, Ryan Tillett, Stefan Axelsson, Vic Vecchio, Wayne Reichle, Wes Townsend, William Bright,

Jason Didden first provided a presentation regarding the issues and alternatives in the amendment. After a clarifying question and answer session, comments were provided separately for the MSB Goals/Objectives and then the *Illex* Permitting components. Some participants provided detailed written comments, which have been posted as briefing materials for this action. To reduce duplication, if similar written comments were submitted by the same person or made by the same person in previous hearings, the summary below notes that, and focuses on points that extend beyond the other comments. Written comments are available at <https://www.mafmc.org/council-events/2020/msb-committee-webinar-april29>.

Comments on MSB Goals/Objectives

Staff or the hearing officer asked if anyone had any objections to the unified goals and objectives, and no objections were voiced.

Comments on *Illex* Permitting

Meghan Lapp (Seafreeze Ltd:): In addition to points also made in written comments and previous hearings, the following points were made: Seafreeze vessels have been participating in this fishery every year for over 30 years. Our crews are forced to financially plan for having no fishing income from August to late Oct/Early Nov every year in an unfortunate new normal for us. It's important for the Council to understand the tremendous investment in this fishery by the historic participants and investment in RSW or freezers was one of the four original criteria for *Illex* permits in Amendment 5 – showing the Council acknowledged the investment necessary to qualify as a historic participant. When the fishery closes newer participants go back to their traditional fisheries – this is our traditional fishery. Including 2019 for qualification would reward speculative entry, the very thing this action was initiated to prevent. The 48,000-pound Tier 2 limit would be consistent with Tier 2 permits in other high-volume fisheries like Atlantic herring and it affords opportunity for Tier 2 vessels. The 50,000 pound qualifier for Tier 3 is only 5 incidental trip limits, so it's a very low threshold but we are trying to provide opportunity.

Mark Phillips (FV Illusion, independent operator): In addition to points also made in written comments and previous hearings, the following points were made: In 1983 that was the first year I went *Illex* fishing with the Hirishima Maru (sp?) with I think with Lund's. Before 1990-

1995 I was the only New York boat that went directed *///ex* fishing. I have been consistent in every fishery I've been in about control dates.

Hank Lackner (FV Jason and Danielle): In addition to points also made in written comments and previous hearings, the following points were made: The new proposal [Town Dock see above] is not a compromise and basically gives everyone full access even based on only one year even if it's after the Council started this action in 2019. I see this proposal as basically made up of pure greed and self-need. It says everyone is the same and history and capital investment means nothing at all. It's important to remember that processors will always get fish/product. The makeup of the fleet does not affect their market. Access to this fish can always be gained by buying a permit – I had to do it with herring and mackerel. Our large vessels cannot operate on state by state quotas – they don't want to go inshore and enter the Loligo fishery – with the bycatch issues and we don't want to impact that fishery and those vessels. The historical participant compromise gives participants the longest season with a reasonable number of boats and lets vessels move along the edge while avoiding bycatch. Flexibility does not mean a wide-open fishery – not everyone needs to be an *///ex* boat. If this Amendment gets delayed due to COVID-19 are we going to start considering 2020? It's wrong and unfair to historical participants to keep opening doors to let one boat in at a time. Consistency was found during the 8 years of Rick Robins' tenure – during that time we went through the forage amendment, deep sea coral amendment, a chub-mackerel amendment, and establishment of the monuments. The goals of these amendments was to freeze the footprint of industry and limit the capacity on the continental shelf. I'm in favor of the volumetric fish hold measurement. It was done in mackerel and it's imperative to freeze the footprint so that the Council has a full understanding of the capacity its trying to manage. It's a relatively small expense. A fish-hold measurement costs about \$1,000 according to a well-respected naval architect. It's not a big deal to get it done. The permit data suggests the fleet has a hold capacity of nearly 9,000 MT or 18,000,000 pounds – 33% of the TAC – in theory this could be a 3-trip fishery. I've had to re-mortgage my house several times to keep going during slower times. New entrants have had to use little capital and risk. They take their boats, use the same nets, blow some ice in and off they go speculating. The other Tier 2 proposal shows no concession or compromise – the new entrants are given the same access as guys doing it for decades – that's just not fair. Their Tier 2 trip limit asks for a 25,000 pound increase from the median. Most vessels would still operate at full capacity. We know the 34 Tier 1 and 50+ boats total vessels under the historical participant compromise could lead to more early closures but we are making a concession and compromise. If the working group led to more quota, I don't believe historical participants would have any problem raising the trip limits in each lower tier. I imagine if the quota went up by 20% we'd raise the trip limits by 20% or something along those lines. There is noise about the quota being caught only twice before 2017. If they were involved in the fishery in years past this wouldn't be a point to argue. It was not a lack of boats. *///ex* markets are set globally – demand and price drive catch. They are not always 40 cents a pound. Sometimes the squid just don't show up. So unless you rely and depend on *///ex* for a period of time statements like “you only caught the quota twice” get made. Given changing fleet dynamics, the fleet you permit even today may not be what's represented in the data – use caution. 34 full time access permits is a lot of catching power.

