

MSB Goals/Objectives and *Illex* Permitting Amendment Hearing Summaries

Hearing #4: April 1, 2020; Webinar, Geographical focus: New Jersey and Delaware

Attendees who identified themselves: Jason Didden, Peter Hughes, Adam Nowlsky, Alissa Wilson, Andrew Maddalena, Bill Miller, Brendan McCarthy, Bud Brooks, Chris Batsavage, Corey W Harris, David Novsak, Dewey Hemilright, Eleanor Bochenek, Eoin Rochford, Eric Reid, Gerry O'Neill, Greg DiDomenico, Hank Lackner, Jack Burke, James Lund, Jeff Kaelin, Jeff Miller, Jeff Reichle, Jimmy Elliott, John DePersenaire, Karson, Kate Wilke, Katie Almeida, Kyle Goodwin, Lars Axelsson, Laurie Nolan, Leif Axelsson, Meghan Lapp, Mike Roderick, Noah Clark, Paul Rago, Phil Ruhle, Rick Hoff, Robert Ruhle, Ryan Clark, Ryan Tillett, Sam Martin, Shawn Laughlin, Stefan Axelsson, Steve Roebuck, Wayne Reichle, Wes Townsend, William Bright, William Callaway, William Miller, Troy Sawyer

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

During the question and answer session, there was a discussion by several attendees regarding the revenue analyses, which noted that those analyses are in each year driven by both the quantity of each species caught and by the price of each species. Also, staff will follow up on a question about merging of permits.

Comments on MSB Goals/Objectives

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

Comments on *Illex* Permitting

Wayne Reichle (Lund's): In addition to points also made in written comments the following points were made: Lund's fisheries supports the tiered options supported by Seafreeze, Hank Lackner, the Axeslsons, and Ruhles.

Steve Roebuck: I agree with Wayne and everything he's saying. He's been truly a great person to take care of this fishing boats coming down to Cape May. Seafreeze, a lot of the shoreside processors have taken care of us over the years. It's truly a concern – I've been fishing for quite a long time as long as a lot of the guys on right now have. What we've seen is we've gotten things taken from us all the time. Allowing these vessels to come in and take away the *Illex*

from us shortens the distance and shortens our value. We can catch it all. It's not a question of catching the quota or not. It's a question of letting us do it. The people that have participated in the past should be able to take care of it. We've had all of our groundfish taken away. We're working on very limited amounts. The Freezer boats have had so much over the years. If you look at traditional, if you look at what's fair and just, let us have a certain amount of quota that's viable. It's just fair.

Troy Sawyer: I'm totally sympathetic to everyone's need and even a love to go fishing. Under every cut or requalification someone's getting hurt there's no two ways about it. Some guys are making out better than others. Just by the way the dominoes fall as NMFS manages and addresses each fishery. Somebody can fall in a place and end up with a skewed unfairly catch quota of different species. So that's why I'm in favor of the control date of 2013. Everybody's been impacted by the fisheries and historical participation has always been the deciding factor one way or the other. ITQs, Catch limits whatever it takes to qualify. I don't know why this fishery should be any different. We should also be looking at boat limits and types of fishing done by qualifying permits. Whether it's expanded capacity permits from a smaller boat put on a bigger boat look at historical landings it's all right there you guys have it from 1997 to 2013. I also think that the historical data would show that freezer boats did do a lot of the Illex fishing especially early on, for most of it actually. I wouldn't be opposed to a freezer boat share of the quota at all. And Lastly the Illex fishery as Wayne brought, up is a very healthy fishery and the only warning I see is high capacity and rapid catch rates. And some damage being done before we know what is done because we have done it in other fisheries whether it's mackerel or herring or porgies. So I think we should be cautious in addressing that as well.

Jeff Kaelin (Lund's): In addition to comments at previous hearings, his written comments were reiterated.

Katie Almeida (Town Dock): In addition to points also made in written comments or previous hearings, the following points were made: Tonight is the first time I've even heard some of the points from the public hearing document as reasons to why we should be moving forward with this amendment. A race to the fish is going to happen in any fishery that is held by a quota. They call it turn and burn. You're going to fish and come back to the dock and head out to get as much as you can before the clock runs out and the quota is eaten up. There was again a comparison of this amendment with the longfin squid amendment. I don't believe we can compare the two. The longfin amendment was driven by biological reasons to reduce permits. There is no biological issue right now with Illex to reduce any permits at this point. Regarding timely closures we sat down with GARFO and they said it wasn't an issue. And they have the resources to tackle that if they may need to make changes. Removing permits to make timely closures is not the way to go. Regarding 2019 as not recent participation, the regional administrator said that it is appropriate to use for recent participation and that's how it ended up in the public hearing document.

