

Dear Council members,

My name is Phil Merris and I am the captain of the FV Excalibur out of Point Judith. My boat would qualify for a Tier2 permit under the Committee recommendation, even though we caught over 1,000,000 lbs in 2019 and I have made significant investments to my vessel. We just came out of the shipyard with a \$350,000 haul out to update and modernize my vessel.

After listening to my local public hearing webinar and discussing the progression of this amendment with others, I understand that the committee approved an alternative that does not consider 2019 in either Tier 1 or Tier 2, even after hearing that the committee and council overwhelmingly approved an increase in quota for Illex, this does not make sense.

I hope that the council will realize that removing or reducing access to this fishery and imposing a trip limit of 62,000 lbs is going to hurt captains, crews and fishing communities A LOT MORE than it will benefit the few winners of this amendment that will be able to fish just a few days longer in the season.

Such a low trip limit would make fishing practices extremely inefficient. I would have to bring in much lower weight than the trip limit to make sure that I am not in violation with enforcement. The process of loading Illex onto a vessel is extremely fast. To make up for the loss in what I can normally put on my boat I would have to make more trips, spend more money on resources and increase my fuel consumption to make up for the low trip limit and I'm not sure it's worth it. The Committee was aware of all these issues when they chose this low trip limit. The trip limit needs to be at least 85,000-90,000 lbs for Tier2 to be remotely viable for me.

After reading though some of the public hearing document and listening to the comments on the calls this amendment does not

even match its own goals and objectives, but really seeks to create an economic allocation as the current committee action will reallocate quota to a select few while significantly harming the rest of the fleet.

We should be ensuring that the fishing industry has flexibility, not reducing it, especially with a stock that seems healthy, is large and has so few participants to begin with.

Currently, EVERYONE is winning with the increased markets and prices. We are all making money.

This amendment is meant to benefit a few big players while cutting out the rest so they may have more of the quota for themselves. This is a small enough fishery to begin with, we can all coexist so we can all survive.

Due the results of the SSC meeting and hearing the results from the Illex working group I am supporting "no action". There is no biological reason for moving forward with this amendment after hearing the good news that was attributed to this stock. This is strictly about giving unrestricted quota to certain vessels in this fishery while hindering the productivity of the rest of us.

Sincerely,

Phil Merris

FV Excalibur

Point Judith, RI

Dear Council,

My name is Steve Follett and I am the owner/captain of the FV Heather Lynn. I have been fishing for over 30 years. My boat would be classified as a Tier2 vessel under the Committee recommendation, and limit me to a 62,000lb trip limit. I have been an active participant over the last several years and Illex is now very important to my fishing year. I support the position of the Illex Coalition.

This would essentially put me out of the fishery as this trip limit is far too low. I would have to bring in much lower weight than the trip limit anyway, to make sure that I am not in violation of this limit when I hit the dock with National Marine Fisheries enforcement. I put illex down quickly on my boat and we do not have a chance to estimate the weight, we are plus or minus 10,000 lbs. This committee recommended trip limit is a way to put the Tier2 boats like mine out of the fishery. The trip limit needs to be at least 85,000lbs for Tier2 to be remotely viable for me. Putting me into a Tier2 will also have an unknown but significant negative financial impact on my fishing permit valuation. Also, fish hold capacity limitation for Tier2 vessels is redundant if the council is implementing trip limits.

After listening to the public hearings and being informed on the on goings of the Committee and SSC's decision to increase the quota I still fail to see any reason, other than economic, as to why we are trying to remove people from a fishery that have already qualified. Each of these reasons for moving forward as listed in the public hearing document have debunked by those in the fishery. However, it does not seem that we are being listened to on the Committee level. I was shocked to hear that after all the public hearing calls, written comments, and communications with members that the industry has carried out, that the Committee did not even consider full recent participation in the alternative they chose, and they chose to exclude 2019 fishing year data.

It is very discouraging to see that the Council is continuing to move down this road knowing that the real reason for the initiation of this Amendment is solely an economic ploy to reduce competition and to allocate quota to specific people in the fishery, which shows in the alternative that the Committee is choosing to support.

There is no biological reasoning behind the initiation of this Amendment. In fact, I heard that the SSC provided us with GOOD news regarding this stock. Because of the recent SSC's information, the increase in quota, and the failure for this amendment to meet its own goals and objectives, I am supporting "No Action". With the best available science recently presented, the Council should be supporting fishermen keeping current access to a fishery they've previously qualified and invested in.

Sincerely,

Steve Follett

F/V Heather Lynn

Fishing Vessel Enterprises, Inc.

985 OCEAN DRIVE

CAPE MAY, NEW JERSEY, USA 08204

TEL: (609) 884-3000 / FAX: (609) 884-3261

Mr. Michael Luisi, Chairman
Mid-Atlantic Fishery Management Council
800 North State Street, Suite 201
Dover, DE 19901

Re: MSB Ilex Fishery Amendment

Dear Council Members,

Fishing Vessel Enterprises owns and operates 7 commercial trawling vessels that have access to the Ilex fishery. Within the preferred alternatives that have been chosen by the committee, four of these will lose access to this fishery.

I am a fourth-generation fisherman that has worked in the Mid-Atlantic my entire life. I grew up on the deck of my father and grandfather's vessels until I owned and operated my own fishing trawler. Now, I am Chief Operating Officer of a vertically integrated fishing company that owns and operates 25 vessels, 5 shoreside facilities and 2 processing plants while sustaining almost 500 jobs.

This company was built through sustainability measures that we have had to develop, institute, and maintain. These measures were the pains that we had to go through to save the fisheries themselves. Pains financially and emotional endured by fishing families and communities in order to save the fisheries. Those that saw the bigger picture and looked long term, became a part of the solution by accepting regulatory changes and assisting the fisheries in their road to recovery. Sadly, some fisheries and communities in other regions have not been able to re-build in spite of painful patience. The MAMFC and processes have been extraordinarily successful in rebuilding fisheries that in turn re-built or at least sustained the communities involved in them.

This Ilex amendment will have zero positive impacts on the Ilex fishery. It does not sustain a fishery. Rather, it's aim is to sustain or to make a certain participant base more profitable than they have been.

The Ilex fishery is scientifically known to be extraordinarily strong. The quota has recently been increased. Scientific data shows that the quota could be increased exponentially as more science-based advice is attained. All the scientific data to support this statement is within your grasp and should be reviewed to show how robust the fishery is.

This Ilex amendment does not increase the opportunities of the fishing communities. It reduces them by taking away permits and/or dramatically reducing their harvest.. The ultimate gain from this reduction in capacity does not enhance the fishery, its communities or it's biomass. It only allows for some fisherman to have more of the ever-increasing quota than others. In short they are saying, "we would like to fish longer in the season, so we want you, the MAMFC, to exit

and/or reduce some other fisherman so we can have more”. This has nothing to do with sustaining the fishery. This has to do with bias against a group of fishermen that has fished in the more recent past than others. This group of fishermen have not pushed others out nor have they have threatened the biomass of the fishery or created negative impacts on the fishery. One thing they may be guilty of is helping to bring the fishery to consistent optimum yield. Historically, participants have never been able to achieve that consistency. Another thing that the recent participants may be guilty of is building value in the fishery by creating domestic markets that are ready, willing, and able to purchase Illex. This value has also brought consistent opportunities for all permit holders.

Unfortunately, you as council members have been put in a position to make decisions that are difficult and tough. You can be described as being as fair and equitable as you could be, developing your support for your state constituents while following the mandates set before you in the Magnuson Stevens Act and the Goals and Objectives set forth in any regulatory process. However, ask yourselves what you have been listening to.

Have you been listening to the advice of historical participants that say that the fishery will be safer by exiting some out and reducing the “race to fish” and enhance safety at sea? There will be no change in the race to fish by eliminating or reducing several participants. The remaining will race just as fast to get the most they can of the yearly quota available. This lie is put forth to hide the truth because without a trip limit for every vessel, a race to fish will take place. ‘So, let’s promote this story so we can make others think we need this to reduce participation and improve safety at sea. Some want more fish than others, so let’s get regulators to create a law so that a few get the lion’s share of the profits. Let’s frame it in such a way that the uninformed will based their decision on emotion rather than fact or science.’ Ask yourselves what other misdirection have I been told by those that would like to reduce capacity so they can get more?

