



Mid-Atlantic Fishery Management Council
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Michael P. Luisi, Chairman | G. Warren Elliott, Vice Chairman
Christopher M. Moore, Ph.D., Executive Director

MEMORANDUM

Date: September 27, 2019
To: Council
From: Jason Didden, staff
Subject: *Illex* Permitting and MSB Goals and Objectives Amendment

The Council is scheduled to review progress on this amendment and provide direction on further development.

The following documents are included as briefing materials:

- September 2019 MSB Committee meeting summary with action items for October 2019 meeting
- September 2019 Advisory Panel (AP) meeting summary
- Staff memo supporting September 2019 MSB Committee meeting
- Public comments for October 2019 Council meeting received by September 25, 2019

Earlier documents for this action are available via links at <http://www.mafmc.org/actions/illex-permitting-msb-goals-amendment>.

At the October 2019 Council Meeting, staff will summarize the September 2019 MSB Committee and AP meetings. Based on Council input/actions, development of the amendment will continue accordingly.



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MEMORANDUM

Date: September 25, 2019
To: Council
From: Jason Didden, staff
Subject: September 12, 2019 MSB-COM Meeting Summary; *Illex* Permitting and MSB Goals and Objectives Amendment

1. Introduction

The goal for the Council meeting regarding this action is to review the Atlantic Mackerel, Squid, and Butterfish Committee's (MSB-COM) recommendations and to provide direction on Amendment development.

The MSB-COM met on September 12, 2019 to review and develop options for modifying access to the *Illex* squid fishery as well as for revising the MSB Fishery Management Plan's (FMP) Goals and Objectives. A recording is available at: <http://mafmc.adobeconnect.com/pd61pmxhvah0/>.

MSB-COM members in attendance included Peter Hughes (Chair), Sara Winslow (Vice-Chair), Sonny Gwin, Laurie Nolan, Joe Cimino, Stew Michels, Adam Nowalsky, Peter deFur, Andy Shiels, and Eric Reid. Mike Luisi, the Council Chair also attended.

Other attendees included: Jason Didden, Tara Froehlich, Dan Farnham, Brendan Mitchell, Chris Lee, Aimee Ahles, Katie Almeida, Chuck Weimar, Greg DiDomenico, Deirdre Boelke, Jeff Reichle, Jeff Kaelin, Meade Amory, Gerry O'Neil, Doug Christel, Aly Pitts, Meghan Lapp, and Pam Lyons Gromen.

Jason Didden of Council staff provided an overview of the MSB-COM meeting objectives, which were to: 1) Identify problem statements to address and the goals to achieve through this action, and 2) Review and develop initial alternatives in order to provide direction to the Fishery Management Action Team (FMAT) for this action, as well facilitating input from the MSB Advisory Panel (AP) at its September 23, 2019 meeting. A summary of that AP meeting is also included in the briefing materials for the October 2019 Council Meeting.

The meeting started with the Goals and Objectives component and then addressed the *Illex* permitting component. Each component began with a discussion of the problem statement and goals addressed by this action, and then proceeded into discussion of alternatives.

2. MSB FMP Goals and Objectives Component

2A. Problem and this action's goal regarding MSB FMP Goals and Objectives

The “problem” is that there have been no revisions in a long time, and the “goal” is to make sure that the FMP Goals and Objectives are aligned with the Council’s current priorities and Strategic Plan.

Council action: Is the “problem” and “goal” for this component described correctly?

2B. Alternatives regarding MSB FMP Goals and Objectives

Council staff reviewed the goals and objectives of the current FMP and those recently developed by the Council for chub mackerel’s addition to the FMP. The Council previously indicated that staff should develop a single set of merged goals and objectives that can have call-outs for particular species (i.e. chub mackerel) if appropriate.

The draft unified goals and objectives provided in briefing materials to the MSB-COM are provided below, and some possible additions/changes are noted based on discussions by the MSB-COM. **Solid underlined, bold, italicized** font indicates a change the MSB-COM thought should be made, and a **dotted underline with bold italicized** font indicates a possible change for further consideration.

- *Goal 1: Maintain sustainable MSB stocks.*
 - *Objective 1.1: Prevent overfishing and achieve and maintain sustainable biomass levels that achieve optimum yield in the MSB fisheries, with specific consideration of meeting the needs of **chub mackerel** predators.*
 - *Objective 1.2: Consider **and strive** to account for, to the extent practicable, the role of MSB species **and fisheries** in the ecosystem, including roles as prey, predator, and food for humans.*
- *Goal 2: Achieve the greatest overall benefit to the Nation, balancing the needs and priorities of different user groups **and effects of management on fishing communities**.*
 - *Objective 2.1: Provide the greatest degree of freedom and flexibility to harvesters **and processors (including shoreside infrastructure)** of these resources consistent with the attainment of the other objectives of this FMP, including minimizing additional restrictions.*
 - *Objective 2.2: Allow opportunities for commercial and recreational MSB fishing, considering the opportunistic nature of the fisheries, changes in availability that may result from changes in climate and other factors, and the need for operational flexibility.*
 - *Objective 2.3: Minimize harvesting conflicts among fishermen.*
 - *Objective 2.4: Balance social and economic needs of various sectors of the **chub mackerel MSB** fisheries (e.g., commercial, recreational, regional) and other fisheries, including recreational fisheries for highly migratory species.*
- *Goal 3: Support science, monitoring, and data collection to enhance effective management of MSB fisheries.*

- *Objective 3.1:* Improve data collection to better understand the status of MSB stocks, the role of MSB species in the ecosystem, and the biological, ecological, and socioeconomic impacts of management measures, including impacts to other fisheries.
- *Objective 3.2:* Promote opportunities for industry collaboration on research.

There was concern voiced about the ability to quantify MSB species' roles in the ecosystem given the similar difficulties previously discussed for just chub mackerel. Specifically, does including Objective 1.2 set the Council up for failure? Staff noted the relevant objective (1.2) states this is to be done "to the extent practicable," and that for butterfish there actually is already a direct and quantifiable integration of ecosystem considerations via the chosen fishing mortality target. An alternative approach was not proposed, and discussion (including preliminary NMFS legal input) noted that goals and objectives can be qualitative and something to strive for.

There was also discussion about whether the call-outs for chub mackerel (see highlighted instances above) were necessary or whether more generic language should be used. The MSB-COM identified one potential change from chub mackerel to MSB more generally, noted above.

Public comment supported additional focus on fishing communities (including processors) in the goals and objectives given the investments that must be made in terms of vessels and shore-side infrastructure for MSB fisheries, especially given the dependence on MSB species for specific communities. There was also a request for recirculation of a list of goals/objectives that had been sent to staff previously from a group of Advisory Panel members (Greg DiDomenico, Jeff Kaelin, Katie Almeida, and Meghan Lapp) who were concerned that the overall MSB goals and objectives "not be based upon what was done for the Chub Mackerel amendment." That list is included below:

1. Maintain sustainable stocks, prevent overfishing, and achieve and maintain sustainable biomass levels that achieve optimum yield in the fisheries and meet predator needs, while acknowledging environmental variables and drivers.
2. Maintain viable fisheries and fishing communities.
3. Allow opportunities for commercial and recreational fishing, considering the opportunistic nature of the fisheries, changes in availability that may result from changes in climate and other factors, and the need for operational flexibility.
4. Provide the greatest degree of freedom and flexibility to all harvesters of these resources consistent with the attainment of the other objectives of this FMP.
5. Increase understanding of the conditions of the stocks and fisheries and promote opportunities for industry collaboration on research.
6. Maximize US fishing opportunities by making extra quota available to the US fishery if other areas outside our jurisdiction under harvest scientifically developed quota on the same cross- border stocks, in absence of international agreement.

There was also public comment supporting the added ecological considerations, and requesting that the impact of fisheries on the ecosystem be specifically included given the Council's Strategic Plan. There was also a question whether goals and objectives from FMPs in other Councils were considered. Staff responded that they were not; staff used the outline of the chub

mackerel goals and objectives given the Council had recently and extensively considered the chub mackerel goals and objectives. Public comment also noted that ecosystem considerations are already addressed when the Scientific and Statistical Committee (SSC) sets Acceptable Biological Catches (ABCs).

Council action: Are the above unified goals and objectives appropriate? Are any modifications warranted? What is the Council's preference regarding the noted potential edits?

3. Illex Permitting Component

3A. Problem(s) and this action's goal regarding *Illex* Permitting

Staff summarized previous FMAT input regarding the *Illex* Permitting issue (<http://www.mafmc.org/s/Illex-FMAT.pdf>) and the way the recent longfin squid permitting amendment addressed “problems” and “goals.” Staff noted that the Magnuson-Stevens Act (MSA) prohibits measures that have “economic allocation” as their sole purpose.

The “problems” from the status quo situation discussed (by the MSB-COM and/or the public) during the meeting included (and will be developed further – there was not consensus):

- Difficulty of timely closures with more vessels participating.
- Potential for *racing to fish* to lead to increased bycatch (bycatch has not been an issue for *Illex* through 2016 when discards were last examined – updated data will be examined during development of the action).
- Potential for *racing to fish* to lead to safety issues (weather, maintenance, overloading).
- Disruptive early closures; loss of quota access for vessels with historical dependence on *Illex* as well as associated fishing community impacts.
- Catching the quota earlier in the year may mean more, potentially less valuable, small/immature squid are caught before they have an opportunity to spawn.
- Activation of previously latent permits may exacerbate *racing to fish* (public comment noted several large vessels are being built to participate in the *Illex* fishery).

The “goal” of the Amendment related to the *Illex* permit component would therefore be to consider further limiting access to the *Illex* fishery and consider the appropriate number of vessels and types of access that could address the above problems. The FMAT has noted before that a permit requalification is unlikely to completely and/or permanently solve *racing to fish* issues, since the remaining vessels often still have incentives to increase their fishing power over time (other measures, such as individual fishing quotas can address racing to fish more directly).

Council action: Does the Council have any additional input on the “problems” and “goals” for this component as they are further refined by the FMAT?

3B. Alternatives regarding *Illex* Permitting

The MSB-COM discussed that given the nature of the *Illex* fishery (high variability), days at sea/ trip limits/ area closures are not practical solutions to *racing to fish*. The MSB-COM also passed a motion that it believes Individual Transferable Quotas (ITQs) are not appropriate at this time (Note: “ITQ” was discussed to include similar types of measures):

*-I move that the Committee recommend that ITQs not be included in this Amendment.
Nolan/deFur, Motion passes via Consensus (Motion from Committee, Council action needed)*

Public comment was mostly (but not universally) opposed to ITQs as well, partly to avoid delays with implementing this action given the additional requirements for ITQs. There was public interest in considering community development quotas or other community support measures should the Council pursue ITQs in the future.

A discussion regarding the control date (Aug 2, 2013) noted that the Council can use (or not use) the control date. The primary purpose of a control date is to notify the public that access to the fishery may change in the future, and to discourage speculative entry/investment for those who were not active before the control date. Analyses to date have used the full year of 2013 data, in a similar fashion as the longfin squid permit amendment. There was public comment for both using the control date and for not using the control date, as well as potentially considering a separate permit for vessels that had substantial landings since 2013 but would not qualify if a control date was used.