Andrew Maddalena (Lund's Export Manager): In addition to points also made in written comments, the following points were made While I'm new to the company since 2018 I am not new to the industry. Prior to taking the position here I worked with my father as a freight forwarder for 9 years. Lund's was one of our customers. I value the hard work, time, investments that went into building this company and I'm happy to be part of the future. In my time here I've built personal relationships with our international customers who rely on us to support their Illex squid needs and I look forward to supporting them for years to come. I recommend the Council support the tiered approach laid out by Wayne Reichle and Jeff Kaelin.

Bud Brooks (Lund's). I have worked at Lunds going on 35 years and since I started there Lund's has produced Illex every year even though some years were slow fishing and markets weren't so good we still had boats working on it every year. The same boats would work Illex no matter the price or catch. Now fishing and price is the best it's ever been and everyone wants a hand in it during the season we employ well over 100 full time people in our facility plus the hundreds of jobs we create outside the operation: trucking cold storage and other suppliers. The season used to last may through September now we're lucky if we get four or five weeks I support what Wayne said earlier the tier system.

Ryan Clark (Town Dock): In addition to points also made in written comments and previous hearings, the following points were made: When reviewing Jason's total species value grid that shows total re qualifiers so of course the red bar is going to be higher on the right side due to that group is requalifiers. But there's also a decent amount of red on the left side showing boats that caught Illex squid but would not requalify. We've been consistent where I don't have a problem with elimination of the zero permits essentially 25 out of 76 permits that really haven't caught permit at all over the last 23 years. But I think that if there's any red on that left side it's important that those boats have been active in the fishery and they need to have consideration. When I shift in to review the boxplots especially for the 500,000 pounds from 1997 to 2013 option the mean total revenue for Illex, the data is pretty black-and-white where if you look at the right side and you count up where the bars are, the median revenue per year, that median total revenue for Illex is less than 20% of the total revenue for those vessels for 18 out of the 23 three years. So 80% of the time for 18 at the last 23 years those vessels have been working very strongly in other fisheries or generating significant revenues in other fisheries almost all of these boats have other fisheries to prosecute. And I think factually in my 20 years in the business I think that's why most of these boats and most of my boats have survived and are still around. And I think that stresses the importance of fishing flexibility. Some of the vessels for both historical and recent (I'm on record those are active participants) some of the historical participants are Illex catchers some are also the best longfin squid catchers on the East Coast. And there are other ways when the Illex catch is a bust like most years and I agree with Wayne it's a cyclical thing it's not gonna be like 17-18-19 every year it's a cycle. But most of us that are active have other ways to generate revenue and when I see a 20% number as a median and then I see the outliers on the left side especially in 19, some of those dots up there between 30-60% of their revenues are tied to Illex. If you're talking about Tier 3 or Tier 4 that's one thing but if you're talking about Tier 2 a 47,000 pound trip limit is unworkable. It's not worth it for an ice boat to get out there once or twice a week to catch 47,000 pounds it's essentially what we're

being told is we're going to make it so you can't fish on Illex. I don't think for a Tier 2 permit that should be the case. Again if you fall into tier three or four incidental that's a different thing you really haven't worked the fishery. But those outlier dots in 2019 and the red bars on the bottom show active participants I have nothing against the historical participants or history and what they've done but I'm saying the Council needs to give some consideration and some Tier 1 availability to those high producers of Illex especially if they're higher than the average median. The second highest median year for the historical median year for the historical participants was maybe only 25% of their overall revenue. I would suggest taking into account any boat on the left hand side that's higher than 30% of their overall revenue for 2019 deserves a shot or deserves a Tier 1 permit and the remaining 10 boats they deserve a trip limit if the council wishes to go with tiers that's respectable where they can put a decent trip in and they're not worried about discards. A 47,000 pound trip limit with one or two tows and they are discarding 20,000 pounds it could be an issue.

Eoin Rochford (NORPEL): What I find strange is people talk about history and they are going back just 23 years. I've lived in this country 26 years and any swamp Yankee worth his salt wouldn't consider me more than a blow in. This history that's everyone hanging their hats on is so recent based on cycles of fish we basically they could all be shooting themselves in the foot. To draw a line in the sand at this stage and say if you caught fish in this time period you're good and if you didn't you're bad... In the short period of time I've lived here I've seen awful lot have been with fish cycles in the ocean I've seen warm trends in the ocean where fish that were caught off Virginia are being caught off Cape May and up towards New England. At NORPEL, about eight or nine years ago a company out of Point Judith Seafresh asked me if I could freeze Loligo squid for them. And I said yes I could and we started doing a little bit of business and they were very impressed with the quality of the squid none of it spoiled. So as time moved on Town Dock approached me a few years ago and asked us if we could freeze squid for them - we said sure. So they started bringing boats to the table that had no outlets before because the plant we can freeze fish in a very short period of time so it doesn't deteriorate. In doing so we opened up opportunities for small boats that hadn't had a place to land up to this point. Town Dock developed new markets that nobody had before and they are still unique to town dock. I have to commend them and we built a fishery that's very important to build new markets it actually strengthens the fishery because it drives the price up so everybody benefits. The existing stake holders that were there before hand they have a stronger market, they got a bigger price and the new entrants get a bigger price so overall everybody wins. And because it's small participants the community wins because the resource belongs to America and American citizens and if more people get it, more vendors get it. It's the people that keep the boats running the engine companies, oil companies, grocery stores whatever. So the resource gets spread farther and wider so it's a good thing when you get more entrants but to draw a line in the sand and say OK we have this line and if you landed here will allow you to catch this much fish then we'll jump through a few years and go and draw another line in the sand that to me is nothing short of a land grab. I urge all the fishermen listening to this to think about it in terms of these wind farms that are coming up and they'll put us all out of business. Unless we start agreeing on one thing to look out for one another and the resource is there for all of us for everybody we can make it better with a higher price and we don't need to catch as much to