This fishery has already been qualified with 76 permits decades ago based on a quota similar to what we have now. So, if that qualification existed then and the number are about the same, ask yourselves what the different is now versus then so that we need to reduce capacity? Is it because the fishery has value far greater than it did in the past? If that is the case, the arguments presented to you by those participants have the singular purpose of increasing their profits to the detriment of others. They are attempting to get you to buy into their misrepresentation of the issues in order to make you think that they cannot survive without it. When the truth is really that they have been seeing record profits despite having to start fishing for another species earlier than they normally would. This storyline is crafted to keep you thinking that the quota is closing earlier than it normally would. The quota closes when the TAC is caught, not earlier. It’s only perception that it is early to those that want to have caught more than they did. If the value of the fishery is the highest it has ever been, optimum yield is met, and the TAC is caught, then this is a win for every participant. Because everyone’s profits have increased based on the abundance of the fishery.

Many fisheries have short harvest seasons. One scallop permit harvest about 60 days a year. Approximately the same time frame as Illex yet grossing more revenue. Should we reduce the amount of scallop permits from 365 down to 76 or less? The answer is no because it is sustainable and so are the communities. How many days a year do vessels with a summer flounder permit or black sea bass permit fish? Much less than 60. Should we look at a capacity amendment to reduce participation? No, for the same reasons.

Never in the history of fisheries in this country has capacity been reduced for the sole reason of making others more profitable. This has nothing to do with the sustainability of the fishery, but has only to do with getting rid of some so a few can have more.

We have the guidance from the Magnuson Stevens Act with National Standards that prevents decisions like this from being made. They are put in place to prevent taking from one to give to others as the sole purpose of an action. They guide decisions that sustain the fisheries and fishing communities during biological and climatic changes. They give you a basis to make a decision that keeps regulatory power in check. They give you the ability to promote opportunity for the whole and not just a few. They keep bias from creeping into the process, promoting equality for all. They give you the power to make a decision that will negatively impact a community only when it saves a fishery and promotes its sustainability.

Much hard work has gone into this amendment and some would say that we must make a decision. Remember, a decision for NO ACTION, is a decision. And if it is based upon the facts, it will not be a hard one to make. It will however be the one that you can say was based upon the guiding principles that you have built your careers on.

“No action” is the right decision because it is one that you can defend. In these times that are upon us we are rattled with uncertainty. We have all been trying to adjust to what the future will hold, but uncertainties continue to pile on. Think of what will promote and build confidence, not take it away. Create jobs, not take them away. Create opportunities, not diminish them.

If you dig down deep and look at the real basis for this amendment and check that against the principles that build sustainability and create opportunities, you will see that you should vote for NO ACTION with this amendment.

With deep respect,

Sam Martin
Fishing Vessel Enterprises Inc
Chief Operating Officer

July 6, 2020

Dear Mid-Atlantic Fishery Management Council:

We write to you today as a unified coalition of active Illex permit holders and processors, and we consist of both Historical Participants and Recent Participants in a formed "**Illex Coalition**". We support the written and verbal comments regarding Illex permit requalification submitted to the Mid Atlantic Council from the entities below.

As a Coalition, and after much discussion and research, we have agreed on only three positions that we will be able to support regarding the current *Illex Amendment* heading into final action:

- 1) **Preferred:** (Option #1) No action; requalification of all 76 permits.
- 2) **Preferred Alternative:** (Option #2) Minimal action; full requalification of 51 active permits.
- 3) **Acceptable Alternative:** (Option #5) Tiering option to include high level recent participants into Tier 1.

Regarding the *MSB Committee* Recommended Option, we disagree with the MSB Committee recommendation of selecting Option #4 with a 62,000 trip limit for Tier2 vessels with the following rationale:

- Under this scenario, we have analyzed over 130 actual trips from 2019 for proposed Tier2 vessels and have found this to be an overall 26% negative impact on this group's revenue when applying a 62,000 lb trip limit, with a range of 5% to 55% negative reduction in revenue per vessel. This assumes these vessels would even continue to fish on Illex with this low trip limit, which some certainly would/could not for financial reasons.
- The negative revenue impact to these vessels in 2019 would be a minimum of \$1.1 million dollars in just that year alone.
- Overall negative impact to existing shoreside processors and unloaders would be approximately \$4,000,000 to \$5,000,000.
- Overall **gain** to the 35 Tier 1 boats is a net gain of 2.3 million more pounds for that group to harvest, assuming similar effort and catch rates. This may equate to 2 or 3 days of extra fishing time for the fleet based upon 2019 catch rates. Also, spread amongst the 35 tier 1 boats, that's an extra 65,714 pounds per vessel, or extra revenue of \$26,285 per boat, per year.
- A 62,000 lb trip limit is too low and will force Tier2 boats out of the fishery, increasing economic harm on this group.
- A 62,000 lb trip limit will force boats to come in with far less product, due to the difficult nature to estimate catch. Crews cannot afford to estimate weight in this fishery with a species that spoils quickly on deck during the summer months.

Summary Findings:

- The economic benefit to Tier 1 boats is minuscule compared to the economic pain inflicted on Tier2 boats and corresponding shoreside processors.
- 2 or 3 days of extra fishing for the overall fleet does not outweigh the economic pain inflicted on Tier2 boats and the processors.

- The large Tier1 RSW/Frozen at Sea boats are catching in excess of 3,000,000 lbs of illex per season. A gain of 65,000lbs is a paltry 2% gain to their overall revenue.
- These measures per the RA's letter do not "help achieve OY, minimize economic impacts, maximize benefits to the fishery" and the "total benefits outweigh hardships for affected fishery participants"
- This action does not address "race to fish", nor has the purpose/goal of this amendment been clearly defined as what it is trying to accomplish.
- This action does not extend the fishing season by any meaningful level.
- This action will result in a pure economic allocation from one group to the other, based upon a 7 year old control date, which is against the FMP objectives.
- Per the RA's letter, "the action must demonstrate that doing so is consistent with the goals and objectives of the action and the FMP and that the associated benefits to the illex fishery at large outweigh the potential costs to recent participants whose fishing opportunities would be constrained." This action does not do so.
- Tiers do nothing to increase efficiency
- Should this fishery go to ITQ in the future, Tier2 vessels would most likely be at an economic disadvantage compared to Tier1 participants.

Fishing Year 2019 data is available and should be included to fully represent "recent participation":

- 4 out of 5 options presented to the MSB Committee included 2019. The Committee chose to recommend the only option that excludes 2019 landings.
- Omitting 2019 data would essentially eliminate one (1) active vessel from the fishery. That vessel's revenue from Illex accounted for 54% of the total revenue of the vessel. The vessel harvested 1,185,000 lbs of illex in 2019. Should this action move forward with the Committee recommended option, this permit would be classified as an "incidental permit" and its landings/ability to catch illex in 2021 would effectively go to zero. The economic impact to that Fishing Vessel and her crew would be a negative \$474,000, and negative impact the permit value of approximately \$400,000. There would also be a negative impact to the corresponding shoreside processing infrastructure in excess of \$1,000,000. This would be compounded year after year going forward as this boat is removed permanently from the fishery. The incidental limit is certainly not worth fishing on for Illex.
- Spreading the 1,185,000 lbs of illex over the rest of the entire illex fleet equates to approximately 1 extra day of fishing, and to the 51 active permits, 23,235 lbs in total extra potential catch per boat. A typical large RSW historical boat catches 3,000,000 lbs per year. That would increase their catch by .0076 (.8%) for the year.
- This is contrary to the Goals and Objectives, ignores this vessel as a recent participant in the fishery, and provides little upside for the overall participant group compared to the economic pain inflicted on the vessel and her crew.
- This action would be against the National Standards. Per the RA's letter, "the action must demonstrate that doing so is consistent with the goals and objectives of the action and the FMP and that the associated benefits to the illex fishery at large outweigh the potential costs to

recent participants whose fishing opportunities would be constrained.” Constricting one active recent participant does not benefit the illex fishery at large.