Staff reviewed a set of possible requalification criteria and previous FMAT recommendations (which were general in nature – see <http://www.mafmc.org/s/Illex-FMAT.pdf>). There was substantial discussion by the MSB-COM and public regarding the pros and cons of various options relative to both qualifying years and landings thresholds. Based on that discussion, the MSB-COM requested further information regarding several permit requalification options (varying time periods and thresholds). Those options and the numbers of qualifying moratorium permits for each option are provided in Table 1 below. If this range appears suitable to the Council, the FMAT will develop impact analyses for the various options. There are options that both use and do not use the 2013 control date. There was a request for additional information about how many vessels have participated at higher poundage thresholds, and staff is investigating whether doing so would violate data confidentiality requirements. Much of the conversation centered on whether recent entrants would endanger the viability of historical participants, and the consideration of the investments in the fishery made by various participants at various times.

The MSB-COM passed two motions that particular options did not warranting further development. There was public comment on each side (pro/con) of these motions.

-I move to recommend removing all the options that use a 10,000-pound single trip threshold (under any time period). Nolan/Gwin, 5/3 Motion Passes (Motion from Committee, Council action needed)

-I move that the Committee recommend removal of qualification dates that extend through 2019. Nolan/Gwin, 6/1/1 Motion Passes (Motion from Committee, Council action needed)

The prevailing rationale for the first motion was that a 10,000-pound trip is the incidental trip limit, and a single 10,000-pound trip would not signify substantial directed effort. There was a question by a MSB-COM member attempting to explore how different the 10,000-pound single trip criteria was from the option that is currently set as a 48,000-pound single trip criteria. Depending on the time periods selected, it appears that about 4-6 vessels are affected by using the 48,000-pound version versus the 10,000-pound version (staff compared Table 1 below to Table 1 in the September MSC-COM meeting briefing memo). Upon request to estimate based on related analyses, staff estimated that most vessels that would qualify under a 10,000-pound single trip criteria are also the same vessels that would qualify under a 50,000 pound best year total criteria. Staff will confirm this in later follow-up analyses of permit crossover between these options. Discussion also noted that impacts from not requalifying may be mitigated by additional lower-level tiered access for non-requalifiers.

The prevailing rationale for the second motion (regarding 2019) was that the main point behind requalification is to avoid a substantial new/recent influx of effort, and extending the qualification date through 2019 would be contrary to the goals of the action. The Amendment was also well underway before the start of the 2019 fishing year, with scoping taking place in February-April 2019. Council and GARFO staff had a discussion regarding whether certain technical economic analyses would need to consider impacts on non-requalifying vessels based on their landings through 2019, but this was a separate question from whether having options that considered landings through 2019 would be necessary to appropriately consider “present participation in the fishery” as required by the MSA. GARFO staff noted (and Council staff agrees) that qualifying criteria for limited access do not typically include partial in-year data, and that including qualifying landings through 2018 (and related analyses) should satisfy the MSA requirements to consider “present participation in the fishery.”

There was discussion of including a 2004-2013 time period option, and GARFO staff was able to include it in the preliminary requalifier analysis below.

There was substantial discussion by the MSB-COM and public about whether there should be provisions for non-requalifying vessels beyond the existing open-access “Squid/Butterfish Incidental Catch” permit¹ that allows retention of up to 10,000 pounds of *Illex* “as an incidental

¹ <https://www.greateratlantic.fisheries.noaa.gov/aps/permits/forms/initlins19.pdf>

catch in another directed fishery.²” There was interest in provisions for non-requalifying vessels, but concern that if such provisions were too liberal then non-requalifying vessels may be able to continue as if they had requalified, undermining the goals of the action. Concern was voiced by the public that for non-requalifiers, trip limits could be wasteful, but also that percentage sub-quotas may be challenging to monitor/enforce. Discussion was not clear whether these provisions would apply universally to all non-requalifiers, or only non-requalifiers who also had substantial landings after the 2013 control date. This issue was left unfinalized, with a general request for staff to develop options. Additional direction on this topic would be useful, especially which time periods are of most concern in terms of possible non-requalifier accommodation.

Staff notes that under most of the thresholds (see Table 1 below), including landings from 1997-2018 versus 1997-2013 adds 5-8 vessels due to more recent landings. Comparisons also indicate that starting in 2004 versus 1997 removes 3-6 vessels (depending on the threshold) that were apparently active between 1997-2003 but not between 2004-2013.

One potential option for requalification that was mentioned but not substantially discussed was to consider only years with low landings, to emphasize dependence. After considering public input, the MSB-COM endorsed by consensus a range of qualifying years and thresholds as described in Table 1 below.

Council actions:

Are the requalification options summarized in Table 1 the options the Council would like the FMAT to continue analysis on at this time? Are any additions or modifications appropriate? Can any be eliminated to simplify analyses?



In what direction would the Council like the FMAT to work on in terms of accommodations for non-requalifiers? Based on the overall discussion at the MSB-COM meeting, staff proposes the following structure:

-2 “standard” options for non-requalifiers for further development: the current open access permit and trip limit (10,000 pounds) or a new permit (“Tier 3”) with a trip limit of 20,000 pounds to acknowledge their original qualification (similar to approach with longfin squid).

-Another permit level (Tier 2), that could be combined with the 2 “standard” options above, where permits that don’t requalify but have some higher level of recent participation would get a higher level of access than the above “standard” options to acknowledge their present participation. This may principally apply if the 2013 control date is used. Trip limit and/or sub-quota percent limitations (like Atlantic mackerel Tier 3) could be developed by the FMAT.

² <https://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=1e9802ffddb05d0243d9c657fade956c&rgn=div5&view=text&node=50:12.0.1.1.5&idno=50#se50.12.648.14> (Title 50 → Chapter VI → §648.4 Vessel permits)

Table 1. Requalification Options the MSB-COM Expressed Interest In for Further Development

Note: All re-qualifier estimates preliminary.		More re-qualifiers 						Less re-qualifiers
<i>Percent in parentheses is percent reduction of MRIs</i>	76 <i>Illex</i> Moratorium MRIs⁽¹⁾ currently (Unlimited trip limit when fishery is open)	At least 50,000 pounds in any one year	At least 100,000 pounds in any one year	At least one trip above 48,000 pounds⁽²⁾	At least 300,000 pounds in any one year	At least 500,000 pounds in any one year	At least 1,000,000 pounds in any one year	Only requalify MRIs that accounted for 95% of total landings in time period⁽³⁾
More re-qualifiers	1997-2018	50 (-34%)	48 (-37%)	48 (-37%)	44 (-42%)	41 (-46%)	30 (-61%)	24 (-68%)
	1997-2013	43 (-43%)	42 (-45%)	40 (-47%)	38 (-50%)	35 (-54%)	28 (-63%)	24 (-68%)
	2004-2013	39 (-49%)	38 (-50%)	36 (-53%)	35 (-54%)	31 (-59%)	22 (-71%)	21 (-72%)
Less re-qualifiers	Need landings in both 1997-2013 and 2014-2018	26 (-66%)	26 (-66%)	25 (-67%)	23 (-70%)	17 (-78%)	13 (-83%)	13 (-83%)
<p>(1) A Moratorium Rights Identifier (MRI) is a unique NMFS-issued number that identifies a unique permit history, and may move between vessels over time.</p> <p>(2) 48,000 pounds is the trip size (rounded to 1000s of pounds) that accounts for 95% of total landings from 1997-2018</p> <p>(3) And these vessels are those with the highest total landings in the time period. While the 95% option (far right column) could be a stand-alone option, it also provides information regarding all the other options in the same row. For example, about 50 vessels would requalify if a threshold of 50,000 pounds was used over 1997-2018 (upper left option), and 24 (upper right option) of those 50 MRIs accounted for 95% of landings during that time period.</p>								

Two related issues were mentioned in the meeting briefing memo and discussed. First, whether to require a fish hold capacity measurement and use it as a baseline in terms of upgrade limitations; and second, to clarify that daily Vessel Monitoring System (VMS) catch reporting is required for *Illex*.

The FMAT has noted some concerns about the enforceability of fish hold measurements as an upgrade restriction, and can provide additional information if the Council wants further development of such a measure. Public comment was supportive of additional consideration of the fish hold requirement as a way to control capacity in this fishery. The MSB-COM expressed support for additional development of the fish hold issue by the FMAT and to include clarification in this action that daily VMS catch reporting is required for *Illex*.

Council action: Does the Council endorse further development of the fish hold and VMS reporting issues?

A final issue raised during public comment was whether to consider a particular start date (perhaps late May or early June) for the *Illex* fishery to improve squid size/value, avoid butterfish bycatch issues, and allow for scheduling of vessel maintenance. Allowing additional incidental *Illex* catch retention before the start of any set season was also mentioned in order to avoid regulatory discards if a start date was used. There was not universal support in public comment. Staff offered to generate some preliminary analyses (e.g. when has the fishery typically started) for additional input by the Advisory Panel and Council on this topic. These analyses were not yet ready at the time of the briefing book mailout but will be reviewed at the meeting if practicable.

Council action: Does the Council endorse further development of fishery start date options?



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MEMORANDUM

Date: September 27, 2019
To: Council
From: Jason Didden, staff
Subject: September 23, 2019 AP Meeting Summary; *Illex* Permitting and MSB Goals and Objectives Amendment

1. Introduction

The Atlantic Mackerel, Squid, and Butterfish Advisory Panel (MSB AP) met on September 23, 2019 to review and provide input on options for modifying access to the *Illex* squid fishery as well as for revising the MSB Fishery Management Plan's (FMP) Goals and Objectives. A recording is available at: <http://mafmc.adobeconnect.com/pnx2a8hsgf7w/>.

AP members in attendance included Katie Almeida, Leif Axelsson, Eleanor Bochenek, Gregory DiDomenico, Joseph Gordon, Emerson Hasbrouck, Jeff Kaelin, Howard King, Hank Lackner, Meghan Lapp, Pam Lyons Gromen, Sam Martin, Gerry O'Neill, and Robert Ruhle.

Other attendees included: Jason Didden, Ryan Clark, Dan Farnham, Brendan Mitchell, Eoin Rochford, Chris Lee, Meade Amory, Jeff Reichle, Zack Greenberg, Doug Christel, Aly Pitts, Kara Gross, David White, Steven Follett, Donald Fox, Mike Roderick, Jimmy Elliott, Noah Clark, Philip Merris, and Sonny Gwin.

Jason Didden of Council staff provided an overview of a recent MSB Committee meeting and facilitated discussion by the AP and public. Issues were discussed in the same general order as the MSB Committee meeting and its summary, and input from the AP is summarized with the same general organizational structure.

Comments are reported by topic and not by person. For most topics, there were multiple people on each side of an issue. If a comment was made by the public and also by an AP member, it is included in the AP section and not repeated in the public section. For most points identified in the AP section, there were one or more members of the public who also agreed with the point.

2. MSB FMP Goals and Objectives Component

2A. Problem and this action's goal regarding MSB FMP Goals and Objectives

No comments were provided regarding 2A.

2B. Alternatives regarding MSB FMP Goals and Objectives

Points raised by one or more AP members, or points raised by the public and reiterated by one or more AP members, included:

- Chub mackerel should not be specifically highlighted – the concepts apply to all species.
- The NAFO/international quota access issue identified by several AP members should be included as a goal.
- More detail/clarification should be included for Objective 2.3 – does that mean additional requalifications will occur in the future or also further restrictions? This conflicts with Objectives 2.1 and 2.2 – 2.3 should be removed.
- If 2.4 is made more general, then the specific reference to HMS should also be removed.
- The concept of dependence by various species on MSB species (including chub mackerel) role in the ecosystem should be maintained.
- Recognizing the effects of fisheries on the ecosystem is important, though 2.1 may need to be word-smithed.
- A goal or objective regarding reducing bycatch should be added.

Additional points raised by one or more public included:

No additional comments.