have the same gross revenue from the same gross stock with less wear and tear on the vessels and it will be a brighter future for everybody.

Meghan Lapp (Seafreeze Ltd:): In addition to points also made in written comments and previous hearings, the following points were made: I know not all the mid-Atlantic states have Illex fisheries or vessels that operate in their state. So I'm going to couch my comments in terms of a context members in other states may be more familiar with. Let's pretend this is fluke. State by state quota allocations in fluke were based on history. The Council has been managing based on history since the beginning of the council process because that's how fisheries management is done. History is the basis for everything. But recently due to changing conditions the Council worked on a fluke amendment for a few years that looked at potential reallocation of fluke quota between states but in the end the Council chose to keep the base state allocations the same. Why? Because of fishing history and because of the importance of infrastructure. If the council had chosen to take away 50% of Virginia or North Carolina fluke quota and to reallocate it to other states even new states like Maine what would have happened? The infrastructure in North Carolina or Virginia that rely on access to that resource would have collapsed. So now think back to Illex and instead of historic quota we are talking about historic access. Historic participants who have established history in this fishery like Seafreeze and others have traditionally fished this fishery into the fall but because of influx of new entrants that access has now been cut short. For the past two years we've closed in the middle of August. How do those historic vessels survive? How does the historic infrastructure that relies on that resource survive? At Seafreeze in North Kingstown RI, our boats are tied up for months at a time and the dock has zero product coming across it for months at a time. That's why the public hearing document says that North Kingstown is the most reliant port on Illex. Cape May and North Kingstown are listed as the most two reliant ports on Illex. Why? It's because that's where the established infrastructure is. And at Seafreeze in particular, we don't have any other viable alternatives at that time of year. So if there are any Council members here maybe unfamiliar with Illex think about it in terms of fluke. Think about the consistency of how the Council manages with history and the importance and relevance of that and how it's intertwined with infrastructure and I think you'll understand why Seafreeze and Lund's and other historical participants are asking for Council action. And for consistent Council action. Using history as the qualifier, using the control date, which the council reaffirmed as the development of this action began, to freeze the footprint of historic access. Because history matters it mattered in fluke and it should matter in Illex. That being said we support the significant compromise the we, Lund's, Hank, and other historic participants have put forward consistently at these meetings to protect the access of historic vessels while balancing that with access for new entrants. We believe this is much more of a compromise than the Council allowed in fluke.

Robert Ruhle (FV Darana R): In addition to points also made in written comments and previous hearings, the following points were made: I'm agreeing with everything put forward by Seafreeze and Hank and Lunds as far as their proposal for the exact same reasons they've already explained. Regarding gear conflicts, the fishery takes place in the Mid-Atlantic and at times in southern New England but what fail to grasp is when we mentioned gear conflicts

when you get in the Mid-Atlantic area the actual fishable area is not very wide at all there are quite a few places it's difficult for two boats to pass North to South. Someone has to go to the east or west. You're limited how far East you can go because of the coral zone - a boat could be in violation. To the West in the shoal water there's a fair amount of fixed gear so the possibility of having increased gear after interactions is a high probability. The other thing that people fail to understand, I'm sure this is in the Manderson paper and in the Illex working group there are quite a few areas in the mid-Atlantic that yes they are capable of steady an high production but they are also very susceptible to the amount of fishing pressure they can take. One or two boats in the area doesn't seem to have an impact but if you increase it by one or two more boats then all of a sudden the productivity of the area falls on its face. I'm worried that with an increase in effort you could get these areas constantly under producing because they don't get the breaks they need. The way the fishery typically takes place now and has for my entire life, you fish a certain area and the fishing is not consistent or good then you move on to another area and you give that area a day or two to replenish itself. But if you put that much more pressure on the fishery and such a limited space we have you're not going to have that time that area is going to get constantly hammered and never be able to replenish itself to the state it needs to be. The other thing I want to mention about a trip limit for Tier 2 at 48,000 pounds creating discards - we have a trip limit in the herring fishery of 55,000 for Tier two. I don't ever hear of any issues with excessive discards associated with that trip limit and that's really a practice of the actual captains prosecuting the fishery. Every fishery just about has a landing or trip limit associated with it so you have to be able to be a pretty astute judge of weight regardless of if it's the Loligo or Illex or scup or fluke fishery - you have to know what you're doing it's not take everything you want and then boom we have to throw 300,000 away because we overdid it. That's a mistake on the captains part has nothing to do with the regulations are set. And the last thing I want to mention is about Illex vessels having revenue from the Loligo fishery. The historic Illex vessels are the ones that pioneered and started the offshore Loligo fishery so of course they're going to have it it's the same boats and that's the exact same reason that when this amendment started it was a dual action with Loligo and Illex in conjunction but somehow through the course of whatever Illex fell out of the capacity amendment for Loligo. So it's just a couple of key points that need to be reminded because it very well could be lost in the muddle here.