Vessel Hold Capacity: The coalition is against any new vessel hold capacity limitations due to the following analysis:

- Should the council select a Tier 2 trip limit, a vessel hold capacity is redundant and unnecessary.
- Most of the large-capacity vessels/permits already have a hold-capacity designation from the mackerel fishery (estimated 30 out of 35 Tier1 vessels already have it done)
- The group pushing for this action have already increased their vessels in recent years, and now want to put limitations on the remaining participants after they have taken advantage of this situation.
- The remaining group would be unfairly constrained across their other fisheries with a capacity limitation (Scallopers, longfin squid boats, etc)
- The remaining group consists of mostly smaller vessels with low horsepower that already have NMFS rules to limit their ability to expand.
- The remaining group would be at a significant disadvantage when upgrading their vessels to newer boats with a new hold capacity amendment due to the limited amount of vessels remaining to purchase on the east coast.

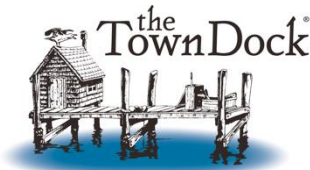
In closing, this is an economically driven amendment that relies on a 7 year old control date and pits fishermen against fishermen.

- Gear conflicts, should they even exist in the illex fishery, are not adequate grounds to eliminate participants. They exist in almost every fishery.
- The problem statement and Committee recommended action still does not align with the Goals and Objectives or National Standards.
- Cape May and North Kingstown stand to remain strong ports for Illex landings regardless of any action taken or not.
- Should the Committee recommendation stand, it is not defensible.

Sincerely,

The stakeholders, owners, employees, captains, and crews of the following active Illex participants:

The Town Dock
Point Judith, RI



Fishing Vessel Enterprises, Inc.
Cape May, NJ



NORPEL
New Bedford, MA



Waterfront Cold Storage
New Bedford, MA



KSJ Seafood, Inc.
Point Judith, RI



Gabby G Fisheries
Montauk, NY



Crystal Ice Co. New Bedford, MA

JimMazing Fishing LLC Point Pleasant, NJ



The following twenty Federally Permitted Illex Vessels are in support of the Illex Coalition. We total approximately forty percent (40%) of the Active Illex Permits underneath the above Preferred Alternative.

F/V Anticipation,
Cape May, NJ

F/V Jersey Girl,
Cape May, NJ

F/V Pontos,
Cape May, NJ

F/V Barbara Anne,
Cape May, NJ

F/V Cassidy Lyn,
Point Judith, RI

F/V Rebecca Mary,
Point Judith, RI

F/V Determination,
Point Judith, RI

F/V Lightning Bay,
Point Judith, RI

F/V Silver Sea,
Cape May, NJ

F/V Excalibur,
Point Judith, RI

F/V Maizey James,
Point Pleasant, NJ

F/V Susan Rose,
Point Judith, RI

F/V Gabby G,
Montauk, NY

F/V Nordic Explorer,
New Bedford, MA

F/V Thunder Bay,
Cape May, NJ

F/V Heather Lynn,
Point Judith, RI

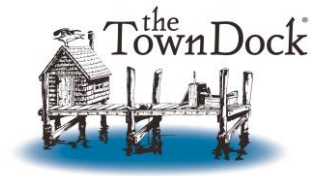
F/V Alexis Martina
Point Judith, RI

F/V Travis and Natalie,
Cape May, NJ

F/V M.F. Hy - Grader,
Point Pleasant, NJ

F/V Perception,
Montauk, NY

We appreciate your consideration.



2 State Street | PO Box 608
Narragansett, RI 02882

July 6, 2020

Chairman Michael Luisi
Mid-Atlantic Fishery Management Council
800 North St. Street, Suite 201
Dover, DE 19901

RE: Illex Amendment – Final Action

Dear Chairman Luisi and Council Members:

Thank you for the opportunity to provide a written comment. I am the CEO and owner of The Town Dock and several active Illex fishing vessels. We continue to support the position of the Illex Coalition and its members, including the following options related to the Illex Fishery Permitting Amendment:

- 1) **Preferred:** (Option #1) No action; requalification of all 76 permits.
- 2) **Preferred Alternative:** (Option #2) Minimal action; full requalification of 51 active permits.
- 3) **Acceptable Alternative:** (Option #5) Tiering option to include high level recent participants into Tier 1.

The *MSB Committee* has moved forward to recommend Option #4, with a Tier2 trip limit of 62,000 lbs, along with exceptions for live-weight and one (1) special permit exemption for a Tier2 vessel to obtain a Tier1 permit.

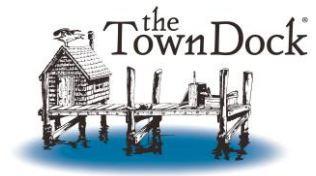
We are strongly opposed to Option #4, as it is economically detrimental to our company, employees, and owned and partner-vessels in the following ways:

The Town Dock: Looking retrospectively at our actual 2019 purchase data from over 130 trips of Illex squid from this newly created Tier2 vessel category in Option #4, our company would have suffered a loss of at least 2,300,000 landed pounds purchased from our Tier2 vessel partners due to the low trip limit of 62,000 lbs per trip. This will negatively be impacting our revenues and profitability for years to come. Compounded negative revenue impacts and overall profitability losses would be in the millions of dollars per year going forward. This would curtail the growth of the business, our employees, and negatively impact our USA customers that have grown accustomed to buying their cleaned Illex calamari from The Town Dock.

In the midst of the COVID-19 pandemic, the entire nation is suffering immensely with a catastrophe that is far from over. Like our hospitality and restaurant industries, the domestic squid industry is not immune to this pandemic, and is suffering economically with lower demand, lower pricing, and an uncertain future. This amendment, especially Option #4, would inflict more economic pain to our



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fishing families and many other Americans who are trying to make a living in this industry. The current situation surrounding Illex does the exact opposite, providing all stakeholders with the opportunity to positively impact the economy and keep people employed. It is a true shared resource for all current stakeholders. This Illex resource is abundant, well managed, and the quota is increasing. We hope the council members consider making this resource *more* inclusive to Americans and American companies instead of more exclusive and restrictive, which Option #4 will do.

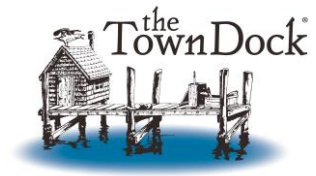
Permit Suite / Vessels: Based upon 2019 landings and purchases, our owned vessels and vessel partners would suffer a myriad of negative circumstances, including six of my active vessels locked into a constrained Tier2 – low trip limit situation. This low trip limit restrains their current catching capacity by up to 55% of actual 2019 Illex revenues. This loss of revenues and profits would also be in the millions of dollars per year range for this group, which would have further negative impacts on the vessel captains and crews. Also Included here would be lower values for permits with Tier2 potential in at least an evaporation of \$200,000 per permit from their current value on the open market.

One of our vessels (FV Susan Rose) would suffer a catastrophic loss of permit value and Illex catching opportunity for the boat/permit under Option#4. This boat was purchased from Joe Rose in late 2018, closed on in early 2019 for \$1.1 million dollars. The intent was to catch illex squid. The boat immediately needed additional structural work to get her properly and safely outfitted for illex fishing with an additional investment of \$321,000. The vessel had a successful 2019 Illex catching year, harvesting over one million pounds of illex squid. The vessel will miss most of the 2020 fishing year being hauled out again at Fairhaven Shipyard for additional steel work to further improve the safety and longevity of the vessel's future active service. The estimated cost for this 2020 haul out is \$418,000. Our combined capital investment in this vessel and illex permitting equates to \$1,839,000. Option #4 without modification renders this entire investment in the illex fishery moot for both FV Susan Rose Inc., her captain and crew, and corresponding shoreside businesses, because this vessel would only end up with an incidental Illex permit under Option #4. This would be a catastrophic loss of investment for us.