3. Illex Permitting Component

3A. Problem(s) and this action's goal regarding *Illex* Permitting

Points raised by one or more AP members, or points raised by the public and reiterated by one or more AP members, included:

- Latent effort activation should be highlighted as part of the problem. Even a relatively small number of vessels, potentially as low as 11, have the potential to shut this fishery and there is a lot of latent effort.
- This topic was already shelved once and doing that again could have serious impacts on the fishery – vessels used to be able to fish into October or November and some boats that have fished *Illex* for many years are tied to the dock for up to 3 months with these early closures.
- It would be useful to know what percent of landings typically occur after August.
- The reason that historical participants have not caught the quota is due to availability and markets – the historical participants, who have often harvested the majority of landings, have always had the capacity to catch the quota.
- Adding more boats without adding to the quota takes away from the historical participants. We don't know what the *Illex* workgroup(s) will produce.
- The real problem seems to be more of a quota issue – the Council should shelve this action and not reduce participants and/or eliminate livelihoods until the results of the workgroups analyzing *Illex* quota modifications are available.
- This action seems to be addressing a purely economic issue.
- Size issues may relate more to start date considerations rather than requalification issues.
- There are specific markets for smaller squid, so smaller squid are not a problem.
- Catching smaller squid may be an issue because you are catching more individuals before they spawn.
- There is no information that current catches, including early season catches, have caused any biological issues.
- There should be consideration if high *Illex* removals may be having localized ecological effects.

Additional points raised by one or more public included:

- Even if the quota is raised by 20%-30% there still would be excessive capacity.
- Bycatch shouldn't be a justification for limiting access - bycatch hasn't been an issue for the *Illex* fishery.
- Historically we've had higher effort during years of higher abundance. How can you justify removing participants when you've only caught the quota 5 times in the last 38 years and you are trying to maximize output – you'll leave poundage and dollars on the table unless there are enough participants during the less abundant years.
- If you eliminate participants now, you may not have enough effort in the more Northern areas if ocean warming trends continue.

- The fishery was established by a few entities that made direct investments in this fishery and that needs to be looked at – we wouldn't have this fishery if not for that investment.
- Both vessel and processor dependencies of historical participants need to be considered.
- With dependence, you need to consider that a lot of permits have changed hands and are with new participants.
- Given the poundage and value of the fishery, if you allocate this to a small number of vessels you are giving a lot of dollars to a small group of vessels.
- A start date and loss of flexibility could pigeonhole the fishery if availability shifts.
- Regarding a start date, market conditions have and can manage whether vessels target smaller squid given the relatively low number of vessels and processors.

3B. Alternatives regarding *Illex* Permitting

3B1. ITOs - No comments.

3B2. Control Date & 2019

Points raised by one or more AP members, or points raised by the public and reiterated by one or more AP members, included:

- It's important to use the 2013 control date to account for impacts on communities that developed this fishery. Using the control date is particularly important given the opportunistic activity in the last 3 years.
- The public has been aware of the control date so it's not a surprise. Recent entrants were doing something before jumping into the fishery in recent years so are not as dependent.
- The core group that established this fishery are the ones that really need to be remembered as they are out of business by mid-August now. You need to protect the historical participants.
- Hold to the 2013 control date with a tier for recent participants until we know more, and then if more quota is added they can have additional opportunity as well.
- It's not appropriate to include landings from 2019, i.e. after this action began.
- Options should extend through 2019 to account for present/recent participation and be able to see what adding 2019 results in. This is by nature an opportunistic fishery and people have invested in opportunity.
- If the Council goes forward, the broadest range of qualifying years should be used (and not the control date).
- Landings though 2019 should be included as an option to round out the range given the MSA requirements for limited access programs and see how many boats are affected by different options.
- It would be useful to know how many vessels had zero landings.
- Vessels shouldn't be penalized for depending on multiple species.
- Most participating vessels have multiple permits.

-It would be useful to know something about the dependency of the vessels that became active after the control date versus others, and what proportion of landings newer entrants accounted for after 2014.

-The Council should consider whether reducing permits indirectly creates excessive control (taking product, prices, etc.) of the fishery by the processing sector due to fewer independent operators.

-Even including landings through 2019 at the lowest threshold will eliminate a lot of vessels.

Additional points raised by one or more public included:

-This process is moving fast and some people who have made major investments are going to lose out.

-Considering landings past the 2013 control date through 2019 is necessary to maintain flexibility in the fishery.

-To be able to evaluate the data we need to see landings and qualifiers through 2019.

-The recent fresh/iced entrants with smaller capacity and associated processing has allowed an opportunity for vessels that could not participate before.

-Some have substantial investments that will be impacted so data through 2019 needs to be considered. When the Committee voted to not include 2019 it was not aware that active boats would be affected.

-One thing that needs to be considered is that if you eliminate a bunch of ice boats, the processing will go away so even some requalifiers will be negatively impacted due to the processing constraints.

-It would be a shame to eliminate boats in a fishery that we don't know much about, and we might need more boats up north given shifting environmental conditions.

-Even with substantial vessel reductions there will still be substantial excess capacity. The fewer number of vessels that participated in 2017 caught the quota rapidly – we don't need a lot more.

3B3. Thresholds

Points raised by one or more AP members, or points raised by the public and reiterated by one or more AP members, included:

-Support not including a 10,000 pound single trip qualifier since it is just the incidental trip limit.

-Support for including a 10,000 pound qualifier and analysis of how many boats landed zero pounds to have a good range of options and see who is affected by different options.

-For the dual time frame option (needing landings in both 1997-2013 and 2014-2018) the original intent was not for the poundage requirements to be in any one year in both time periods, but to be cumulative through both time periods. A cumulative approach should replace the current single year approach with the same thresholds.

Additional points raised by one or more public included:

-If the Council moves forward, it should do a basic requalification and then consider other options later after performance under the new system can be evaluated.

3B4. Non-requalifiers and Tiers

Points raised by one or more AP members, or points raised by the public and reiterated by one or more AP members, included:

-Support analyzing a Tiering system with a percent limitation like Mackerel Tier 3 to reduce derby fishing and protect the longevity of the fishery later into the year, which also improves data collection. Both trip limits and a temporal basis could be analyzed. Measures for all Tiers could be adjusted over time if the quota changes.

-Some support for a Tiered system was conditional upon it being similar to the one done for longfin squid, i.e. not giving a lower Tier near the same level of access as those who do fully requalify.

-Comparing longfin and *Illex* is an apples to oranges comparison.

-Opposition to Tiers, but if Tiers are used to account for recent participation, need to make sure the access is sufficient to sustain continued participation or it's just another less direct way to eliminate vessels.

-Opposition to assigning sub-quotas if Tiers are used (only use trip limits).

-The Council should consider a Tier system without trip limits and only percent of quota limitations.

-Tiers should not be considered permanent – new science could indicate additional participation is appropriate.

-Need to be clear and unambiguous about what open access and incidental permits mean. Would like some open access for directed fishing to allow for ingenuity and experimentation.

-Some vessels directed with the 10,000 pound incidental trip limit in recent years after the closures.

Additional points raised by one or more public included:

-Tiers with percentages are basically just ITQs and there has been widespread opposition to ITQs.

-Especially for ice boats, the trip limits for any Tier will be critical and need to be studied carefully based on how the various vessels actually operate.

-Temporary measures will cause problems.

3B5. VMS

There was no opposition on the call that it would be useful to clarify that daily VMS catch reporting for *Illex* is required. A public comment noted that additional monitoring or closure buffers could also avoid quota overages related to the problems identified as part of the rationale for further limiting access.

3B6. Hold Capacity

Points raised by one or more AP members, or points raised by the public and reiterated by one or more AP members, included:

- Even more conservative re-qualifications resulting in fewer vessels will still leave excess capacity, and the *Illex* quota working group may only result in small changes. Hold capacity restrictions would be an important part of restricting capacity.
- Hold modifications to a few boats could undo the effects of requalification, and three boats are being rebuilt from freezer boats into RSW currently.
- If used, holds would need to be determined from current measurements.

Additional points raised by one or more public included:

- This was done for mackerel and would be a critical part of this action. Horsepower and hold capacity are the critical aspects of fishing power for high volume fisheries. Mackerel permits are being moved between vessels and they have had to make accommodations for hold accommodations.
- Locking in hold capacities favors those who already modified their vessels.
- Like mackerel, hold size would have to be from this point forward. How would CPH permits be handled? A fishery participant reported that with mackerel, the vessel that CPH permits were put on when they came out of CPH defined the hold size.

3B7. Start Date

Points raised by one or more AP members, or points raised by the public and reiterated by one or more AP members, included:

- Opposition because it takes away freedom and flexibility to meet market demands and considering the variability in when squid of different sizes appear.
- Support inclusion for consideration to evaluate bycatch issues and biological effects of retaining more smaller and immature squid earlier in the year. We have seen some bycatch recently earlier in the fishery.
- If used, would need adjustments to the incidental trip limit to avoid regulatory discards before the start date, especially for freezer boats that may be out for up to 20 days in the winter.
- A start date would allow for orderly maintenance and contribute to safety.

Additional points raised by one or more public included:

-Market forces and availability have dictated the start date for many years – I’m concerned about the unknown consequences if things change that we didn’t foresee and we’ll have to wait potentially years to fix new problems if negative consequences arise.

-Opposition to a start date – would be counter to FMP objectives to increase flexibility and minimize additional restrictions.

-Length and weight information provided to NMFS should show that early starts have resulted in catch of small animals that have not spawned. During good years, delaying until June 1 will allow plenty of opportunity to catch the quota given available capacity, and avoiding catching immature animals can’t hurt the resource.

-We don’t know enough about the scientific aspects to tell people when they have to go fishing, especially with more squid showing up further north.

-The start date will take care of itself, especially with other measures being considered.



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MEMORANDUM

Date: September 6, 2019
To: Atlantic Mackerel, Squid, and Butterfish (MSB) Committee
From: Jason Didden, staff
Subject: *Illex* Amendment, MSB Committee Meeting

The objectives for the September 12, 2019 MSB Committee meeting (<http://www.mafmc.org/council-events/2019/msb-committee-webinar-sept12>) are to:

1. Identify a problem statement to address and the goals the Council wants to achieve through this action, especially in regards to the *Illex* permitting component. This will help the Fishery Management Action Team (FMAT) assess if particular measures address the problem/goals and ensure that the measures cannot be argued to have economic allocation as their sole purpose (which is prohibited). It would be helpful to discuss why recent participation has been problematic and needs to be addressed.
2. Review the initial draft alternatives, and provide direction to the FMAT regarding additional alternative development and analyses. There will be other opportunities to refine/add alternatives, including at the October Council meeting after the Advisory Panel (AP) meets. Based on the input from the FMAT and input from the Council at the June 2019 meeting, staff has drafted an initial set of alternatives in this memo for review and further development. A meeting to gather input from the MSB AP is scheduled for September 23, 2019 and a summary of that meeting will be included for the October 2019 Council meeting. After input from the MSB Committee, AP, and Council, staff will work with the FMAT to refine analyses related to particular alternatives.

1. Amendment Background

The amendment has two components: 1) Consider modifications to the *Illex* permitting system and 2) Consider revising the MSB Fishery Management Plan's (FMP) goals and objectives (all species). The *Illex* permitting issue arose due to increased participation from recently inactive permits and early closures in 2017 and 2018 (this also occurred in 2019). The MSB goals and objectives revision component arose out of the 2014-2018 Strategic Plan objective to evaluate the Council's FMPs and to "Review and update FMP objectives as appropriate to ensure that they remain specific, relevant, and measurable" (Strategy 11.2). Since the FMP goals and objectives may guide other FMP decisions, they are addressed first. Staff notes there is a separate effort/working group looking at ways to make in-year adjustments to the *Illex* quota.