Hank Lackner (FV Jason and Danielle): In addition to points also made in written comments and previous hearings, the following points were made: The control date is near and dear to my heart - I'm in favor of that. Every management plan prior to this one the control data has been given a lot of importance. So when you make your decisions about this amendment the control date could should get the same consideration. Just about every management plan has used a control date and history has been part of that and history is the foundation for fisheries management. I'd also like to state the Council took a vote in 2018 that the control date was not stale and in my mind that meant an intention to use it. I'd also like to point out that the 2013 control date was also used in the Loligo fishery and as Bobby pointed out those plans came along together and maybe it's a good idea to continue to use it. It was used in the Loligo fishery. One of the other things That troubles main a little bit about what's going on here with the control date is that there's so much emphasis trying to be placed on landings after the control

date that control date puts industry on notice a scoping meetings were held and yet we continue to add years that my mind is unprecedented we were done scoping in 2019 was brought up and that's just wrong the industry was put on notice and with That being said I started think to myself alright I talk about a control date but maybe I should go to the Federal Register and pull it out so I did and to quote a few lines from the control date in the Federal Register says "At the request of the Mid-Atlantic Fishery Management Council, this notice announces a control date that may be applicable, but not limited to, qualifying landings history for continued access to the Illex squid moratorium limited access permit program. NMFS intends this notice to promote awareness of possible rulemaking, alert interested parties of potential eligibility criteria for future access, and discourage speculative entry into and/or investment in the Illex squid fishery while the Mid-Atlantic Fishery Management Council considers if and how access to the Illex squid fishery should be controlled." It later goes on to say the date puts industry on alert 2013 shall be known as the control date. It says written comments must be received on or before September 3rd 2013. When I read this I looked I searched I turned a few pages. I think everyone should be made aware there wasn't one single comment made to that statement. In my eyes when no comments again were made to me that means everyone understood what was wrote and everyone has been put on notice. It then goes on to talk a little bit about the history of the control date that control date started in 2013 and was provided and used for establishing eligibility criteria for determining future levels of access to the Illex squid fishery and "the Council is currently concerned with excess and/or latent capacity. Since 2003, approximately 7 to 21 of the 76 Illex squid moratorium-permitted vessels have accounted for 95 percent of Illex squid landings. Activation of latent capacity, in conjunction with restrictions in other fisheries, may create a derby fishery during the period of Illex availability during the summer and early fall..." Also it states "At its June 2013 meeting, the Council requested that NMFS also publish this control date to discourage speculative activation of previously unused effort or capacity in the *Illex* squid fishery while alternative management regimes to control capacity or latent effort are discussed." It spells it all out here to anybody who's surprised by this control date just didn't pay attention. Other MSB-impacting actions have focused on freezing the footprint and controlling capacity on the continental shelf. If we don't move forward with this Amendment it seems to me we'll be doing the exact opposite. Citing the stock is healthy and robust space in the last two years is a weak argument if the stock is healthy and robust in that two year bubble then that's about all the new participants know. They just haven't done it any other time. We do know when the stock is in high abundance it can handle more pressure but the unknown is what happens in bad years. Will the extra fishing pressure created by the race to fish do long-term biological damage? We don't know. The new entrants at times aren't painting a complete or accurate picture I've set the Nets I've caught the Illex. I've experienced the highs and the lows. I know that for every good year there's at least one bad year. This fishery as always bounced back from poor years but that was with a very limited number of boats. That is why we must proceed with the amendment, proceed with caution, and not permit too many boats. There's been a lot of talk about not achieving OY. There's a lot of questions out there why we don't achieve OY and being that's one of the goals and objectives of the amendment I thought I'd maybe help some of the council members as to why that doesn't happen all the time. People seem to think that not catching OY was due to a lack of boats. The proposal brought forth by the historical participants falls in line with the