Cost/Benefit Analysis:

Should Option #4 be adopted "as is" by the full council, it will result in permanent negative consequences to my companies and vendor-partners with losses in the several million-dollar range. Not only is this option #4 not defensible, it also destroys permit values, destroys profitability and jobs for active vessels and shoreside plants, excludes at least 1 active vessel entirely from the fishery, increases regulatory discards, and does nothing to meaningfully stop or slow "race to fish". It does not address any of the following concerns in a meaningful way: safety at sea, user conflicts (should they differ from any other fishery on the East Coast), or overages in quota (which are currently being





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addressed by faster dealer reporting and VMS data usage). What it does do, is create a lot of inefficiency in how a Tier2 vessel would now have to operate under a trip limit, as opposed to the efficient manner which the boat is currently able to fish.

The Council has discussed the desire to “freeze the footprint” in the fishery. Freezing the footprint’s interpretation means keeping all active participants whole while freezing catching capacity. Option #4 does nothing of the sort, and if enacted will squeeze out the recent participants with a trade-off of just a few extra days of fishing for the Tier1 vessels. There is discussion surrounding Vessel Hold Capacity, however 85% of Tier1 participants already have this done. This is unnecessary and burdensome to the remaining group of participants as they do not have high-horsepower vessels and will never be turned into large capacity RSW/FAS vessels anyway.

Option #4 will effectively spread 2.3 million pounds lost from the Tier2 fleet across 35 Tier 1 boats. This would equate to 2 or 3 days of extra fishing time for the Tier1 fleet based upon 2019 catch rates of 5-6 million pounds per week. Also, spread amongst the 35 tier 1 boats, that equates to a paltry extra 65,714 pounds per vessel, or extra revenue of \$26,285 per boat, per year. For a large RSW boat catching in excess of 4,000,000 pounds of illex per year, or a large Frozen At Sea vessel catching in excess of 6,000,000 lbs per year, this would impact their overall revenues inconsequentially (1% or 2% difference) but negatively impact Tier2 boats of up to 55% of their current Illex revenue.

Spreading out 2.3 million pounds of a 60,000,000 pound quota (3.8%) from one user group to another, eliminating 26 permits from the fishery, inflicting economic pain on the recent participants, and increasing the fishing season by 3 days will be the legacy of this Illex Amendment should the Council elect to approve the MSB Committee’s Option #4 without any modification. All in the face of an increasing quota with no current bycatch or biological problems.

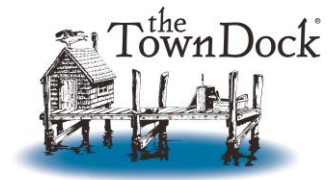
I urge the full council to reconsider the MSB Committee Recommended option #4 as it currently is written, and replace it with Option #1, Option #2, or Option #5 to mitigate the economic pain inflicted on recent participants. Thank you all for your diligence and careful consideration during this amendment process.

Sincerely,

Ryan G. Clark
President and CEO
The Town Dock



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45 STATE STREET | PO BOX 608
NARRAGANSETT, RI 02882

Dr. Chris Moore
Executive Director
Mid-Atlantic Fishery Management Council
800 North Street
Suite 201
Dover, DE 19901

July 6th, 2020

Dear Dr. Moore,

I am writing to express my final thoughts and comments on the Illex Amendment.

After participating on all of the Committee meetings, FMAT and public hearings I still firmly believe that moving forward with requalification goes against the Goals and Objectives of this very Amendment itself:

Goal 1: Maintain sustainable MSB stocks.

1. *Objective 1.1: Prevent overfishing and maintain sustainable biomass levels that achieve optimum yield in the MSB fisheries.*

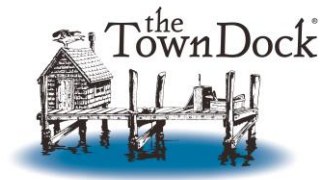
The Magnuson-Stevens Act states that any FMP may establish a limited access system for the fishery in order to achieve optimum yield. A limited access system was already created decades ago, and achieving OY is supposed to be the goal of a fishery. However, after successfully reaching the goal of meeting OY these past few years, suddenly meeting this goal has been made out to be a negative and now referred to as “overcapitalization”, a term being used to intentionally confuse and muddle the discussion in order to encourage the removal/restriction of participation. It is clear the intent to requalify is not about achieving OY, but really about WHO should be allowed to achieve OY, making this about economics, not biology or ecology.

Goal 2: Acknowledging the difficulty in quantifying all costs and benefits, achieve the greatest overall net benefit to the Nation, balancing the needs and priorities of different user groups and effects of management on fishing communities.

1. *Objective 2.1: Provide the greatest degree of freedom and flexibility to harvesters and processors (including shoreside infrastructure) of MSB resources consistent with attainment of the other objectives of this FMP, including minimizing additional restrictions.*



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We are actively working against this objective by enacting further restrictions in an already limited access fishery and reducing the freedom and flexibility of certain harvesters and processors. As far as “balancing the needs” of different user groups, the 62k pound Tier 2 trip limit that the Committee approved is not considering the needs of those that would qualify under that Tier. Neither does not allowing recent participation to qualify for both T1 and T2. I’ve made this point before, but if/when this fishery moves to an ITQ fishing, by limiting a portion of the fleet to a trip limit the Council will have disenfranchised them to be able to qualify for any decent portion of the quota, causing economic pain a second time.

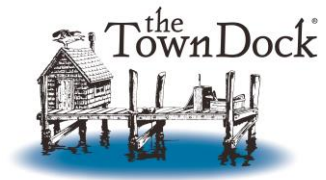
2. *Objective 2.2: Allow opportunities for commercial and recreational MSB fishing, considering the opportunistic nature of the fisheries, changes in availability that may result from changes in climate and other factors, and the need for operational flexibility.* Further limited access is reducing the flexibility the industry needs to adapt to a changing climate and ecosystem. The public has now received the SSC and both Illex Working Groups reports. All groups provided us with positive information regarding the Illex stock, in fact it allowed for an increase in quota. If the SSC’s analysis was used as a means for increasing the quota, then it should also be used to allow people to remain in the fishery as they do now.
3. *Objective 2.3: Consider and strive to balance the social and economic needs of various sectors of the MSB fisheries (commercial including shoreside infrastructure and recreational) as well as other fisheries or concerns that may be ecologically linked to MSB fisheries.*

The people who have recently become active in the Illex fishery did so because **they now had an opportunity to utilize their permit** since certain dealers recently started accepting iced product. **Prior to 2017 no dealer/processor would accept product from ice sector of the fishery;** therefore, it was pointless to even enter the fishery unless you were an RSW or frozen vessel. The communities of New Bedford, Point Judith and all of Cape May should be equally considered.

Enacting further restrictions on an already limited access fishery so a few can benefit not only works against Goals and Objectives of this amendment, **but that action also works against the Mission and Vision of this Council.**



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In the MAFMC's Vision and Mission statement in the 2020-2024 Strategic Plan there is mention of sustainable fisheries, communities, and providing the overall benefit to the nation.

Requalification would only provide benefit to a few. There is also mention of long-term sustainability and productivity of managed fisheries and being committed to these fisheries though collaborative development of effective science-bases fishery management plans and policies. The best available science we have was presented at the SSC meeting in May. This information should be used to benefit all participants and not just a select few.

Requalification would not be beneficial to all communities or the nation. In fact, **further requalification will only benefit a few of those in the industry, while negatively impacting the rest** as they will be hamstrung by a trip limit. The 62k pound trip limit approved by the Committee will disenfranchise the current active vessels by causing a reduction in productivity. The 62k pounds trip limit that was approved for T2 is too low and will put some Tier2 boats out of this fishery. The Council is creating great inefficiencies in the T2 sector by implementing such low trip limits. This fishery is known to be clean, efficient and lack discards. By supporting the Committee's option, the fishery now will be forced to operate inefficiently, fishing slower, making shorter trips, but having to make **more** trips out to sea to make up for lost poundage thereby spending more money in fuel and supplies. Economically and efficiency wise-this make no sense.

Biologically, this will almost certainly cause a discard issue for fear of coming in over quota. A discard issue that currently does not exist and that the remaining T2 participants will somehow exclusively have to pay for.