2. Goals and Objectives

Staff and the FMAT have previously noted that the Goals and Objectives reflect the policy preferences of the Council. As long as those policy preferences do not conflict with applicable law, the Goals and Objectives are not really a technical matter for FMAT analysis. In June 2019 the Council endorsed an effort to merge the existing MSB objectives with the recently-adopted chub mackerel goals and objectives. The existing objectives/goals, and a draft merged single set follow immediately below.

Current MSB FMP objectives:

1. Enhance the probability of successful (i.e., the historical average) recruitment to the fisheries.
2. Promote the growth of the U.S. commercial fishery, including the fishery for export.
3. Provide the greatest degree of freedom and flexibility to all harvesters of these resources consistent with the attainment of the other objectives of this FMP.
4. Provide marine recreational fishing opportunities, recognizing the contribution of recreational fishing to the national economy.
5. Increase understanding of the conditions of the stocks and fisheries.
6. Minimize harvesting conflicts among U.S. commercial, U.S. recreational, and foreign fishermen.

Current Chub Mackerel Goals and Objectives:

- *Goal 1:* Maintain a sustainable chub mackerel stock.
 - *Objective 1.1:* Prevent overfishing and achieve and maintain sustainable biomass levels that achieve optimum yield in the fisheries and meet the needs of chub mackerel predators.
 - *Objective 1.2:* Consider and account for, to the extent practicable, the role of chub mackerel in the ecosystem, including its role as prey, as a predator, and as food for humans.
- *Goal 2:* Optimize economic and social benefits from utilization of chub mackerel, balancing the needs and priorities of different user groups.
 - *Objective 2.1:* Allow opportunities for commercial and recreational chub mackerel fishing, considering the opportunistic nature of the fisheries, changes in availability that may result from changes in climate and other factors, and the need for operational flexibility.
 - *Objective 2.2:* To the extent practicable, minimize additional limiting restrictions on the *Illex* squid fishery.
 - *Objective 2.3:* Balance social and economic needs of various sectors of the chub mackerel fisheries (e.g., commercial, recreational, regional) and other fisheries, including recreational fisheries for highly migratory species.
- *Goal 3:* Support science, monitoring, and data collection to enhance effective management of chub mackerel fisheries.
 - *Objective 3.1:* Improve data collection to better understand the status of the chub mackerel stock, the role of chub mackerel in the ecosystem, and the biological,

ecological, and socioeconomic impacts of management measures, including impacts to other fisheries.

- *Objective 3.2:* Promote opportunities for industry collaboration on research.

Suggested New Unified MSB FMP Goals and Objectives:

- *Goal 1:* Maintain sustainable MSB stocks.
 - *Objective 1.1:* Prevent overfishing and achieve and maintain sustainable biomass levels that achieve optimum yield in the MSB fisheries, with specific consideration of meeting the needs of chub mackerel predators.
 - *Objective 1.2:* Consider and account for, to the extent practicable, the role of MSB species in the ecosystem, including roles as prey, predator, and food for humans.
- *Goal 2:* Achieve the greatest overall benefit to the Nation, balancing the needs and priorities of different user groups.
 - *Objective 2.1:* Provide the greatest degree of freedom and flexibility to harvesters of these resources consistent with the attainment of the other objectives of this FMP, including minimizing additional restrictions.
 - *Objective 2.2:* Allow opportunities for commercial and recreational MSB fishing, considering the opportunistic nature of the fisheries, changes in availability that may result from changes in climate and other factors, and the need for operational flexibility.
 - *Objective 2.3:* Minimize harvesting conflicts among fishermen.
 - *Objective 2.4:* Balance social and economic needs of various sectors of the chub mackerel fisheries (e.g., commercial, recreational, regional) and other fisheries, including recreational fisheries for highly migratory species.
- *Goal 3:* Support science, monitoring, and data collection to enhance effective management of MSB fisheries.
 - *Objective 3.1:* Improve data collection to better understand the status of MSB stocks, the role of MSB species in the ecosystem, and the biological, ecological, and socioeconomic impacts of management measures, including impacts to other fisheries.
 - *Objective 3.2:* Promote opportunities for industry collaboration on research.

3. *Illex* Permitting

Staff's understanding is that the Council wants to consider revising the *Illex* permitting system to minimize harvesting conflicts among the participants. Concerns have increased in recent years that reactivation of latent permits is closing the fishery too early, causing a race to fish, and disrupting access for vessels that have participated more regularly (and therefore have higher dependence on access to the *Illex* quota). Accordingly, the Council wants to consider further limiting the number of participants in the fishery to alleviate this issue. NMFS staff identified 76 moratorium permits, and 10 of those are in confirmation of permit history (CPH). CPH permits are "on the shelf" and not currently associated with a vessel, but could be reactivated.

Related to this permitting/access concern, the FMAT provided the following input after its April 2019 meeting: "the benefits related to extending the *Illex* season from a simple permit requalification or even tiering may be short lived. The remaining vessels can increase their effort or fishing power leading to a race to fish. With a quota based management system, the most direct way to end the race to fish is through an individual transferable quota (ITQ). An alternative would be to implement effort control options, such as days at sea limits, trip limits, or closed areas to meet the TAC or extend the season, if the Council is interested in such approaches." The April 2019 FMAT Meeting summary has been posted to the web pages for this action and for the September 12, 2019 MSB Committee Meeting.

Regarding requalification considerations, the FMAT noted in April 2019 that: "Use of the current 2013 control date is reasonable as a potential alternative, but the previous 2003 control date is not reasonable. There should be some alternatives that include landings through 2018 to appropriately consider recent participation. Data since 1997 is the best quality due to mandatory reporting requirements since 1997. Considering trip based, annual ("best year"), or cumulative landings criteria all seem feasible." Since 2019 data will be available by the time of Council decision making, Council staff recommends that one alternative extend re-qualification through 2019 to ensure a reasonable range of alternatives has been considered.

Staff is not aware that the Council is interested in pursuing days at sea limits, trip limits, or closed areas to meet the quota or extend the *Illex* season. These measures also seem potentially problematic given the rapid changes in availability that characterize the *Illex* fishery (they might make optimum yield difficult to achieve on an ongoing basis). Therefore, the preliminary draft alternatives on the next pages focus on ITQs and permit requalification (with the knowledge of requalification's potentially limited effectiveness). These alternatives are designed to explore potential approaches and generate discussion, and are based on approaches from the longfin squid requalification action, where some options went back to 1997 (data is more reliable since 1997 and is more than 20 years ago), some options utilized the 2013 control date, and some options utilized recent landings. The FMAT can develop alternatives using days at sea limits, trip limits, or closed areas to meet the quota or extend the *Illex* season if the Council indicates it is interested in such options.

Non-Requalification Options

Since what happens to non-re-qualifying vessels may affect how the Council re-qualifies more active vessels, it may be useful to consider some possible options for these vessels first. For longfin squid, the Council decided to assign a 5,000 pound longfin squid trip limit for moratorium permits that did not otherwise requalify (above the 2,500 pound incidental trip limit). This provision was designed to recognize their historical participation that qualified them for the original longfin/butterfish moratorium permit. Given that trips under 50,000 pounds have typically accounted for about 5% of *Illex* landings, a possible option could be to provide non-requalifiers with a new permit, that initially had a 50,000 pound trip limit, which could be adjusted in the future if that group of vessels began to utilize an unexpectedly high portion of the quota. Alternatively, a new permit for non-requalifiers could have triggers, for example allowing them 100,000-pound trips until that group caught a combined 10% of the quota, then 50,000 pounds until that group caught a combined total 15% of the quota (10% plus 5%), and then the 10,000 pound incidental trip limit after that. The trigger percentages could also be modified if the *Illex* quotas change in the future. The main point is that there can be various accommodations for non-requalifying permits.

ITQs

The FMAT noted that ITQs would eliminate the race to fish. In doing so, ITQs often reduce bycatch, improve safety, increase profits for ITQ holders, lead to consolidation, and reduce jobs in a fishery. So there are trade-offs to consider with ITQs. A typical option for ITQ quota assignment is based on historical landings, and date ranges of 1997-2013, 1997-2018, and 2010-2019 would all be viable options. To get a sense of how an ITQ allocation might work out, based on 2009-2018 landings, the top 5 vessels landed 66% of the *Illex*, and the top 15 vessels (top 5 and next 10) landed 94% of the *Illex*. The FMAT can calculate similar percentages for various criteria, but based on the nature of the *Illex* fishery, most time spans seem likely to have a similar pattern of landings among top vessels. Another theoretical option is to allocate quota evenly among qualifying ITQ holders, and then allow trading to optimize the distribution.

An ITQ program, known more formally in the Magnuson-Stevens Act (MSA) as a limited access privilege program (LAPP) and often less formally as a “catch share” system, has a variety of other implementation requirements (e.g. issues that must be considered, measures to avoid excessive concentration, transferability provisions, program review provisions, additional data collection, etc.). These would be developed by the FMAT if the Council wants to pursue ITQ options. A clip-out of the MSA requirements for LAPPs has been posted to the web pages for this action and for the September 12, 2019 MSB Committee Meeting.

Requalification Options

Per the MSA, limited access systems must take into account:

- (A) present participation in the fishery;
- (B) historical fishing practices in, and dependence on, the fishery;
- (C) the economics of the fishery;
- (D) the capability of fishing vessels used in the fishery to engage in other fisheries;
- (E) the cultural and social framework relevant to the fishery and any affected fishing communities;
- (F) the fair and equitable distribution of access privileges in the fishery; and
- (G) any other relevant considerations;

These considerations would be explored for requalification options that the Council identifies for further development. Some preliminary options for requalification that should allow accounting for present and historical participation are listed in Table 1 on the next page. Table 2 provides a history of vessel participation (based on annual federal vessel permits) and landings over time.

The numbers of requalifiers for alternatives that match those described in the action that requalified longfin squid permits are somewhat higher than in the previous analyses. (No action was taken on *Illex* in the longfin squid permit action, but *Illex* alternatives were included for consideration.) This is due to the previous action tracking vessel permit numbers, while the current analyses trace the movement among vessel permits within and between years via the *Illex* moratorium “Right ID #,” which will better predict the final number of re-qualifiers. Re-qualifier numbers are still approximates based on preliminary analyses. Currently there could be 76 vessels total with *Illex* moratorium permits.

In response to a question staff received from an AP member related to this action, in 2019 (preliminary), all trips over 50,000 pounds made up 95% of landings, all trips at or over 100,000 pounds made up 72% of landings, all trips at or over 200,000 pounds made up 51% of landings, and all trips at or over 300,000 pounds (39 trips) made up 30% of landings. Similar detail on just trips over 400,000 pounds may reveal confidential data. Also related, in 2019, based on preliminary data, there were 26 vessels that landed over 500,000 pounds of *Illex* (Table 2). These 26 vessels accounted for over 96% of all landings (25,600 MT out of 26,600 MT total). Based on calls with several AP members to determine the refrigeration types, these included 4 freezer trawlers (two larger and two smaller), 9 fresh/ice vessels, and 13 refrigerated seawater (RSW) vessels. The majority of 2019 landings were from RSW vessels - further breakdowns may reveal confidential data.

Table 1. Initial Requalification Discussion Options and Approximate Qualifiers.