objectives of this amendment. 2017 highlights that - in that year 17 boats landed - 11 of the boats caught 95% of the quota with. This was your historical fleet the guys who do it year in year out and have always relied independent upon the fishery. The new participants I refer to are kind of in a bubble they like to say OY was only achieved twice before that's correct but their rationale is far from the truth. Their claims it was due to the lack of boats, 2017 clearly proved that wrong. It's a lack of understanding on their part they are new to the fishery some of them never captained a boat or set a net yet they know why we didn't achieve OY - it's kind of hard to believe but they've got it figured out. But I'll attempt to help you understand it. Illex squid are not around all the time. They come on the edge when conditions are right. Some years they're just not there. It's just a simple lack of ability which means no fish no landings. That can't be argued. It's also important to realize that squid markets are controlled and determined globally. Demand and price drive to catch. Illex squid are not always \$0.40 a pound we've worked on squid as low as \$0.13. Why? We don't have other things to do and the plant had a few markets to fill so we did it even though we operated at a loss with fuel but it gave my crew a paycheck and they depend on the summer season. There's other years I was cut off by the plant with worldwide gluts and no place to sell the fish. It's pretty easy to see the fishery is not what it's being represented or represented correctly. It's just being represented how was carried out in 2018 and 2019. Regarding landings after August, Prior to 2018 squid boats have always landed during August, September, and October and a few years into November. Landings in those months have tended to drop off but it has nothing to do with the fishing it has to do with in the fall daylight. Illex is a daytime only fishery and days in the fall are shorter so less towing time and less catch per day. Trips are generally constrained to two days so we're going to catch less in those two days. Hopefully that clarifies things in the fall. Also wind comes along and hurricanes and big storms impact catches. It takes days for the oceans to calm down and for the squid to settle down. Another thing to realize why the fall is very important to the historical participants and the plants is because the squid are bigger. Catching bigger squid has a biological and price impact. Bigger squid means less animals die per pound and they've spawned multiple times. Bigger squid fetch a higher price so boats and crews make more money and processors are able to access different markets and make more themselves. So the fall months have always been an important part of our season and the fishery has always been carried out in the fall except the last couple years when we've closed down early. Another thing I haven't touched on is the impact of the early closures on Communities where the plants are. It's really important to remember longtime participants have a history with their plants and their employees. Over the last 20 years I've seen the same faces at my squid processor. These workers in their plans have always had a smile as we've come to the dock with a load of squid. Loads of squid means lots of hours for who I now consider my friends. The recent closures have not only impacted my vessel and my crew it's devastated the lives of plant workers. As a season draws to a close the smiles I saw turn to looks of despair and pain. The workers have become dependent on four months and long hours. They rely on a busy summer. As I walked through the plant to say goodbye I always hear the workers say "Donde esta squid, que pasa?" It breaks my heart knowing there will be less presents under the workers Christmas trees. These workers are relying and dependent on a four month Illex season. A commenter yesterday said that the regional administrator said 2019 was a year to be used. It seems to have gotten twisted around a little bit. The quote was that 2019 has got to be left in the draft amendment. If one wasn't

listening very carefully one might assume that 2019 was a year to be used and a foregone conclusion. It is not and in my honest opinion including any landings after the control date was reaffirmed and reconfirmed is just not right or fair.

Jimmy Elliott (F/V Maizey James, F/V M.F. Hy-Grader (old SeaVenture), F/V Nautilus (old Gallant Fox), F/V St. James): In addition to points also made in written comments or previous hearings, the following points were made: A little history being I'm somewhat newer to the industry. Back when I was ten years old I started working on boats whether it's charter boats and commercial fishing vessels. I came through the ranks, got my captains license, some of you guys even dragged up my anchor and threw it in the net and kept carrying on at edge of the mud hole when I was tuna fishing. In 2004 I figured I couldn't beat most of you so I joined you - I got regulated out of a fishery. One day I went mackerel fishing there was enough product there to last me in four other my peers probably a whole winter and it was total carnage so I just decided well it's time to move on. So in 2004 me and a deckhand of mine Brendan McCarthy who's also a partial owner in the Maisie James we started with a small with a 35 foot boat out of a blueberry field in Maine and a scallop fishery in Maine and grew from there. I understand control dates I just want to touch on something that Mr. Farnham said yesterday in terms of control dates and scoping hearings. I did look at the control dates. And I was asked and asked many people how do I become involved in the fishery. Oh look at the control date if you have landings before the control date you're set. So I carefully considered the control date in some of my purchases when I bought the Gallant Fox and spent over \$300,000 since we're getting into how much money is involved in these things. When you buy a permit nine times out of 10 anymore you gotta take sometimes a vessel with it. So between all these vessels and all these permits I've acquired to be in multiple fisheries I'm into this for about \$5,000,000 so looking at the gallant Fox histories I see vast very good strong landings what I would consider good landings but under some of these criteria here I guess they're not good landings. So in the future when a control date is set I'd like to ask the Council to put in what are you gonna consider a good landing. Then I was approached by William Callaway a couple of years ago with the SeaVenture asking he would like to get the business and retire I looked at his landing history he had some landings before the control date and enough to show participation but in the end when looking at some of these alternatives it turns out I am not fine and this all stems even from a scoping meeting back in Cape May when this all started. "Don't worry Jim you've got landings before 13 you'll be fine" but no one said the amount of landings to be considered so that's a little of my story. As far as race to fish for some of us out east with a two trip capacity you get 2 trips in a week there is no racing. You're just going out getting your fish coming in waiting to pack out this is not like fishing in Cape May where you're 60 or 70 miles from the fishing grounds. So as far as race to fish I'm on a 2-a-week limit now and I don't see a race. As far as fish hold capacity there are no fish hold police it's irrelevant. I'm looking at some of these names on the board and 80% of them have already gotten away with baseline horsepower tonnage regulations, net ton, gross ton, cut bows, put 'em back together so fish capacity to me is irrelevant. I want to go to diversity a little bit. For one to survive anymore and when I was purchasing some of these vessels and permits and learning the fishery starting from the ground up I came to learn you need to be as diversified as possible, alright. I want to have everything in the arsenal so if one thing failed I had to fail safe. I may not fish it every year that's a financial