According to the Council's Strategic Plan:

Objective 13. "Collaborate with management partners to develop ecosystem approaches that are responsive to the impacts of climate change."

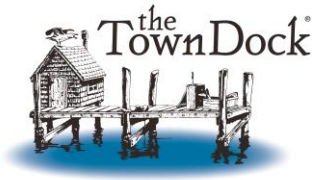
Within this Objective are two Strategies:

Strategy 13.3: Evaluate the flexibility/ability of current management approaches, including the NOAA Fisheries climate-ready fisheries management process, to respond to shifting species distributions.

Strategy 13.4: Consider management strategies that are responsive to the impacts of climate change on current fishery allocations.



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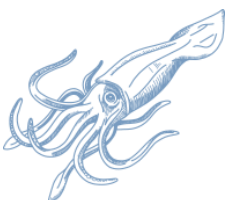
Moving forward with further requalification works against the Objective and Strategies listed above. It is enacting far stricter, less flexible management to a species that is already restricted and that we know is likely going to be impacted by climate change (we are already seeing changes in distribution). There is no denying that we are witnessing and experiencing ecological changes due to changes in climate, **yet we are not applying adaptive management styles to these changes**, but rather falling back into ridged management choices without the much-needed flexibility. Further requalification is not a “climate ready fishery management process or response.”

To once again quote Malin Pinsky, who has presented to the Council several times, “...one of the most important ways that communities can adapt to a changing ocean environment is by shifting their species portfolio.” And that, “... there are also constraints to switching to new species, including limited entry in many fisheries or the high cost of permits or quota shares. **Catch diversification can buffer fishers and communities against ocean change.**”

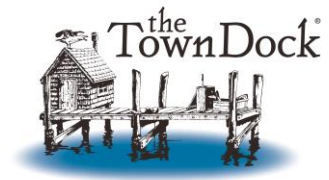
I have been consistent in my comments throughout the years that it is my belief that having profitable access to a variety of species will provide resilience to ecosystem changes. As you can see from above, it is not only my opinion, but the belief of respected scientists and managers as well.

It is a personal business decision when companies decide to forgo or drop other permits and risk narrowing themselves down to depending on a few species. As everyone saw from the public hearing document, all Illex fishery participants have a very similar suite of permits and are actively involved in other fisheries. There is no one that depends on Illex alone. Recent Illex participants should not have to be negatively impacted because of someone else’s business decisions.

Given the natural ups and downs and the added changes that come with climate change, the industry needs to be able to be adapt to these changes, they need the flexibility to round out their portfolio to be able to have a resilient and successful business. In fact, many industry participants have commented in the past that we need MORE flexibility in management, not less, and yet we see many of those same participants advocating for the opposite in this current case.



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Control Date

The MSA states that a control date MAY be used, not that it MUST be used.

A seven-year-old control date is stale. There is no reasonable way to make a sound business decision on a fishery that has a control date that is so old. Utilizing this control date completely disregards the transformation that has occurred in this fishery and contradicts objectives 2.1, 2.2, and 2.3 of this Amendment and its use will negatively impact recent participants.

SSC/Illex working groups

This past year, two working groups put significant time and effort into updating, gathering, and analyzing data and information on the Illex stock. The information gathered and analyzed was used in determining an increase in quota to 30,000MT for 2021 with the likelihood that it will go up again in the future. Raising the quota while lowering the effort puts at risk no longer being able to continuously reach OY, as we have successfully done the past few years.

Over the past 32 years the fleet has reached OY 5 times, each time they were able to do so with increased participation.

Both groups churned up lots of great data and analysis that should be benefiting the WHOLE fleet, not a select few.

I thank all of you who have taken the time over the past year to truly hear to our concerns. We know it was often redundant and time consuming, but we have a lot at stake with this amendment.

Sincerely,

Katie Almeida | Fishery Policy Analyst | The Town Dock



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AFFILIATE OFFICE
MUMBAI, INDIA

July 6, 2020

Mr. Michael Luisi, Chairman
Mid-Atlantic Fishery Management Council
800 North State Street, Suite 201
Dover, DE 19901

Re: Fishing Vessel Enterprises and The Town Dock's Comments on the MSB Committee's Proposed Alternative for the *Illex* Fishery Permitting Amendment

Dear Chairman Luisi:

On behalf of Fishing Vessel Enterprises, Inc. and The Town Dock, we submit this letter strongly opposing the Atlantic Mackerel, Squid, and Butterfish ("MSB") Committee's preferred alternative for the *Illex* permitting amendment to the MSB Fishery Management Plan ("FMP"). As you know, Fishing Vessel Enterprises is an active participant in the *Illex* fishery. Its vessels operate out of Cape May, New Jersey. The Town Dock is based in Point Judith, Rhode Island and is the largest supplier of squid in the United States. The Town Dock owns seven fishing vessels that fish primarily for squid, and it also buys squid from several dozen independently-owned vessels.

This alternative, set to receive a final vote by the Mid-Atlantic Fishery Management Council ("Council") on July 16, would reallocate quota within the *Illex* fishery based on a stale and abandoned control date from 2013. Simply put, this alternative should have never advanced beyond the due diligence stage of scoping, especially given that the Scientific and Statistical Committee ("SSC") deemed the *Illex* fishery a healthy stock and raised the quota by 4,000 metric tons. Indeed, the SSC has recently stated that quota may increase again in the near future, further highlighting the fishery's long-term inability (at least, until recent investments) to achieve optimum yield consistently, if at all.

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Moreover, NMFS has expressed its concerns on several occasions—including in an April 22nd letter from GARFO Regional Administrator Michael Pentony—that this alternative suffers from both legal and technical flaws. Nevertheless, the MSB Committee opted to advance the preferred alternative without revisions. **We therefore request that the Council reject this alternative and take no action on this amendment**, as these fundamental flaws have not been addressed.

PREFERRED ALTERNATIVE CONTRARY TO EXECUTIVE ORDER

The President of the United States recently promulgated an Executive Order on May 7, 2020, which addressed the need for “additional streamlining of fishery regulations...to revolutionize American seafood production, enhance rural prosperity, and improve the quality of American lives,” as well as “revitalize our Nation’s seafood industry” and “get more Americans back to work.” The Order established that “[i]t is the policy of the Federal government to remove unnecessary regulatory barriers restricting American fishermen” and to “avoid duplicative, wasteful, or inconclusive permitting processes.” The President’s Order also requires all Fishery Management Councils to submit a list of actions that would reduce burdens on domestic fishing and increase production within sustainable fisheries.

The Committee’s preferred alternative for the MSB FMP amendment provides benefits to a select few participants in the fishery at the disadvantage of many, including certain fishing communities. The alternative does not satisfy the Executive Order’s criteria and intent for a permitting regime or a management action more generally. Rather, it would create more burdensome regulations that remove active participants from the industry and reduce the ability of the *Illex* fishery to maximize its productivity and economic potential.

FLAWS WITH THE PREFERRED ALTERNATIVE

The first and most prominent flaw is the alternative’s reliance on the 2013 control date. Control dates are meant to discourage *speculative* investment in a fishery that is thought to be at or near full harvesting capacity. As previously explained, participants only landed more than 75% of the quota three times between 2000 and 2016, and achieved optimum yield only once during that time. Meanwhile, the fishery has filled its quota each of the past three years after additional investments were made by recent participants and other shore-side entities.

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Further, Councils have long been directed to work diligently to implement new management measures following the publication of a control date.¹ Nearly six years between publication of a control date and the initiation of an amendment cannot credibly be claimed as “diligent,” especially when there have been prior opportunities to advance a management decision. For instance, the Council developed a similar permitting measure in the *Loligo* fishery between 2016 and 2018 while also relying on a 2013 control date. Yet during that same action, the Council specifically opted to take no action in the *Illex* fishery.

Any rational observer could only conclude that the Council had effectively abandoned the 2013 control date for *Illex* and, therefore, definitively signaled to industry participants that any new participation in the fishery would no longer be speculative. And although the Council purportedly later voted to “reaffirm” the 2013 control date in 2018, that action failed to satisfy the necessary legal requirements as it was never published in the Federal Register.