Years	Threshold	Approximate Qualifiers
1997-2013	had at least 50,000 pounds in any one year	43
1997-2013	vessels that have accounted for 95% of landings	around 15-20
1997-2013	had at least one >10,000 trip in any year	46
1997-2013	had at least one >trip size that accounts for 95% of landings (47,000)	less than 46
1997-2018	had at least 50,000 pounds in any one year	50
1997-2018	vessels that have accounted for 95% of landings	around 15-20
1997-2018	had at least one >10,000 trip in any year	52
1997-2018	had at least one >trip size that accounts for 95% of landings (49,000)	less than 52
2009-2018	had at least 50,000 pounds in any one year	38
2009-2018	vessels that have accounted for 95% of landings	16
2009-2018	had at least one >10,000 trip in any year	41
2009-2018	had at least one >trip size that accounts for 95% of landings (53,000)	less than 41

Other alternatives that came up during scoping that may assist with controlling and monitoring landings include adding a hold capacity baseline and adding a requirement for daily *Illex* VMS reporting (many vessels already report daily due to other permit requirements). Like with mackerel, some form of marine surveying would likely be needed in order to establish a solid hold baseline. FMAT members have expressed some concern about the enforceability of vessel hold baselines and will be further exploring this issue.

Table 2. Vessel Activity and Landings Over Time (2019 preliminary)

YEAR	# Vessels 500,000+ pounds	# Vessels 100,000 - 500,000 pounds	# Vessels 50,000 - 100,000 pounds	# Vessels 10,000 - 50,000 pounds	Total # Over 10,000 pounds	Landings (MT) (includes foreign up to 1986)
1982	7	7	0	10	24	18,633
1983	1	8	7	11	27	11,584
1984	4	15	4	6	29	9,919
1985	2	6	4	3	15	6,115
1986	8	6	4	3	21	7,470
1987	7	10	2	1	20	10,102
1988	3	3	1	2	9	1,958
1989	8	5	1	3	17	6,801
1990	12	3	0	1	16	11,670
1991	12	1	1	0	14	11,908
1992	16	1	0	1	18	17,827
1993	19	3	1	3	26	18,012
1994	21	7	5	8	41	18,350
1995	24	5	2	7	38	13,976
1996	24	5	6	4	39	16,969
1997	13	9	2	0	24	13,356
1998	25	4	1	3	33	23,568
1999	6	9	2	10	27	7,388
2000	7	7	0	2	16	9,011
2001	3	4	1	2	10	4,009
2002	2	3	1	1	7	2,750
2003	5	6	1	2	14	6,391
2004	23	5	2	0	30	26,097
2005	10	10	2	2	24	12,011
2006	9	8	1	2	20	13,944
2007	8	2	1	0	11	9,022
2008	12	4	0	0	16	15,900
2009	10	3	1	1	15	18,418
2010	12	3	0	6	21	15,825
2011	17	4	2	0	23	18,797
2012	8	3	2	2	15	11,709
2013	5	4	3	5	17	3,792
2014	5	3	2	2	12	8,767
2015	3	0	1	1	5	2,422
2016	4	3	3	2	12	6,682
2017	14	6	0	0	20	22,516
2018	19	7	0	5	31	24,117
2019	26	7	0	2	35	26,603



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MEMORANDUM

Date: September 26, 2019
To: Council
From: Jason Didden, staff
Subject: Amendment Communications

Several communications were recently received before the briefing book deadline related to *Illex* permit requalification – they are included below.

From: Star2017 <star2017@aol.com>
Sent: Friday, September 20, 2019 11:50 AM
To: Didden, Jason <jdidden@mafmc.org>
Subject: Illex permitting

Hi Jason
Please review my comments below for consideration.

I am currently an Illex permit holder and I have been in the squid fishery for nearly 40 years. I would like to support a tiered system for Illex permits.

The reason I support a tiered system is to protect the current large capacity vessels that have landing history before the control date. The fishery with the current quota cannot support any more large capacity vessels.

A tiered system would alleviate this potential issue of too many large capacity vessels entering into the fishery.

Please consider a tiered system approach when determining the Illex quotas and permitting requirements.

Thank you.
Chuck Weimar
F/V Rianda S
Montauk NY

From: Jim Lovgren <jlovgren3@gmail.com>
Sent: Sunday, September 22, 2019 10:21 PM
To: Didden, Jason <jdidden@mafmc.org>
Subject: Re: MSB Ongoings

Jason, I was hoping to be able to join in on the discussion tomorrow on the Illex amendment, but I just can't participant right now as I am in the middle of some boat renovations that I'm already behind on since the welding shop doesn't work weekends, and I need to get them finished ASAP. For the record I only possess an incidental permit for Illex, and have never targeted them nor do I plan on it, so my observations will be in general and are from an impartial standpoint utilizing my long history in fishery management.

First regarding goals and objectives, I find that while they all sound well and good in their bureaucratic vocabulary, in the real world its just scientific *[redacted]* particularly in the case of Illex and Loligo squid. These two species live less then one year [although that life span has changed regularly depending on who is in charge of the science] so any thought that you can estimate recruitment and population is simply egotist crap from from a scientist who thinks he can count every fish in the ocean. There should be absolutely no catch limits on either Loligo or Illex squid as it is impossible to predict what their annual population is because while you're busy counting, they are busy dying of old age, if they're there, lets catch them and help our fishing communities survive.

I think the main problem that the Illex fishery faces is the fact there there was never a vessel upgrade limitation in place unlike most other mid Atlantic fisheries. Unlike the loligo fishery which had a substantial amount of participants both directed and incidental, or State permitted, the Illex fishery has been limited throughout the years by the fact that Illex do not stay fresh for long and the fishery takes place in the offshore waters eliminating small vessel participation. Consequentially there are less then 100 permitted vessels presently. Many of them have no landings for 2 decades, yet the spectre of latent permits being activated to take advantage of the recent spike in Illex prices has the present participants in that fishery rightly concerned. Conversely those that do have that permit that they did originally qualify for are also concerned about losing assess to a fishery that they used to participate in. I think the important point in this permit issue is that the historical fisheries of the Mid Atlantic/ southern New England region has always been based on multispecies participation, years ago no one specialized in any one fishery they changed fisheries like a person would change clothes because of the migratory nature of the MA/SNE fisheries. Whether you fished for a certain species for a few weeks, or months or even years generally depended on the fishes availability and the price you could attain from them. NMFS and the Fishery Management councils have blatantly failed to acknowledge this multispecies aspect to the fisheries and has for years forced fishermen into one fishery or another while stealing their ability to fish in their historical mode by taking their permit if, in their judgement they haven't participated enough. I look at the vessel upgrade issue which is now defined as fish hold capacity and know that this is a serious problem. I relate it it to the person who pays for a volkswagon but expects it to be a mercedes. If you want a Mercedes then buy one, a 50 foot boat should not be allowed to become a 150 foot Henry Bigelow white elephant, then be dependent on that fishery and cry that they need all the fish or they're go out of business.

I'm a firm believer in control dates and the present control date [8/2/13] is not stale so anybody that has become a participant after that date should've been very aware of it and the risks involved in investing in that fishery after that date.

Personally I support the 50,000 best year option using the years from 1997 to 2013, because that uses the longest time frame for participation before the control date, but I can understand going beyond the control date as it involves only a few more vessels. The big thing is stopping the Volkswagons from becoming Mercedes so fish hold capacity is the critical point. Thanks Jim

-----Original Message-----

From: Hank Lackner <jdhlcl@aol.com>
Sent: Wednesday, September 25, 2019 12:38 PM
To: Didden, Jason <jdidden@mefmc.org>
Subject: Illex squid public comments

Dear Council Members,

My name is Hank Lackner, I am the owner and operator of the purpose built Illex squid trawler, F/V Jason & Danielle..I am sending these comments today to enlighten committee and council members of some of the issues traditional Illex boats are now facing.

I would also like to point out I was the one who foresaw the current latent effort issue two years ago. And if nothing is done this time we will have a fishery no one will be proud of.

Since the day it was built, my vessel has done nothing but Illex squid fish from late May until late September. That is until recently.. As we are all aware of. The quota has been filled in each of the last 3 years resulting in a mid August closure. In fact, in 2017 the quota was caught by just 20 vessels! Those vessels being the historical fleet. The boats that rely on this fishery year in and year out. In other words IN 2017 THE FISHERY WAS ALREADY FULLY CAPITALIZED!!!!

I have fished for Illex squid during times of low abundance as well as low price in an attempt to gain access to worldwide food markets. Yes, the historical participants have suffered a lot to finally make Illex a species worth targeting..

The early closures I speak of are a direct result of what one might call speculative or opportunistic vessels.. (I will describe new vessels in the fishery as latent vessels) These latent vessels I speak of, could not have cared about Illex squid at any time but the last two years. They carry many other permits and have always found a way to survive..These OPPORTUNISTIC LATENT VESSELS have caused my boat-and the twenty or so other historical vessels to lay idle for months at a time, when i would normally be harvesting Illex squid.

I am asking the council to move forward with this amendment.. I am also asking you to please use the CONTROL DATE of 2013. This will help our historical fleet.

When looking at qualifiers please keep in mind illex is a high volume fishery. In this fishery 500,000 lbs and 1,000,000 pounds of landings are not big numbers for traditional vessels. I am also asking that a TIERED SYSTEM be implemented. Similar to the ones used in Mackerel and loligo squid... By doing so, new entrants to the fishery will not be eliminated, they will just be fishing at a different threshold..

Also please support the committee motion to remove the 10,000 lbs qualifier from the analysis as well as the removal of 2019 landings.

10000 lbs is the current incidental trip limit(not a directed trip).. Vessels with only 2019 landings were just trying to establish some form of catch history.

Industry was put on notice in 2003 with a control date and it was reaffirmed in 2013. As well as illex being looked at as a possible species for permit requalifying in 2017!!

In closing vessel dependency should play a large role in your decision process. **EARLY CLOSURES WILL EVENTUALLY LEAD TO VERY LARGE VESSELS ENTERING INTO OTHER FISHERIES** where issues already exist..

Lastly and most importantly, the council needs to look at a FISH HOLD BASELINE measurement to freeze effort of any qualifying vessels. This is a very important component otherwise all efforts made in this amendment will be compromised..

Thank You,

Hank Lackner

-----Original Message-----

From: Leif Axelsson <fvdyrsten@yahoo.com>

Sent: Wednesday, September 25, 2019 8:46 PM

To: Moore, Christopher <cmoore@mafmc.org>

Cc: Didden, Jason <jdidden@mafmc.org>

Subject: Illex squid public comment

To Chris Moore and council:

My name Leif Axelsson, MSB Ap member and Captain of the F/V Dyrsten a family owned business out of cape may NJ. I am sending this email to you and the council for my public comment on the upcoming Illex re permitting.

I am a 3rd generation squid fisherman our family has relied on Illex and long fin squid fisheries since the early 80s. Our boat the Dyrsten is a purpose built squid trawler and has been since the early days of U.S. caught and U.S. landed Illex squid, it was part of the joint venture days of Illex squid and one of the first to bring Illex squid to a U.S. shore side facility, and one of the first U.S. freezer boats along with Seafreeze. Our family used to own 2 squid vessels but because of

restrictions and other reasons we ended up selling the F/V Flicka 4 years ago. I guess what I Am saying is that my family has invested millions of dollars into the Illex squid fishery over the years, we fished for them when they were considered a trash fishery and not worth it by many of the boats that are now entering into the fishery, and in doing so we lost our ability to participate in the very same fisheries that they can and will if it suits them better should the Illex not show some years. We used to be able to fish Illex until October November but are now sitting idle from august on the last few years, we have perfected a method of catching Illex and it has been a very clean fishery over the years. But in recent years that cleanliness has been strained by latent effort boats getting into the fishery (Im sure the observer data will confirm) which can cause problems down the road.