decision that's what makes a business survive you need to be diversified. You need to be diversified anymore to survive. As far as capacity when I first acquired my Illex permit because the style of fishing I went to a couple of these processors and I was told we have no capacity for you. We don't take an ice boat. So how was I to acquire landings on my permits until I inquired the last person on the list Town Dock, who enabled me to continue to put landings on a permit when a person who has a high investment in a fishery cannot simply afford on a whim to just invest another half \$1,000,000 into an RSW system. So for the new guy coming in it's tough and for what I see going on here it's going to be even tougher for new entrants into the fishery so I would ask the council to keep that in the mind. I respect a lot of the guys who started it but what happens when they're gone who's replacing them? Crews are getting tough to get I need 4 boats to keep a crew of 20 busy year round or else here they will walk and find something else. [Town Dock Option was described as preferred]. You'll be down to 50 or 51 boats so you don't have 70 boats laying around on the edge. In closing I looked up the definition of a monopoly. We've been doing this for a year now. It seems to be you can tell who the white elephant is in the room and who is not. I am considering this fishery right now the way it's going if it keeps going to be monopolized. We need the freedom for the new participants.

Bill Bright (F/V Retriever): I support the Tiered recommendations by Lund's and Seafreeze. I've been in the Illex fishery since 1998 which happened to be a banner year followed by a bumper year where my stock dropped by about 80%. I'd like to express my concern for the potential overcapitalization of the Illex fishery. The list of fisheries that have been over capitalized is far greater than the ones that have been undercapitalized. I've already lived through this with mackerel and herring - we were told 20 years ago there was a large biomass for us to go out and harvest but we all found out this was not true. If we decide against using the control date which has been used in just about every other fishery this will not be consistent with the conservative approach on other issues surrounding this fishery. As Hank stated earlier with chub mackerel, the coral amendment, and the forge fish amendment have all one goal in mind- to freeze the potential growth in these fisheries. And last I would like to state I fully support a fish hold measurement the same we already have. If this is passed it would limit vessels from expanding their carrying capacity which can be easily done by making the same vessel wider and deeper without changing the length overall or tonnage measurement. From my past experience in this situation, this Council would be doing no one on either side of this argument a favor if we let this fishery be over capitalized.

Stephan Axelson (FV Drysten): We are a family owned and operated boat. I started fishing for Illex when I was five years old with my father Lars Axelson. I'm now 37 years old and I'm still Illexing and I was and am still the "squid kid." Our family has invested a lot of money to catch and hold and maintain Illex squid since the mid 1980s when the government urged the American fishery to take advantage of an underutilized species. We continue to invest to ensure that we have the highest quality possible and we lost permits developing this fishery. We are reliant on this fishery our normally 5-month season has been cut in half we don't have other options. In lean years we could fish for chub mackerel but that fishery is closed and has been reduced. If this keeps up we're gonna be forced into fisheries that we purposefully stay away from like the inshore loligo fishery. We prefer to stay offshore. Again we are reliant on

this fishery. The historical participants are more than capable of catching the Illex quota. The reason it hasn't been caught in certain years is easy for anyone who truly relied and participated on the fishery to understand. It came down to global market and availability of the resource. There were many summers I remember growing up and even when I was full time fishing that we begged the dock to give us one more trip And I know Lunds and the Reichles took a risk to allow us to make one more trip because it was one more load they had to hold onto not knowing if they could sell it. I'd like to address the race to fish that's been brought up. With the added effort lately our season went from months to weeks. Before we had plenty of times where we had engine breakdowns and all sorts of things. I've seen generators explode in the engine room but we had time we could take a week to overhaul the engine. Now we can't. We spent this last season on one generator just hoping it would hold together and luckily it did and we made it through. I'd like to talk about the added pressure to this fishery. The Illex fishery has never had this much participation. We have never fished over such a large range we don't know the impacts of what's going to happen. Traditionally Illex was fished from the Hudson Canyon South leaving Hudson Canyon and East alone. I don't want to see what happened to the mackerel fishery happen to the Illex fishery. I am in support of the proposal like we're calling now the compromise put forward by Meghan, Hank, and Lund's. I ask the Council to remember the control date of 1997 to 2013. It's been held up twice and it proves historical participation. I support fish hold measurements. The fish hold measurements freeze the footprint of the existing fishery. They're not hard to have done nor are they terribly expensive. There is more than enough fish hold capacity in the existing fleet to make this fishery happen. The historical participants are the ones who are losing here we've already lost developing this fishery. We've lost permits and now we're losing again to new entrants capitalizing on what we have built and developed over three decades of blood, sweat, and tears.