Beyond its legal deficiencies, utilization of this stale control date would also lead to absurd results, especially when the Committee has made one-off accommodations for certain participants the preferred alternative would allow to qualify. For instance, the current preferred alternative would assign Tier I permits to vessels that have not significantly participated in the fishery over the past decade. Indeed, there is a Virginia vessel that appears to have not captured *Illex* since 1998 that would receive a Tier I permit. By contrast, more than a dozen current, active participants—several of whom have also made significant financial investments into improving the shore-side aspects of the fishery—would either receive a Tier II permit or be excluded from participating in the fishery altogether.

To that end, there is no reason to disregard, much less exclude, these 2019 participants, as all of the 2019 fishing data, including incidental catch, has been completely recorded and made available during the amendment process. There is simply no benefit to the fishery, or any other plausible justification, for excluding participants who are actively investing

¹ See a June 1998 memorandum to regional council directors from then-acting NMFS Assistant Administrator Nancy Foster, which advised that delays of even three months between the establishment of a control date and its final publication in the Federal Register *undermined the goals that such notices were meant to serve*. N. Foster, NMFS Acting Administrator, MEM. FOR REGIONAL DIRECTORS OF REGIONAL FISHERY MANAGEMENT COUNCILS, “Control Date Notices,” p. 1 (June 17, 1998).

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in the fishery and helping to achieve optimum yield while idle, inactive participants receive unlimited quota.

Beyond the stale control date, the use of a two-tiered system would not provide added efficiency to the fishery; nor has the Council demonstrated that the amendment would serve more than economic interests under National Standard 5. While proponents of this amendment have touted it as providing relief regarding the current “race to fish,” the *Illex* fishery is by its very nature a derby fishery. Indeed, the biology of the stock dictates the necessary fishing tactics to employ. *Illex* are a seasonal stock that appear in fishable waters for only a few months during the summer and early fall, so effort needs to be mobilized when the species are available. Moreover, no other common adverse attributes of a race to fish have been observed. Prices are increasing, and bycatch is essentially non-existent.

Moreover, the Council and NMFS are required to demonstrate that the benefits of any proposed action outweigh its costs before approving that measure. To-date, no quantitative benefits have been asserted and, as discussed above, the only alleged qualitative benefit enumerated—that this two-tiered system would reduce a race to fish—is premised on hypothetical and flawed logic. Yet the *costs* to recent active participants from implementation of this alternative are both real and numerous.

For example, revenue losses for the seven most active vessels which would become Tier II permittees are projected to be over \$1 million per year. Moreover, the negative impacts to shore-side processors and market suppliers who purchase from these vessels would be roughly four to five times as high as the *ex vessel* loss, based on a reasonable multiplier. Conversely, the average gain for each Tier I permittee would equate to no more than a couple days’ fishing per year. Simply put, the potential costs to Tier II vessels and shore-side businesses grossly outweigh any minimal benefits to the many Tier I permittees. Coupled with the lack of any tangible quantitative or qualitative benefits for the fishery as a whole, there is simply no justification for advancing the Committee’s preferred alternative.

GARFO’S EXPRESSED – AND UNRESOLVED – CONCERNS

As previously mentioned, GARFO has already identified several legal shortcomings related to this alternative – namely, that its analyses are insufficient to satisfy the Magnuson-Stevens Act (“MSA”) National Standards 1, 4, 5, and 8, and the accompanying

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Guidelines (“NSG”). The Committee’s preferred alternative does not improve the fishery’s potential for achieving optimum yield under National Standard 1, as the fishery only achieved optimum yield *twice* prior to 2017. Indeed, this issue may only be further exacerbated now that the quota has increased by 4,000 metric tons. Under National Standard 4, the alternative does not provide any conservation benefit for a resource with an increasing quota and limited availability on the continental shelf. Further, the amendment is not consistent, in terms of promoting flexibility in the fishery, with the goals and objectives the Council is updating in the very same action. Nor, as explained above, has the Council demonstrated the alternative creates or adds any efficiency to the fishery under National Standard 5. Finally, while the alternative is admittedly designed to benefit certain fishing communities, National Standard 8 “does not constitute a basis for allocating resources to a specific fishing community nor for providing preferential treatment based on residence in a fishing community.” Yet this alternative would have impacts on only a handful of communities that have made recent investments into the fishery.

Further, the low Tier II (and Tier III) trip limits likely will promote regulatory discards, contrary to National Standard 9. In fact, a bycatch issue could very well be created where none exists. According to National Standard 9 guidelines, “[a]ny proposed conservation and management measure that does not give priority to avoiding...bycatch must be supported by appropriate analyses. In their evaluation, the Council must consider net benefits to the Nation....” No such analyses exist on this record.

Despite NMFS’ warnings that this alternative is not defensible on the existing record, the Committee took no action to ameliorate any of these inherent flaws. Accordingly, we respectfully request that the Council reject the MSB Committee’s preferred alternative and take no action.

* * *

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Thank you for the opportunity to submit this letter and for your consideration of these critical issues. Please do not hesitate to contact us if you require any additional information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. Frulla', with a long horizontal flourish extending to the right.

David E. Frulla
Andrew E. Minkiewicz
Bret A. Sparks
*Counsel for Fishing Vessel Enterprises, Inc. and
The Town Dock*

July 6, 2020

Dr. Chris Moore, Executive Director, Mid-Atlantic Fishery Management Council

By email: cmoore@mafmc.org

Re: **Tier 2 Limits and Hold Measurement in Illex Permitting A21**

Dear Chris:

Please provide these comments to the Council, specific to a discussion that occurred at the April 29 Committee meeting concerning trip limits and the importance of requiring hold measurements of both Tier 1 and Tier 2 Illex fishing vessels. The A21 fish hold measurement requirement would be consistent with the Council's "freeze the footprint" approach taken in other actions in recent years, including A16, the 2016 Deep Sea Corals Amendment and A11, the 2011 Mackerel Limited Access amendment. Fish hold volume could still be increased by up to 10% of the vessel's baseline hold measurement, whether through refitting or vessel replacement. Each of the Illex vessels holding Tier 1 or Tier 2 mackerel permits have already been measured and at a reasonable cost.

Tier 2 Trip Limits: We continue to support a 48,000 pound trip limit for Tier 2 vessels. Trips landing up to 48,000 pounds (1997-2018) only accounted for 5% of landings (PHD, page 27). This provides a fair opportunity for vessels without fishing history earned prior to the control date to remain in the fishery. However, we expect that some of the smaller Tier 2 vessels will still be able to work at close to their fish hold capacity within this trip limit and, essentially, become a Tier 1, unlimited vessel. A larger trip limit, using a more recent landings history, rewards speculative entry into the fishery and negatively impacts historic participants and communities by increasing Tier 2 landings as a percentage of the annual catch.

Fish Hold Measurement for Tier 1 and Tier 2 Vessels: In describing fish hold measurement requirements for both Tier 1 and Tier 2 vessels, the Mackerel A11 FEIS states that these "provisions that limit upgrades would limit additional capitalization which could provide potential benefits (especially long-term) to the fishery". We agree. A matching requirement in the Illex fishery would ensure stability in the fleet's current characteristics and reduce the potential for fishing capacity to significantly increase in the future, with the result being an overall decrease in the value of the limited access permits being fished today.

In the event of future quota increases through a change in specifications, the value of limiting upgrades through a Tier 2 hold measurement provision becomes even more important, not only to speculative entrants with larger hold capacities who find themselves in Tier 2 but also to the historic participants in the fishery; with both group's proportional access to the fishery being reduced over time unless Tier 2 vessels' ability to upgrade without restriction is limited by the Council requiring fish hold measurement through this Amendment. This fact holds true, also, if trip limits were to scale with quotas in the future; a management option discussed by the FMAT in April, which we do not support.

Thank you for the opportunity to clarify our rationale for our previous requests to the Council. We understand that additional analyses from Jason will be posted prior to the meeting so we may provide supplemental comments for the Council prior to July 13.

With best regards,

Meghan Lapp

Meghan Lapp
Seafreeze Ltd. and Seafreeze Shoreside

Greg DiDomenico

Greg DiDomenico
Lund's Fisheries, Inc.