The capacity is there in the traditional fleet (the 24 permits that account for 95% of the landings since 1997-2013) to harvest the quota and more if we were allowed to the only restrictions have been availability and market. My family and I have fished for Illex even when we lost money (along with the Traditional shore side facilities) in doing it, just to keep a U.S toe hold in the markets that we had. In the last few years we have more and more permits getting involved that have never relied on Illex, they are opportunistic and do not truly rely on Illex to survive like we do.

We support a tiered system because we do not believe every one should be shut out completely but that the ones who made this fishery what it is today should not have to suffer early closures because of opportunistic latent effort permits jumping into the fishery. The Illex fishery is a high volume fishery and landings of even a million pounds are NOT big numbers for traditional vessels in this fishery, a 10,000 pound qualifier should not even be considered (its an incidental amount anyway). If the only year a vessel has to qualify for is 2019.... is that vessel truly dependent in Illex? Should he be given the same as a vessel that has landed Illex squid consecutively since 1997 or the early 80s for that matter. Also 2013 is not he first time a control date was put in place, 2003 was put in and re confirmed in 2013 (also the first qualifier was put in in the 90's for the moratorium permits) so anyone buying into or getting into the FISHERY AFTER 2013 WAS WELL AWARE OF THE RISK THAT THEY WERE TAKING. Any vessel that has recently got into the fishery has only done so because of the opportunity and will switch out of this fishery and into another one as soon as it doesn't suit them leaving again the traditional vessels to carry on (like we did when they were not worth fishing for) and keep the markets viable at yet again ours and the traditional shoreside plants cost. Because of these early closures it has been forcing the "offshore" boats to consider inshore fisheries as a way to stay viable. We have spent millions and sacrificed more to become effective offshore vessels (and would like to stay that way) but because of the recent early closers we are having to look into the late summer early fall inshore fisheries just to keep the wheels turning (the very same fisheries that the bulk of the latent effort permits would lose there minds if we decided to get into)

In closing we do support a tiered system for this fishery as a fair way to to allow access while protecting the traditional permits in the fishery. But we do not support the recommended 100,000lbs minimum for any boat that qualifies for less than a tier 1 permit most tier 1 qualifying permits can only carry that amount and that would not be fair to them (a 50,000lbs trip limit would make more sense if a boat does not make a tier 1 and it would still be finacaly viable). We do support the committees decision to remove the 10,000lbs qualifier, in this high volume fishery that

is not considered very much, and very far from what a traditional Illex boat has and will do on a yearly basis. We also support the decision to remove the 2019 landings as any form of qualifying, for a permit to only make qualifying by one year of fishing hardly constitutes any form of dependency. We would like to see the council move forward with this amendment and use the 2013 control date, as said before this was not the first control date and the public and others were made well aware that Illex permitting was up for a change so no surprises for the people just getting into the fishery, a potential for a change was made public a long time ago (why did it take 16 years for people to care about Illex all of the sudden? Obviously they were not depending on Illex then or for the last 16 years so why do they need it so bad now?) The traditional fleet has become very efficient at maximizing this fishery we work with the markets the seasonal availability. We have spent years in honing our skills as a fleet to keep by catch extremely low (which observer data will back up) that latent efforts could compromise by lack of experience and by creating a race to fish. And that could cause problems for the fishery in the future. Latent effort permits will also force a traditionally offshore fleet into inshore fisheries which will cause user conflict issues but what options will we have. I urge you to consider all of this as this goes and hopefully does move forward in the process.

Thank you,
Leif Axelsson

From: captjimmy@aol.com <captjimmy@aol.com>
Sent: Wednesday, September 25, 2019 11:05 PM
To: Moore, Christopher <cmoore@mafmc.org>
Cc: Didden, Jason <jdidden@mafmc.org>
Subject: Fwd: ILLEX COMMENTS

GREED!!!!!!!

To the Council

I am not a scientist , I will admit I'am not the smartest , Honestly to stay in this industry must be pretty stupid at times , but this is the cards I'am dealt. I am though a common sense person/owner of 2 Illex vessels. A lot of the times thats what gets looked over COMMON SENSE. What I am about to write may not make any sense of all. . Be warned there will be some misspelling and scatter brained thinking as I type , but it should be understandable..

I was dialed in to a webinar on 9-23-19 and like the title says above GREED thats what I got out of it. Processor/ Fleet owners and a couple individual owners serving on an AP wanting to make fishing schedules, catch limits and qualifications based on their needs not a fishery in WHOLE. Dont totally get me wrong there were some good points made and some good feed back butt.

Actually it seemed like 2 processors reps, and a couple individual owner getting together to take control of a fishery, Just saying

Some examples

Start dates and by catch/incidental landings

Some people want a start date. No real reason scientific wise from what I gathered . One fisherman likes doing his maintenance in May. So a start date in June would fit their individual schedule. The other group want it because they said we would be taking juvenile fish , but then minutes later the same individuals made suggestions of a higher by catch/ incidental catch rate of ILLEX and accumulative D.A.S. for their loligo freezer boats in the winter .. Winter time is when the ILLEX are the smallest and in my experience deeper then the loligo . You get too deep you get ILLEX shoal up more Loligo. So the contradiction is They want a start date of June cause they feel any time earlier is killing juvenile fish and not really marketable, but then put a suggestion of a higher by catch / incidental rate increase when the illex are the smallest !!!?????. WHICH IS IT ??? Cant have it both . ill tell ya what it is a certain group also participate in another high volume fishery in the spring and begining of summer and they will miss out on a piece of the pie. The council should be very wary of this . The by catch / incidental catch of ILLEX should stay at 10,000 LBS per trip. Anything more that its a directed fishery and will be exploited . Thats a guarantee!! No start date! Plan your maintenance and fishing schedules accordingly. and dont try and figure out a back door way around knocking down a quota. If the fish are marketable in MAY so be it. they are there to catch. They get older by the day and are closer to death day by day. This stock seems like they now stretch from the Canadian border to the southern boundaries of the Carolinas. We really need to update the science and the stock before we put fisherman and certain markets out of business.

Also on the Race to fish issue and safety. I think a start date puts a bigger strain on the race. You will have 50 boats sitting on a line at one time . No start date leaves flexibility and spread out of boats departing. Most people also out there have safety on the top of thier list.

Qualifiers

When purchaisng my permits i did my home work . I was told make sure to have landings before the control date. Know one said how big of landings. Just make sure ya have some you sould be fine . HA HA HA

I have 2 illex permits. One that what I thought to be very good landings which looking at some the options in qualifying chart has me wondering. The other not so great . Both permits fished before the control date and after.

AS stated in a previous comment sent in I do believe some control needs to be taken in this illex fishery. I do beleive we need to get the 0 pound landings disqualified as of 2019. I am gonna step back on my previous comment during previous scoping hearings. I commented on a 2016 control date. I would like the Council to consider 1997- 2019 vessel with a 50,000 pound landed in a given year qualifier. Here is why.. One of my permits would qualify in the 1997-2013 or from 1997 to present in 3 of the 4 options and misses one of the more restrictive by about 5000 short of (1,000,000) . The other would qualify before control and make it with the less constrictive options . Here is the thing i am an ice boat . Most processors dont take ice boats . I've asked . I have an email from one processor saying no . I had another conversation with another processor telling me no , but they would like all my other fish and scallops though HA. i live in NJ and my boats have

to participate in this illex fishery having to fish in RI and NB .Why? Because out of the 3 bigger players Lunds, Seefreeze and TownDock . Town Dock is the only processor that accepts ice illex TownDock vessels and some RI vessels have brought back an iced illex fishery. Some of these vessels do have weak landings , but i do believe it was due to the incapability of landing when a RSW fishery took over. .Not all of us have endless \$\$ to tie boats up for 6 months pay up to \$600,000 in RSW upgrades The boats up here have not only developed an iced market , but a food market. If the council decides to make qualifying very restrictive you will not only take fisherman away , but also a whole developed market. I guess also it would be very hard for me to maintain landings with out a market. No boats , no fish = lost market = no place to pack. Just like what has happened time and time again. You restrict a fishery you loose markets , boats and processors.This has happened in Summer Flounder , DogFish n Ground fish then years later it miraculously gets given back or becomes less restrictive years down the road when the markets are gone and the cutting houses and docks have closed . Also does the council really wanna see this come to a 13 boat operation where big fleets and big business prevail who also are selling out or have been sold to NON American Companies. Competition in markets is good it keeps everyone honest.

On another note the development of this north east illex fishery took some strain off the Nantucket Lolligo fishery. Nantucket did have one of their longer Loligo summer seasons in a while with 10-12 or better less boats there. Remember take a fishery away more stress gets added to another. I believe this is one of the reasons why the whiting fleet did not go through a re qualification.

The ice fishery up here east of block canyon is hard , timely and costly. Weather you catch or not you have \$2000 a trip in ice alone.. but it works. We get by. It takes 15-18 hours from RI or NB to the grounds. We only fish 1 daylight maybe part of 2nd daylight then its 15-18 hour steam in. Then pack, clean re ice back out. if your lucky you might get 3 landings a week , but for the most part 2 landings in a given week. . Most of the ice vessels up here stock and catch in one season what the southern larger vessels due in a week or 2. The Cape May steam is 8 hours . These larger vessel have 250,000-500,000 lb hole capacity back in and back out in a day when the season is rocking . Like I said earlier GREED is what's driving this push . Do the " Common Sense" math thats \$100,000-\$200,000 a trip What they do in 2 weeks takes some of these smaller entities a season to do . So excuse me if i am not shedding a tear. Dont take it wrong i respect them but some of them chose not to be diversified and put some of there eggs into one basket.. Actually in looking at a memorandum from Sept 6 2019. I am seeing that in 1994-1996 there was more vessel representation then 2019 . it worked then it can work now. Make the qualifier low and let everyone get a piece of this expanded fishery.

I do not believe in a tier system. I should have the same opportunity to up grade, stretch , convert and change my vessel legitimately every way possible within the current regs and laws just like alot of these bigger fleet owner/processing comapnies and some of these people that also serve on the AP have just done to some of their vessels before slamming the door shut. on others and myself.. " What's good for the goose should be good for the gander. "

I do not support a tier system . Everything should be a level playing field

"If there was a tier anything less than 150,000 lbs is not acceptable .As stated earlier this fishery up north is a time consuming one and has less landing capability as others. .

With all that being said ii would like to ask the council too look at the individual vessel participation years 1997 to present in vtr chart areas 533,534,541,526,525, 537, 552. and compare to the southern canyon chart areas . I think you will find the fishery is starting to grow with a larger availability of a stock that really isn't being accounted for.

In closing i am asking the Council dont rush an amendment out of what seems to be a GREED driven push on an amendment, Lets get the Science, Economic, and Environmental studies done properly. Let the Illex steering/assessment team do their jobs. Lets get real assessment of the stock that appears to be in the canyons from the Canadian border to the Carolinas. Lets not take away jobs , and newly developed markets with out facts . Best approach move the control date ,eliminate the 0 pound permits and lets get the rest of this rite

Thank You
Jimmy Elliott

F/V Maizey James
F/V M.F Hy-Grader

Virginia Seafood Council

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Kilmarnock, VA 22482

vaseafoodcouncil@gmail.com

Dear Dr. Moore:

Regarding the current Illex Amendment the Virginia Seafood Council thoughts are as follows:

- I support focusing on the qualification range of 1997-2019 and a best year qualifier of either 50,000 lbs or 100,000 lbs.
- I do not support tiers to further restrict certain participants in the Illex fishery.
- I do not support a hard start date.
- I do not support vessel capacity limitations.
- I support no permits be removed until the Council has reviewed findings from the Illex Working Group

The Illex stock seems to be healthy, and my belief is that the current quota is too low. Once the Council has had an opportunity to review scientific data collected by the Illex Working Group, I believe it will see that the issue is not too many permits, it's a low quota.