Kyle Goodwin (Captain of the FV Persistence and co-manager Seafreeze Ltd.): [Reiterated written comments supporting the historical participant compromise and on the negative effects of a shortened season on at-sea freezer processors]

Robert Ruhle (FV Darana R): In addition to points also made in written comments and previous hearings, the following points were made: I support the compromise put forth by Megan and Hank. Regarding comments on new markets for iced product not being previously available, every pound of *Illlex* landed in North Carolina from 1983-current except for 2004 was an iced product. Participation was low due to low prices, and high costs and labor. Control dates are there for a reason and was upheld for Loligo. There has been discussion about a small number of boats. In red crab it was just one extra vessel that did not qualify and did not get a permit. For the last three years we've had astronomical production. I'm concerned what happens with a normal year – what's the perception of the SSC and Council when we went over and then go back to normal. Is that going to trigger a knee jerk reaction. Nothing on quotas is done. 2020 looks like a normal or substandard year.

Jeff Kaelin (Lund's): [Reiterated written and previous hearing comments supporting the historical participant compromise.]

Dan Farnham, Jr (Gabby G. Fisheries Inc. F/V Gabby G): In addition to points also made in written comments and previous hearings, the following points were made: In general I'm in favor of no action or the most liberal action. This seems to be solely economically driven and motivated and a resource grab by the larger historical participants in a fishery that has drastically increased in value in the last three years. The non-economic reasons seem flimsy at best. The only reason the fishery would be open in Oct/Nov is if the quota wasn't landed, and landings then have been minimal. In 2017-2019, the majority of historical participants, specifically the RSW vessels, had banner years, their most profitable years to date. For those who say they have no other options during the summer months, you can look at 2016 when many historical *Illlex* boats participated in the summer Loligo fishery and then switched over to *Illlex*. For New Bedford, while the *Illlex* revenues are dwarfed by scallop money, scallop money flows directly out of New Bedford and the *Illlex* landings help shoreside processors, ice houses, fuel barges, and a year round workforce. Regarding gear, lobster RGAs mitigate gear issues where most new entrant activity is occurring and reentering activity occurring in S. New England waters spreads out so it's not just off New Jersey and S. Long Island. The re-entry of boats with new markets accepting iced product is why going through 2019 is critical. The plan outlined by Ryan Clark and Town dock is very close to the plan put forward by Lund's and Seafreeze but allows for 6 more vessels in Tier 1 and close to the same total of 51 requalified permits. This seems like a fair compromise that gives preferential treatment to older and historical landings but still allows those with permits more recently back online to qualify if and only if they had a very high level of participation/dependence on *Illlex* after the control date. Looking at figure A14, there are 6 vessels with a high level of dependence recently, looking at 2019 they derived 30-60 percent of their year revenue from *Illlex*. This is higher than the median of the Tier 1 qualifiers under the Seafreeze plan and shows these 6 vessels are more dependent on *Illlex* currently than the majority of those other vessels. The Trip limits proposed under the

Town Dock plan for the lower tiers mirrors the lower level of participants for those Tiers but is economically viable to go after and would reduce discards and freeze the footprint of the fishery. That is what we need to focus on and not allow people to ramp up effort but we need to allow people now in this fishery to continue to access it given the healthy nature of the stock and no biological need, and we need opportunities, especially in these very tumultuous times when traditional fresh and frozen markets have evaporated.

Dan Farnham, Sr. I've been involved for over 40 years and currently either own or am partners in three offshore boats – one ITQ tilefish boat and two trawlers that target the usual species – fluke, scup, Loligo, whiting, with the typical mix of permits most have except for scallopers. One boat has an *Illex* permit, the Gabby G. My first comment is directed toward NMFS. Related to consistency, there's a lack in the Northeast GARFO area – it's frustrating from my point of view. One year we have whiting fishery with two overfished species – we leave that fishery open access knowing red hake will be a new choke species and here we are now talking about reducing permits in a fishery with only 76 permits. For any new young fisherman trying to grow into these fisheries, they have to be petrified. What permit do I buy? What are the control dates? How old are the control dates? Will they use them or not? How many pounds of landings history do I need. Continuity in this area would really be helpful. I wish from the top down there would be a little more oversight. For the present action, this fishery only landed more than 75% of the quota three times between 2000-2016. So we've left 25% of the quota in the ocean most years. Why is it so bad to have caught the full quota the last three years? Isn't that the objective to catch the quota? To optimize the yield from the fishery in terms of pounds and dollar value? On one hand we're talking about increasing the quota and reducing access on the other hand at the same time. We're going to look pretty foolish if we restrict this fishery to a handful permits and we don't come close to catching the quota down the road? National Standard 5 – is this basically an economic allocation with a few flimsy arguments and other impacts to support it. This fishery is neither overfished nor is overfishing occurring. There are minimal or no biological impacts and no environmental impacts either. There are no new entrants here. Every permit qualified for limited access in 1995. They are not new entrants. I keep hearing about the amount of money spend on vessels in this fishery and I respect that but we all spent money on our permits. Every *Illex* permit that's been purchased we paid the value for it. Everyone invested in this fishery before the control date did so knowing there were 76 permits issued. No surprises there. Everyone knew it or should have known there was the potential for 76 permits to target *Illex* in any given year. Why are we surprised there were so many boats out there when the fishing was so good and the price was high. We shouldn't be and we shouldn't be surprised when the fishing gets slower and price drops that a lot of boats won't go after *Illex* in those years. I haven't heard a lot of comments about the possibility of status-quo in this fishery. There's a real possibility this action goes that way. We already heard about the possibility of legal action if too many vessels are removed from this fishery. NMFS will look long and hard at any alternatives to make sure that they are legally defensible. I think both of these groups, it's in their best interest to try and reach a compromise between each other and not just between the historical boats among themselves or town Dock Boats. – you never know what you're going to get out of this fishery. If you reach a compromise you know