LUND'S FISHERIES



Wild caught product of USA

July 6, 2020

Dr. Chris Moore, Executive Director
Mid-Atlantic Fishery Management Council
800 North State Street, Suite 201
Dover, DE 19901
By email: cmoore@mafmc.org

Dear Dr. Moore:

In advance of the Council being scheduled to take final action on the MSB FMP Goals/Objectives and Permits Amendment, on July 16, I am writing to ask that you provide the Council with our comments about two issues that came up during one of the recent FMAT calls – ‘excessive shares’ in the fishery and the relationship between OY and historic shoreside investment in the face of recent speculative entry. In response, we thought it was important to explain a few things about our business and describe the negative impacts of speculative entry as it pertains to the Illex fishery, particularly the negative economic and social effects on communities that have invested in this fishery for longer than the last 2 or 3 years.

We were very concerned about the excessive shares discussion intended by members of the public, apparently, to convey a sense that success in this fishery over a long period of time equates to the potential for monopoly power, which must be constrained. As you know, the U.S. Illex price and market are determined by world squid production in both the Argentinian and Northwest Pacific fisheries, which are orders of magnitude larger than our own. We are price takers here, not price setters and can only be successful in the market by investing in technology to produce the highest quality products possible.

While the MSA’s National Standard 4 includes the term ‘excessive shares’ it is not defined in the Act except for the specific language in §303A relating the term to limited access privilege holders. We are not aware of GARFO using this metric in any of the region’s FMPs other than those regulating sectors or LAPPs/ITQs. We are not clear on how the term is addressed in the NS 4 guidelines, however, and we have not had the opportunity to investigate that question.

This fishery is commonly known as a “high volume / low value fishery” and requires a specialized shore side processing facility to compete in the U.S. and world market.

To be more specific about our investment, please consider the following:

- 1) We are in our 4th iteration of a freezer plant. Our investments began in the 80's with opportunities available from joint venture partnerships leading to the Americanization of the fishery. We know we will have to continue to invest in order to survive.
- 2) The investments we have made are staggering, tens of millions of dollars just in equipment and plant modifications. In fact, in each upgrade we learned we had to get better and freeze faster and unload quicker to attain the quality needed to be able to sell product in all market conditions. We do not process iced Illex, incidentally, as we learned long ago it leads to a degradation of market quality which works to the detriment of the U.S. fishery.
- 3) We have also made significant investments in cold storage facilities. In fact, we are now in the process of a new, 9-million-dollar expansion of our cold storage facilities, in Bridgeton, NJ, and recently spent millions of dollars in updating all our unloading equipment in Cape May.

In addition to these shoreside investments, please consider that the Agency encouraged the 'Americanization' of U.S. pelagic 'underutilized' fisheries more than 3 decades ago. In response to this opportunity, we and historic, independent vessel owners like us, who developed the region's squid fisheries along with our joint venture partners, changed our focus and business plans to participate in high volume / low value fisheries and built or purchased vessels for this specific purpose. In fact, our founder, Mr. Warren Lund, built the first freezer trawler in this area, based upon the insights he gained through participation in these JVs.

Because permits move together, even if some of these purpose-built vessels, like our own, may still hold groundfish or fluke or red crab or black sea bass permits, they do not work in those fisheries due to the expenses and other restrictions involved, which have worked to effectively close our options to participate in them. This contrasts with the vessel owners who are new entrants in the Illex fishery and were previously active in demersal fisheries, which is where they have been historically dependent and where they will continue to operate in the future. While other fishing companies also participated in joint ventures from the Port of Cape May, ours is the only company that has consistently invested in the infrastructure necessary to successfully produce pelagic species, including Illex and Loligo squid, here.

The other aspect of this fishery is the species' natural, inter-annual variability, which can be characterized as "bad years", "OK years" and "extraordinary years" where persistent availability of the resource, combined with favorable demand and a high price, allow our investments' value to be realized and keeps our people, and several independent vessels, working. It is important to understand that we have been active in this fishery year in and year out, regardless of these condition factors in the fishery.

In our opinion, the benefits to the individuals and communities that have historically invested and participated in this fishery, from the Council's use of the Illex control date, greatly outweighs the impacts on recent participants who participated in this fishery on speculation and took advantage of an "extraordinary year". They will not lose access to the fishery, they simply should not earn Tier 1 access to it by launching their business plan after the Council launched the Illex amendment and reconfirmed the Illex control date, in 2018, with the decision to move the Loligo amendment first.

It is equally important to recognize that our company has been faced with the loss of access to numerous permits and fisheries over time, as control dates have been applied by both of our regional councils in the past. Our response has been to buy back in, and gain permits with history to grow our business. This has been the case in many fisheries where we have invested in permits wisely and made sure our investment in those fisheries contemplated past and future fisheries management actions.

With that said, we respectfully request that the Council reflect upon the implications of the use of the 2013 control date in this fishery and weigh the negative impacts of speculative entrants against the impact they have had on historic, shoreside participants. The justification for this amendment providing a small measure of protection for the historic participants in this fishery, in addition to the community and socio-economic benefits associated with maintaining a strong position in it, are numerous and should be apparent.

There is no better example of how overcapitalization and speculative entry in this fishery operated in the last year. Below you will find the percentage of landings and poundage by port. Consider that the landings in Massachusetts for years prior to 2019 are near zero or zero.

Commercial Illex landings (live weight) by state in **2019**.

State Percent	
NJ 9,910	36%
RI 8,480	31%
MA 8,146	30%
Other 740	3%
Total 27,276	100%

There has been much discussion of Optimum Yield during this process, such that one would assume it refers to ensuring that each participant in a fishery should be, essentially, unrestrained. That is clearly not how OY is defined in the MSA. As we all know, the Act defines OY as the yield from the fishery *'as reduced by any relevant economic, social or ecological factor.'*

The rationale for reducing the share of Illex OY for speculative entrants into the Illex fishery, in favor of those who have been in the fishery since before 2013 and continue to participate in it, resides in the language of NS 8, which not only requires an FMP to prevent overfishing and provide for rebuilding but to *'take into account the importance of fishery resources to fishing communities by utilizing economic and social data...provide for the sustained participation of such communities (and) minimize adverse economic impacts on such communities.'* Certainly, the Port of Cape May meets this definition and we hope this fact will guide the Council's recommendations for final action on the Illex permits amendment next week.

Thank you for your consideration of our perspective on these critical issues.

With best regards,

Wayne Reichle

Wayne Reichle
President
wreichle@lundsfish.com



Monday July 6, 2020

Dr. Chris Moore
Executive Director
Mid-Atlantic Fishery Management Council

RE: MSB Goals and Illex Permits

Dear Dr. Moore,

Thank you for the opportunity to publicly comment regarding the *Illex* squid permitting amendment to the Mackerel, Squid, Butterfish Fishery Management Plan.

I would first like to take this opportunity to introduce Northern Pelagic Group "NORPEL" and its connection to the *Illex* Squid fishery. NORPEL first started as a pelagic processing plant in 2002. For many years, NORPEL processed domestically caught Atlantic Herring and Atlantic Mackerel. As cuts to quotas and rigorous regulations were enacted in these fisheries, NORPEL turned to the freezing, as well as the harvesting of squid as an alternative to keep the doors open and the staff employed.

Last month, the Mackerel, Squid, Butterfish Committee voted to accept a tiered approach to the management of the *Illex* squid fishery as the preferred alternative to the current requalification amendment. Under this new tiered approach, many active permits and fishing vessels would be forced into the Second Tier, where a trip limit would be enforced. The trip limit, which was set at 62,000 lbs, would remove many active participants from the fishery, as the limit would not allow vessels to catch required to cover expenses for a trip. The *Illex squid* fishery is a volume fishery and vessels rely on that volume to cover the lower ex-vessel landing price.