Increasing the quota, rather than removing permits, will keep the fishery competitive, keep fishermen employed, and keep communities working and not turn the Illex fishery into a monopoly.

Sincerely,

Meade Amory
Board Member
Virginia Seafood Council



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RE; Illex Permitting MSB FMP Goals and Objective Amendment

Council and Staff,

Atlantic Capes Fisheries Inc. (ACF) owns and operates vessels that are permitted for Illex with historical participation.

We are opposed to enforcing the 2013 control date at this time. Doing so would cut the fishery participation down dramatically. It would cut it almost in half and if high qualifiers are used the participation could be down as low as 13 vessels.

We feel that this is a purely economic decision in violation of the MSA and no action should be taken. The reason for the proposed action alternatives is based upon the quota being caught a few years in a row. This represents a robust fishery. There is capacity in the fleet to catch the quota just as in other fisheries, but eliminating a portion of the fleet for the sole purpose of earlier participants catching more is purely an economic decision.

There are no biological, bycatch or discard problems with this fishery. In fact, there is a working group seeking to be able to raise the quota dramatically because of the robust nature of the fishery. If participants are reduced and the quota is increased this will result in a windfall economically to those who are allowed to stay in the fishery.

If the council feels they must push forward on this economic decision, then we propose qualifying years from 1997-2019 to allow all current participants that have invested in this fishery even in recent years to see a benefit from their company's economic decisions. The qualifying pounds should be 50,000-100,000 pounds' in any one of the years. This will take out permits or capacity by 30% by ones that have not economically benefitted from the fishery, thereby accomplishing the intended purpose of reducing capacity while not effecting the viability of those that currently do benefit.

We are against any type of tiered system for those that may be considered as lesser qualifiers after 2013. Tiers likely will be chosen amounts that it will not make those trips profitable in a cheap ex-vessel price fishery.

Thank you for considering my comments.

Sam Martin
Atlantic Capes Fisheries Inc., COO

Dear Mid Atlantic Council,

I am writing again about the Illex Amendment. We're upping the quota and the stock has such a large range I don't understand why we are trying to remove people from a fishery that have already qualified. Other than coming from a strictly economic reason and trying to remove competition there is no other reason to remove permits from this fishery. Your job is to look out for the fisheries and fishermen as a whole, not protecting special interests, but I don't know what else to make of this.

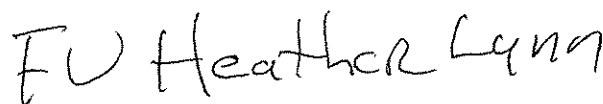
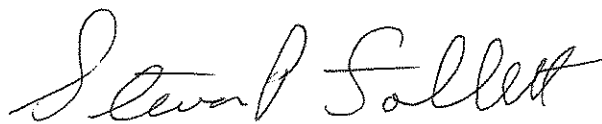
I hope you can see that the people who are asking for limits on vessel capacity just finished increasing their own capacity. And I hope that you can see that the two-tier system never shakes out fair. It all just looks like some people trying to limit competition. And then you add in some other things, like the hard start date, to try to make it seem more like that is for the fishery. Let's wait and see what the Illex working group has to say about the science before we rush in to restrict permits on a species that is doing just fine.

Although I vote no action, it seems that the Council is moving forward with this, so I hope you focus on a best year qualifier of either 50,000 lbs or 100,000 lbs and a qualification range of 1997-2019. It seems like a compromise if there must be one on a problem that doesn't seem to exist.

Sincerely,

Steve Follet

F/V Heather Lynn



Dear Director Moore,

As active Illex fishermen we would like to take this opportunity to comment on the Illex Amendment.

This Amendment aims to reduce the number of permits for a fishery that is so plentiful that the quota has been increased. There is simply no reason to remove permits under these conditions.

Having said that and seeing that the Council is moving forward with this Amendment, out of the alternatives presented so far, I think a qualification range of 1997-2019 and a best year qualifier of 50,000 lbs would be the best option.

With those options you're not cutting out those who have been actively fishing Illex and rely on it to make a living.

We don't support tiers to restrict the Illex fishery. Having two tiers will only mean more squid for the few large vessels.

We also don't support a hard start date. We all need flexibility to begin fishing when we're ready.

Vessel capacity limitations only limits competition. Anyone in favor of this has already increased their vessel capacity.

If anything, the quota should be reviewed more closely before making decisions that will reduce competition and negatively affect people's livelihoods. This is a very important decision and there is a group working on collecting data to find out more about this species and perhaps even increase the quota even more. It seems like it would be wise to wait for more information before the Council makes any major changes.

Sincerely,

F/V Determination – David Monahan

F/V Excalibur -Phil Merris

F/V Lightning Bay -Jeff Wise

F/V Rebecca Mary – Kevin Ralph

F/V Susan Rose – Jamie McCavanaugh

September 25, 2019

Comments Re Illex Permitting Amendment

Dear Council Members,

Following September's Committee and Advisory Panel meetings, we offer the following comments:

We continue to maintain, as detailed in our scoping comments, that we support a permitting system consistent with a permit holder's historic participation in the fishery prior to the control date. Unlike many of the Mid Atlantic Council's other managed fisheries, the illex fishery has been comprised of a small number of participants over a very extended time frame. According to the SSC, most of the landings during 1996 to 2015 were harvested by 6 to 15 vessels.¹ According to Council staff's Committee Summary, 95% of total landings from 1997-2013 were harvested by 24 vessels.²

Seafreeze vessels were specifically designed and built in the 1980s to target illex. Our vessels have harvested illex every year for over 30 years. From 1997 to 2013, the two Seafreeze vessels accounted for 40% of all illex landings in the United States. In some years, our vessels accounted for 86%, 83%, 71%, 55%, etc., of all U.S. illex landings in any given year. The illex fishery has been an integral part of our entire business plan, freezer facility, sales strategy, fishing plan and hundreds of millions of dollars of investments for over 30 years.

However, due to activation of latent effort from 2017-2019, our vessels have been tied to the dock for 3-4 months a year for 3 years in a row following unprecedentedly early closures. While our vessels normally target illex from approximately June-October/November, we have now lost this opportunity and several months of fishing. We do not have any other options.

This exact scenario is one of the reasons listed in the Magnuson Stevens Act for establishment of a limited access system. The MSA states that the Council, in developing such a system, take into account "the capability of fishing vessels used in the fishery to engage in other fisheries".³

At Seafreeze, we do not have any other options. Our vessels and business are dependent on the illex fishery. We cannot transition to go fluke, scup, black sea bass, groundfish, scallop, etc., fishing once the illex season closes. That is why our vessels are tied to the dock for months every year following an

¹ See

<https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/5ad7b1f8562fa75adb8ba50a/1524085242200/Illex+illecebrosus+data+update+report+for+2018+MAFMC+SSC+ABC+meeting.pdf>, p. 2.

² See

<https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/5d84e60a7cad0a24b53a5436/1568990730382/2019-09-12+Committee+Meeting+Summary.pdf>, Table 1, p. 8.

³ MSA Section 303(b)(6).

early closure. We do not have other species that our vessels can target during this timeframe. Other species that our vessels are built to target are not available offshore until winter. Our vessels are designed to fish offshore, not nearshore; and due to our vessel size we are actually excluded from some fisheries available to smaller vessels. The Seafreeze Ltd. land-based facility was purpose-designed to receive frozen product from the two Seafreeze freezer vessels. It cannot receive fresh product. Our building does not therefore have the opportunities open to other processor/dealers of continual product flow from various sources. Once the Seafreeze vessels are tied up, the Seafreeze Ltd. dealer facility becomes dormant.

Considerable discussion at the Committee and AP meetings took place regarding “dependence” on this fishery, from both a vessel and processor/dealer perspective. In our opinion, there is a marked difference between “opportunism” and “dependence”. Vessels and processor/dealers who took advantage of the unprecedented availability of the stock and unprecedented high prices during 2017-2019 are opportunistic, but are not dependent. In all years prior to 2017, these vessels and processor/dealers were targeting and marketing other species. Their existence and revenues did not depend on illex. Their business strategy centered around other fisheries, other stocks, and these “new entrant” entities still have those options available to them. They will not go out of business should their access to the illex fishery be restricted. These vessels will not be tied to the dock for 3-4 months at a time should the illex fishery close early. They have other options, i.e., the fisheries in which they have always historically participated during the summer/fall months. The same is true for recent entrants on the processor/dealer side; these facilities have been built on product of fisheries from which they have historically purchased. Years marked by opportunism such as occurred in 2017-2019 should not be translated into “dependence” on the illex fishery.

This does not mean that all opportunity in the illex fishery for non-historic participants is lost should the Council restrict permits via the Illex Permit Amendment. Vessels with historic landings have been, and are, available for investment. As is the standard practice in any U.S. fishery, particularly one with a control date, true investment in any fishery involves researching and availing of permits with history before the control date. This is not a new concept, or foreign to anyone in U.S. commercial fisheries, whether owner/operators or vertically integrated entities. While recent landings may be considered in some form of access, the fact that they do not necessarily qualify for the same access to a fishery demonstrated by historic landings prior to a control date is widely understood in the commercial sector. This is standard methodology employed by the Mid Atlantic Council for management actions, including the recent longfin amendment, which is also well understood by commercial fishery participants in the MSB fisheries.

Currently, the number of historic participants already have the capacity to harvest the quota. Although only a fairly small number of latent permits compared to the total existing 76 illex permits were activated in 2017-2019, this activation alone has resulted in consecutive early closures, to the detriment of historic illex participants which were consequently prevented from availing of a full season.

Below are our comments specific to the Council staff Draft MSB Committee meeting summary presented at the MSB AP meeting:⁴

⁴ See <https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/5d84e60a7cad0a24b53a5436/1568990730382/2019-09-12+Committee+Meeting+Summary.pdf>.

1 . Illex Permitting Goal:

We do not see the Illex Permitting Amendment as being substantially different than the recent longfin squid Amendment 20/Squid Capacity Amendment, with the exception that in the longfin amendment the Council took action to limit permits based on speculation that latent effort could close the fishery early, while in the illex amendment increased recent participation has closed the fishery early for 3 years in a row.

Amendment 20 was originally entitled the “Squid Capacity Amendment” in the Scoping Guide and subsequent meetings and Council materials.⁵ The reason that the Squid Capacity Amendment was initiated did not involve Trimester 2 or additional issues, which were only added later during the Amendment process and considered in a separate section.

The original longfin squid Amendment 20/Squid Capacity Amendment Scoping Guide, under the heading “Why is this action being proposed?” stated, “The Council is proposing to develop this amendment because there is considerable latent capacity in both the longfin squid and Illex squid fisheries. In most years, the majority of landings are harvested by a small portion of vessels with limited access permits. The Council is concerned that activation of the existing latent capacity could cause problems such as shortened seasons and increased incidental catch of non-target species. Although participation has not increased in recent years, the possibility of effort transfer from other fisheries exists. This could negatively impact current participants if quotas are caught more quickly, causing closed seasons. In addition, if excess effort causes a “race to fish,” there could be an increase in non-target species interactions that could lead to other restrictions for the squid fisheries”.⁶ The only initial amendment options presented were permit requalification, tiered limited access system, and limited access privilege programs (LAPPs).⁷

In the Final Amendment 20 EA, the document states, “In this Amendment....the Council considers measures to reduce latent (unused or minimally used) longfin and illex squid permits...” and the Council’s preferred alternative, which later became regulation, defined whether these permits were unused or minimally used based on their fishing history prior to the fishery control date of 2013.⁸

The Final Rule of Amendment 20 states, “The Mid-Atlantic Fishery Management Council is concerned that unused longfin squid/butterfish moratorium permits could be activated. This could lead to excessive fishing effort, which could lead to premature fishery closures and reduced access to available longfin squid quota by vessels with a history of higher landings in recent years. Excessive effort may also increase the bycatch and discards of both longfin squid and non-target species.”