what you're going to get assuming the Council agrees to vote on it. I support the Town Dock proposal or any compromise that can be developed between these two camps.

Katie Almeida (Town Dock): In addition to points also made in written comments or previous hearings, the following points were made: We all have permits that qualified during the last round of qualification. This isn't an open access fishery, there aren't people coming into the fishery without a permit. The most inclusive option goes to 50 permits from 76. That's already a large reduction. Historical participation does not equal ownership. We all make business decisions and just because some people didn't put all their eggs in one basket doesn't mean they should be punished by restriction or removal from the fishery. The Manderson report isn't peer reviewed but we all know the positive information from that group is going to be used to advocate for more quota. To use that data for one particular issue and not another is wrong. If that extra quota can be used to keep people in the fishery it would be the best thing for the industry as a whole. The historical compromise being mentioned is not a compromise – that is a plan from one side of the industry. I support the Town Dock plan – it truly includes recent dependent participants and fully includes historical participants - permits are reduced and everyone wins with increased quota coming our way.

James Lund: Operator, lifetime fisherman. I'd like to remind the Council that in the past a cut-off date has been final and unforgiving. Anyone investing after that time does so at their own peril. And there should be a cap on the size of the growth of your hold.

David White (FV Perception): I'm one of the new participants. We've only done this the last couple of years. We were primarily a Loligo squid boat. We've dealt with an increased number of participants in that fishery. We were looking for an escape from that – taking pressure off the Loligo fishery and fishing in an area where the majority of *Illex* have not been caught. I'm in favor of being considered as a new participant. I understand the concern of the historical fishermen - the same concern we had with the Loligo fishery. I support the Town Dock's plan because our legs would be cut out from under us with the Seafreeze plan with the Tier 2 trip limit at 48,000 pounds - with the ability to only land two trips per week 48,000 pounds doesn't suffice which I guess is the plan anyway. I support the Town Dock plan until the scientific data proves that there's a detriment to what's out there.

Stephan Axelson (FV Drysten): We are one of the historical participants. I'm in support of the compromise put forth by Megan Lapp and Hank Lackner. It keeps getting brought up why squid hasn't been getting landed. As a historical participant we know - we could have caught the quota every year if the squid were there and the market was available, but it wasn't.

Ryan Clark (Town Dock): In addition to points also made in written comments and previous hearings, the following points were made: I want to throw my support to the Farnhams and David White in their comments.

Noah Clark (Town Dock): In addition to points also made in written comments and previous hearings, the following points were made: I support to the Farnhams and David White in their comments. Katie Almeida has made some great points the Council should consider.

Ryan Scelsa (Purchasing and Fresh Sales for The Town Dock): In addition to points also made in written comments and previous hearings, the following points were made: I support the comments made tonight by Noah and Ryan Clark as well as the Farnhams and David White

Leif Axelson (Captain FV Dyrsten): In addition to points also made in written comments and previous hearings, the following points were made: if you want to get away from the word compromise for our option, I feel the criteria are very inclusive by including years after the control date in the Tiers. The fish hold option is not that expensive a cost and easy to do if the fishery matters to you. I hear a lot about how we didn't catch the quota until a bunch of boats got into it. That's not necessarily the truth. I've been doing this my whole life. The years we didn't catch the quota was due to market availability or the squid just weren't there. I've seen where the price was next to nothing and the plant would only take 8 trips. The mackerel/herring downturn needs to be kept in mind and the capacity is there and will be there. What we presented as the historical fleet is inclusive. No one loses permits unless you literally did not fish. Why would one year qualify someone for a permit that was 6 years after control date. We've lost a lot of permits to sticking to our guns and sticking to a swill boat on *Illex*. Now we're wondering why it's so important to someone who got in last year or the year before.

Mike Roderick (Town Dock): In addition to points also made in written comments or previous hearings, the following points were made: I support the Town Dock plan and the comments make by Dan Farnham and David White. In global markets with markets tight, the development of our clean squid process with keep the American fishermen moving forward in these tough times.