With a wider variety of harvesters and processors entering the *Illex* fishery over the last 5 years, we have been able to develop a strong international and domestic market for the squid, one that had not been relatively untapped by the traditional participants of the fishery. These new markets support a local, healthy, sustainable biological stock. By moving towards a tiered system, with a low trip limit for the second tier, we are only hurting the growth of these markets, as a diverse set of participants are vital to this growth. Additionally, with the quota only being caught several times over the last 20 years, we are only inhibiting the ability for the fleet to harvest Optimum Yield.

As one of the only large-scale, shoreside squid processor located north of Rhode Island, the *Illex* Squid permit requalification amendment could have vastly negative consequences on not only NORPEL, but an entire region. Although, the fishery is new to the region, many support services such as ice houses and fuel companies have become reliant on the summer revenue as a source of income, as traditional fisheries have dwindled.



NORPEL continues to support the following three positions regarding the current *IIIex* Amendment:

- 1) **Preferred:** No action; requalification of all 76 permits.
- 2) **Preferred Alternative:** Minimal action; full requalification of 51 active permits. This allows for requalification of all active permit holders with more than 50,000 pounds landed in any one year from 1997 to 2019. This essentially eliminates permits for the non-participants in the fishery in the time frame from 1997-2019.
- 3) **Acceptable Alternative:** Should the council insist on a tiered approach, we can support the following:
 - *Tier 1 Classification:* 500,000 pounds best year qualifier 1997-2013; or 1,000,000 lbs. best year qualifier 2014-2019 (+/- 41 permits).
 - *Tier 2 Classification:* 100,000 pounds best year qualifier 1997-2019; 90,000 lbs. trip limit; no sub-quota (+/- 7 permits).
 - *Tier 3 Classification:* 50,000 pounds best year qualifier; 47,000 lb. trip limit; no sub-quota (+/- 3 permits).
 - *Incidental limit:* 10,000 lbs. (+/- 25 permits).
 - No new fish-hold capacity limitation.

The *IIIex* Squid fishery is currently a limited access fishery. All of the 76 limited access permits have previously requalified under prior amendments. Additionally, *IIIex* Squid is a national public resource. That being said, enacting overly aggressive requalification criteria will only limit participation in the fishery and further privatize this resource, which will have no net benefit to the nation, or the 76 limited access permit holders. NORPEL cannot support aggressively limiting participation for the following reasons:

There is currently no biological basis for requalification. The *IIIex* Squid fishery is healthy and vibrant. There are currently several collaborative working groups of fishermen, shoreside industry, the science community and fishery managers who are working together to increase the quota for the *IIIex* Squid fishery. If the quota is to be raised, and permits and/or participation reduced, there is a strong chance that in the coming years, Optimum Yield will not be harvested. This is further backed by the idea that the *IIIex* Squid fishery has only reached its quota a handful of times over the last 20 years.



Fisheries need a diverse fleet of harvesters and processors. Many of the traditional participants in the fishery would requalify under stricter limits, whereas many of the other permit holders potentially would not requalify. This would limit the fleets geographic distribution and would ultimately concentrate the fleet to just a few ports and permit holders. By limiting the number of ports where *Illex* Squid was landed, there would be less incentive for competition amongst vessels and processors. Less competition would lead to less innovation and the further development of new markets, both domestically and internationally. Traditionally, ice boats could not catch *Illex* Squid, due to the lack of available processors who would be willing to process ice boat caught *Illex*. Over the last several years, due to innovation within the industry and a robustly diverse fleet of catchers and processors, new markets have developed for *Illex*. One of the key areas of development was in the domestic food service industry. Further reducing participation will only serve to inhibit the growth and positive momentum of the expansion of a healthy and sustainable squid fishery.

Fisheries need to be flexible, in order to react to changing climate and ocean conditions. As seen many times within a variety of fisheries, the climate and oceanographic conditions have a vast influence on the stock structure and physical location of fisheries. The *Illex* Squid fishery needs to be flexible in order to adapt to the potential for a shift in the location of *Illex* Squid stocks. By limiting permits and participation, the ability for future flexibility will be greatly limited. Removing permits will ultimately lead to the removal of processing infrastructure, particularly in areas north of Rhode Island. Should the stocks migrate in the future, with limited permitted vessels within proximity to the fishing grounds, no access to additional permits and/or no processing structure, there will be an inability to harvest Optimum Yield for the *Illex* Squid fishery.

As mandated by the Magnuson-Stevens Fishery Conservation and Management Act, NOAA Fisheries has developed guidelines for each National Standard. The National Standards are principles that must be followed in any fishery management plan to ensure sustainable and responsible fishery management. If the Council were to modify the current *Illex* squid permitting system, they would do so in potential violation of National Standards 4 (Allocations), and 8 (Communities).

Under National Standard 4, *Conservation and management measures shall not discriminate between residents of different states. If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be (a) fair and equitable to all such fishermen; (b) reasonably calculated to promote conservation; and (c) carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of such privilege.* By implementing a new permitting system, much of the fishery, which is currently geographically distributed throughout the East Coast, would be consolidated to a significantly smaller region. The fisheries based in Rhode Island and Massachusetts would truly suffer.



Under National Standard 8, Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities by utilizing economic and social data that meet the requirement of paragraph (2) [i.e., National Standard 2], in order to (a) provide for the sustained participation of such communities, and (b) to the extent practicable, minimize adverse economic impacts on such communities. By implementing a new permitting system, there would be a great loss of economic activity in the Rhode Island and Massachusetts regions, as outlined above. Not only would the companies directly involved in the fishery suffer, there would be a negative impact on all the related shoreside workers and businesses. Many of these companies rely on the Illex fishery as it often bridges the gap between Spring and Fall fisheries.

The main goal and objective of the MSB FMP should be to determine an accurate and real time Spawning Stock Biomass (SSB) Annual Catch Limit (ACL) for the Illex fishery that takes into consideration the squid's extremely short lifespan and highly migratory pattern. The issue at hand with the Illex squid fishery is not one of allocation. I believe all Council and Committee effort should be focused on completing a scientifically acceptable stock assessment for Illex squid. This will greatly assist in setting the Allowable Biological Catch (ABC) and reaching Optimum Yield (OY). Upon completion of a successful and scientifically accepted stock assessment, when we have satisfied National Standards 1 (Optimum Yield) and 2 (Scientific Information), the Council and Committee should direct their resources to making management decisions for the Illex squid fishery.

I urge the Council to consider the motives behind a requalification amendment, which seeks to remove current, active participants from a healthy fishery that supports hardworking fishermen, vessels, shoreside industries and communities from Massachusetts to South Carolina. Illex squid is a public resource that all permitted vessels should be allowed to pursue in order to provide the greatest net benefit to the nation and not hoarded by a few entities, especially those that have sold to foreign investors. As a US based, family owned company, NORPEL cannot support an amendment that would cut jobs, revenue, community development and international trade, with no biological basis.

Thank you very much for your consideration of NORPEL's comments. Should you have any additional questions, please feel free to reach out to me.

Sincerely,

Brendan Mitchell
Fisheries Liaison

To the Mid Atlantic Fisheries Management Council:

July 6,2020

This is a You Tube link of the JV's that I was involved in, first for loligo then illex

<https://www.youtube.com/watch?v=sJB5y5yKHlg>

Preview YouTube video F/V Karen Sue JV Part 2



Along with all the documentation I have provided including one year's landings, affidavits from industry members. I am sending this to the Council to demonstrate the Japanese JVs that I participated in during the original qualifying period when my permit was taken away.

I would request that the Council ask GARFO to examine reinstating my permit as a measure of equity.

In the longfin squid amendment the rules were made to accommodate one boat. I am the only Illex boat that got it's permit taken away due to lack of CPH to hold my permit in, GARFO took my permit and associated history away, after the Council and NMFS had assured me there was no problem that I could keep it.

Even in years when I only had an incidental permit I landed Illex at Amory's and Seafreeze.

Because the Council is considering giving people that never participated in the illex fishery until after this action was started a Tier 2 permit, I believe I should qualify for at least the same, given that the tonnage of my historic landings would have qualified me for a Tier 1.

I am the only boat in this situation. So I am asking the Council to request that GARFO look into reinstating me for a Tier 2 permit.

Thank you

MarK S Phillips
210 Atlantic Ave
Greenport, NY 11944