In the illex fishery, we are not dealing with potential early closures or potential activation of latent permits which were inactive prior to the control date; we are dealing with the reality.

⁵ See Scoping Guide at

<https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/5519af61e4b043a1fee2d29d/1427746657099/Squid+Capacity+Scoping+Guide.pdf> and Squid Capacity Amendment tab at the June 2016 Council meeting: <http://www.mafmc.org/briefing/june-2016>.

⁶ See

<https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/5519af61e4b043a1fee2d29d/1427746657099/Squid+Capacity+Scoping+Guide.pdf>, p. 2.

⁷ See

<https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/5519af61e4b043a1fee2d29d/1427746657099/Squid+Capacity+Scoping+Guide.pdf>, p. 2.

⁸ See EA document at

https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/5c113b1f70a6ad290cf75cfd/1544633161550/20181018_Squid-Amendment-Final+EA.pdf. See Council’s preferred alternatives at <http://www.mafmc.org/newsfeed/2017/mid-atlantic-council-approves-squid-amendment>.

2. Comments on Committee Motions Regarding Alternatives:

A. *"I move to recommend removing all the options that use a 10,000-pound single trip threshold (under any time period). Nolan/Gwin, 5/3 Motion Passes (Motion from Committee, Council action needed)"*. We support the Committee motion. Ten thousand pounds is the incidental, open access trip limit. An incidental limit available to all GARFO permit holders should not qualify for access in a limited access, high tonnage fishery such as illex.

B. *"I move that the Committee recommend removal of qualification dates that extend through 2019. Nolan/Gwin, 6/1/1 Motion Passes (Motion from Committee, Council action needed)"*. We support the Committee motion. This amendment was already ongoing in 2019. Vessels which only entered the fishery in 2019 were fishing solely for history, for the purpose of amendment qualification. In our opinion, this is an unacceptable metric for inclusion.

3. Council Staff Recommendations for analysis (Tiered Permitting Options):⁹

A. *"2 standard options for non-requalifiers for further development: the current open access trip limit (10,000 pounds) or a new permit with a trip limit of 20,000 pounds to acknowledge their original qualification."* We support this analysis and it is consistent with previous Council action. We believe that following the format of the longfin Amendment 20/Squid Capacity Amendment re-permitting and requalification is appropriate. In that action, the Council created Tier 1 permits for historic participants with unlimited access, Tier 2 permits with trip limits of twice the current incidental/open access trip limit (which in the case of illex would be a 20,000 lb trip limit), and then a Tier 3 permit of the current incidental/open access trip limit (which in the case of illex would be 10,000 lbs).

Some discussion was had at the AP meeting creating an illex tiered permitting system that would not resemble the action taken in longfin. In that discussion, a tiered illex permitting system was suggested where Tier 1 permits would retain unlimited access, Tier 2 permits would have a currently unspecified trip limit, which was suggested at 100,000 lbs, and Tier 3 permits would have a 20,000 lb trip limit. According to our knowledge of vessel capacities, this type of permitting system would continue to present the same problems that the Council is trying to address.

There are vessels with significant historic participation in this fishery, i.e. would-be Tier 1 permits, which only have a capacity themselves of approximately 100,000 lbs. Additionally, a vessel with a 100,000 lb hold capacity is capable of harvesting millions of pounds of illex in a given season. Allocating this type of trip limit to a Tier 2 permit would not prevent early closures or the other issues the Council is attempting to address. It is also important for the Council to note that last year, some smaller vessels profitably directed on the 10,000 lb incidental/open access trip limit in certain areas.

B. *"Another permit level, that could be combined with the 2 standard options above, where permits that don't requalify but have some higher level of recent participation would get a higher level of access than the standard (10,000-20,000 pounds) options, to acknowledge their present participation. This may principally apply if the control date is used. Trip limit and/or sub-quota percent limitations (like Atlantic mackerel Tier 3) could be developed by the FMAT."* We support this analysis and it is consistent with previous Council action.

4. Fishery Start Date:

A fishery start date may be a workable option for the RSW fleet, which stays out at sea for 2-3 days at a time, but would create unintended regulatory discards for our vessels. Our freezer vessels stay out during the winter months at the beginning of the fishing year for up to two weeks or more at a time.

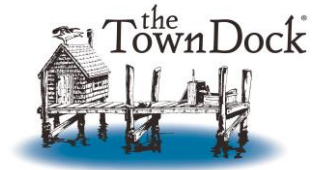
⁹ See

<https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/5d84e60a7cad0a24b53a5436/1568990730382/2019-09-12+Committee+Meeting+Summary.pdf> p. 7.

During these months, we are targeting various other species, but may encounter illex in doing so, particularly on high availability illex years as we have seen the past few years. We do not want to create a situation where we would be forced to discard this fish. Should the Council further develop analysis of this option, we would request an exemption for freezer trawlers, or a daily incidental catch limit for freezer trawlers that could be cumulative over the course of a trip so as not to create discards.

We respectfully request that the Council continue to move forward with this Amendment to prevent continued new speculative entry into this important fishery to the detriment of historic participants. Thank you for your consideration.

Sincerely,
Meghan Lapp
Fisheries Liaison, Seafreeze Ltd.



2 State Street | PO Box 608
Narragansett, RI 02882

Dear Director Moore,

I am writing regarding the *Illex Permitting and MSB Goals and Objectives Amendment*.

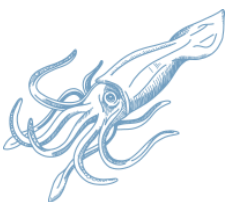
The Town Dock has been a significant buyer and processor of illex squid for many years. We purchase illex from our owned fleet of illex permitted boats, independently owned illex permitted boats, and other shoreside processors of illex squid.

Illex squid is a success story. The TAC is being maximized, reaching optimum yield; vessel price has increased over recent years; vessel permit value has multiplied several times (once thought to be worth \$25,000, illex permits are now worth hundreds of thousands of dollars); and overall profitability supports reinvestment back into the fishery and infrastructure. Part of what is driving this success is the fact that the marketability of illex has expanded. Illex squid now enjoys a wide array of demand from the traditional bait markets and into the food markets worldwide. We expect this to continue for this important resource.

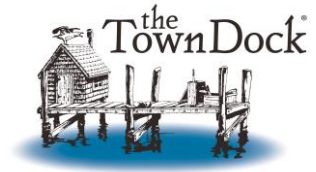
At the highest strategic level, we believe that economics is the main underlying driver – possibly the sole driver – of this recent Illex Permitting Amendment discussion.

After reviewing documents provided by the Council staff, and combined with our own knowledge of the illex situation, our company urges the Council to consider the following options:

- **Delay any requalifying action until the two Illex Working Groups have had a chance to explore opportunities to work with NMFS/GARFO to obtain more quota in this healthy fishery.** There is a real chance for obtaining more quota and if successful, it will mean more squid to catch for all existing permit holders. This would positively impact all permit holders and supporting infrastructure where everyone benefits, instead of creating winners and losers with a requalification.
 - *Can you imagine how an existing illex permit holder would feel if their permit/vessel was disqualified by the Council in 2020, only to see a significant quota increase enacted soon after?*
- **Should the Council choose to proceed with Illex Requalification, we urge the Council to consider the minimum qualifying options as a conservative approach.** They may include the following:



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- Including requalifying years 1997-2019 in order to capture all active participation.
- Examination of the lowest qualifying “best year” landings, including data for 50,000 lbs.
- Holding off on implementation of any further requalification, or disqualification parameters, including enforcement of the 2013 control date, tiers, start dates, fish-hold capacity limitation, and ITQ. From a purely economic sense, these options above are thinly veiled ways of giving more squid (and dollars) to a select group of permit holders, benefitting certain shoreside processors over others, and leaving many of the small pool of only 76 Illex permit holders with a fraction of their fishing potential, if any.

For example, we have significant concern with the table 1 in the MSB-COM packet that shows even the *most conservative* option of permit requalification in the upper left-hand side of the grid shows a potential to remove **34%** of only 76 Illex Moratorium permits.

A removal of 34% of permit holders in a fishery with minimal bycatch and virtually no biological stock issues is already a drastic move.

We urge the Council to look at how many stakeholders we keep in this successful illex fishery, rather than how many we can exclude. This is not an Amendment that was started out of concern about a species on the brink of overfishing or collapse. This is a species that seems to be in such a good state that we have increased the quota in recent years, with good potential to raise the quota further in the future. We urge the Council to carefully consider any requalification, or disqualification, of permits in a fishery with an increasing quota.

Sincerely,

Ryan Clark
President and CEO
The Town Dock

cc: Katie Almeida



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Gabby G Fisheries Inc.
Po Box 2242
Montauk, NY 11954

Executive Director Dr. Moore,

I am writing to you in regards to the illex squid amendment as an owner of the fishing vessel Gabby G. Illex squid are a short-lived species with their abundance being highly volatile from year to year. While the nature of this species makes the science side of management more difficult there is no evidence at this time that the stock is overfished or that overfishing is occurring. The past two years have seen exceptionally large biomasses of Illex and to that end the SSC just added 2,000 MT to the ABC for 2019, and there are currently efforts by the council to do a benchmark stock assessment and research on how to increase the TAC in years of high abundance. Historically, industry landings been as volatile as the population itself and mirrored the availability of the species with the TAC being reached only five times in the last 38 years. In the last three years it is not so much an increase in effort but an increase in availability of Illex that resulted in the TAC being reached.

While the scoping document states that action is being proposed due to “considerable latent effort in the Illex squid fishery” this is not the case, there are only 78 permits in the fishery with a many as 41 being active within a single season. In addition requalification of Illex permits would be counter to the MSB FMP objectives 2 and 3.

2. Promote the growth of the U.S. commercial fishery, including the fishery for export.
3. Provide to the greatest degree of freedom and flexibility to all harvesters of these resources consistent with the attainment of the other objectives of the FMP.

To consider removing permits and cutting people out of a fishery, while simultaneously looking to increase the quota of the fishery seems counter intuitive, and makes the amendment look like it is being solely pursued as a means of economic allocation of what is now more than a \$20 million dollar fishery. As such I would like to express my desire for the council to use the most liberal of qualifiers and use landings through the 2018 fishing year. I feel this most closely mirrors the current FMP objectives, there is no issue with recruitment in the fishery, and the stock is not overfished nor is overfishing occurring.

I am not in favor of a tiered approach at this time, but if one were to be used it should be trip limit based with no set quota allocation to individual tiers and no ITQ, IFQ or catch share system.

While I understand the council’s thoughts behind the scoping process, this is a healthy stock and fishery with a biomass that is only increasing at this time. There are no significant bycatch issues in the fishery either that would warrant curtailing effort. I implore the council not to limit opportunities to fishermen to flex into this fishery when other opportunities are not present.

Thank you for your time and consideration of my comments.

Daniel J. Farnham
Gabby G. Fisheries