Kyle Goodwin (Captain of the FV Persistence and co-manager Seafreeze Ltd.): [Reiterated written comments supporting the historical participant compromise and there being no new fishing grounds and concerns about overcapacity]

Jeff Reichle (Lund's): In addition to points also made in written comments the following points were made: Thank you for arranging this all via webinar during these troubled times. We had many more people who wanted to come here to our office to comment tonight as they had never been on a webinar and some don't have computers but we opted to not do that to keep them safe and keep our social distancing protocol. And we didn't want to keep you here all night - we will be following up with written comments from these people. Many decisions have decidedly NOT protected historical participants and have resulted in overfished fisheries in which ALL permit holders are eventually disadvantaged, some to a much greater extent than others. It has happened before that just the boats that would qualify under a 1997 to 2013, 500,000 pound qualifier have caught the quota. In addition to updates mentioned in written comments, Lunds also updated packing equipment.

Lars Axelson: I'd like to echo what the group has put together as far as a compromise. My biased self would say no. I started the fishery with my brother Dan with the Flika and the

Drysten. I actually started back when we have had the Tina know when my dad was still alive. We like to fish within a certain distance of Cape May and the squid happened to be there. It was a tough fishery we did the joint venture with the Portuguese and Spanish in the mid 80s all the while being told that we were going to Americanize the fishery. In the meantime it was a lot of control dates and historical things going on with about 17 other permits that I had once upon a time. When it comes down to it between trip limits being so low that I couldn't even pay to fire up my engine and run it out to the edge with what the trip limit would yield me. So we grasped wholeheartedly in the squid mackerel and butterfish plan which now includes herring. That's all that we have - we lost flounder we lost tunafish (lost out shirt in that one), the ground fish. Whiting was all my parents could feed me when they came to this country 65 years ago. I started fishing when I was 12, went full time from 1973 on. Like my son Steven said a lot of little blood sweat and tears. There's not a lot of people have put the time out on the edge like we have. The Seafreeze fleet, the Goodwins we fished side by side with them for years. Jimmy Ruhle, side-by-side for years and we would compare notes make our nets fish cleaner, get rid of the bycatch. We were able to get down 1/4 of 1% bycatch. What I'm trying to say is that's all we had - the two species of squid sometimes we could bail out on some herring and mackerel. Each time, 1997, the quota was lowered for some unknown reason...we'd just brought the flicker back in 1998 that quota came in full effect and I got to fish one week on the fishery because we had just rebuilt our boat for that fishery. Every time a glut comes on as far as fish being quite available to the edge everyone wants to get into it and capitalize on it and I've been astounded at the amount of pressure that's the edge has been able to hold in the last couple three years in the price as well it's unbelievable. I can remember a few statements made by fishermen 10 or 15 years ago 20 years ago they had gotten into the Illex fishery they said let's get this Gurry fishing done and over with so we can do real fishing then they went to scalloping, fluking, and ground fishing but we had to go to the dock because we had nothing else to go for. Speaking from a biased point of view I've been pigeonholed by the council process from 1997 on and I've been forced into this corner and have no other corner to go to. And now this cake is being whacked up from 12 to 15 individuals on a quota that's basically been caught by 12 to 15 boats as a whole or average and now it's going to increase to 50 and that boggles my mind. It just boggles it. I can't understand it other than the fact that like my son stated earlier instead of being able to fish from June to sometimes October when hurricanes or noreaster come that drive the squid off the edge and they're gone until the next year. To instead of a four to five month fishery turn it into a five week to two month fishery. Generally by July-August it's done then what do you do? Tie up and hope that the price was good enough to give you enough stock to carry you through until the winter season starts when maybe you have a chance to go after some Loligo. Maybe go after herring maybe go after mackerel and life is tough but we've been living on maybes all our life. Now we're giving it up - if was left up to me I'd say just leave the 17 in it and be done. I'm proud of the boys being willing to compromise, proud of the willingness of the whole group to build a tiered system that I fully supportive to still allow people to use their permits to some degree while they're fishing other fish because I hate wasting fish if you're Loligo fishing get a few Illex you're not told to throw it away or vice versa that makes common sense. I'm a strong proponent against pushing fish overboard with that I'm just going to say thank you.

Bill Miller (Eva Marie): I captain one of Lund's boats. I'd just like to state the history of Illex fishing in Cape May. I firmly believe it was pioneered by a lot of the players that still exist today. I remember when I started fishing in 1973 Mr. Reichel was a lumper on the boats. He was working on the fish dock he was an employee. I've seen the investments of blood sweat and tears he has done for this business and us fisherman. I also see the investments the Axelson's have put into their business, their whole life, and I'm saying I just support their views and their opinions and I'm backing them 100%. I'm just a hired hand but I've been in the fishing business for a long time And I think they've earned a right have the better end of the deal.

Rick Hoff (Dock Street): Just a little background on myself. In 1988 on the Susan Marie we had 170 groundfish days. The government wanted more boats to go after underutilized species and they were lending money, so we re-rigged for squid with RSW on the boat and we fished it right up til 1996 when I hauled the bunker for three years and then we started scalloping. We lost 170 groundfish days and we lost the bunker permit. Everyone's talking historical participation like Hank said about 2013 with the control date which is fine but we're talking historical participation there's not one person who commented tonight that dis not use that word historical participation. Well I think we landed our first Illex around 1990 and fished right up till this control date and I have enough to qualify for a Tier 2 permit after. I would just like to say if you want to do historical participation let's really do it let's keep the boats in that were in it from the beginning. Every permits out there qualified and if you have 0 permits they should go.

Brendan McCarthy (F/V Maizey James): To support my family I spend most of my time on the ocean. I don't have a whole lot of history in the fishery. Jimmy Elliott covered it earlier. I'm a latecomer but I am opportunistic I do consider myself a businessman. In today's fisheries unless you inherit your dad's boat you have to make big decisions with big finances. That being said I'm absolutely backing Town Dock's proposal and going with the 51 vessels. I personally would economically benefit under the 34 vessels that I would qualify but I do support the future of fishermen and fisheries and limiting anything to me just becomes over limited too much. 51 vessels I'm sure we can make do- there's plenty of biomass out there. I am someone who participates in multiple fisheries so I do not just make my living on one. I understand some have gone through different hardships in a single fishery but I have invested in multiple ones. At other times I have looked at packing another packinghouses and our fishing efforts have been suppressed by those who don't take iced Illex. I don't have an RSW system as of yet. I was with open arms accepted at town dock and NORPEL and treated well. I do qualify under the 34 vessels but I back the 51.

Hearing #5: April 13, 2020; Webinar, Geographical focus: Maryland and south

Attendees who identified themselves: Jason Didden, Peter Hughes, Chris, Chris Batsavage, Dan Farnham, Dan Farnham Jr, David Frulla, Doug Christel, Drew Minkiewicz, Ellen Bolen, Eric Reid, Frulla David E., Greg DiDomenico, Hank Lackner, Jeff Kaelin, Jeff Reichle, Kate Wilke, Katie Almeida, Laurie Nolan, Leif Axelsson, Madonna, Malcolm J McClintock, Meade Amory, Meghan Lapp, Michelle Duval, Mike Roderick, Paul Rago, Phil Ruhle, Robert Ruhle, Ryan Clark, Ryan Tillett, Ryan Tillett, Sam Martin, Stefan Axelsson, Tony Dilernia, Troy, Wes Townsend, Zack Greenberg,

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

Comments on MSB Goals/Objectives

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

Sam Martin reiterated points in his written comments on behalf of Fishing Vessel Enterprises regarding Objective 2.1 and 2.2. that this action/a reduction in current fleet capacity would be contradictory to these objectives.

Katie Almeida (Town Dock) reiterated points made in written comments or previous hearings that the action conflicts with several goals/objectives.

Ryan Clark (Town Dock): Regarding the greatest benefit to the nation, I think it's in the best interest of the nation to keep our fisheries and fish that it produces in the US. I think the new markets that have been developed over last two or three years for US food service and retail calamari opportunities for *Illex* squid is in the best interest of the Nation by keeping our fish here on our shores and also limiting imports from overseas. I think any limitation to vessels and permits and access to this fish can and will have a negative impact on the amount of *Illex* that stays in the US for this new market.

Hank Lackner (FV Jason and Danielle): In addition to points also made in written comments and previous hearings, the following points were made: OY has not been achieved in previous years because market conditions were not right . There was availability at times, tons, but boats cannot work for free and processors cannot work for free. We're in a unique time right now-

these prices are unprecedented, this is unique. We are talking about new participants getting into a fishery and seeing times of glory. There's been plenty of struggle down the road and it's important to remember that achieving OY should be a goal but the historical fleet proved in 2017 that it's easily achievable. We don't need the new boats to catch OY. New opportunities are not new they are new to the new people that got into the fishery.

Jeff Kaelin (Lund's): In addition to points also made in written comments and previous hearings, the following points were made: The goals and objectives are not requirements- there's a whole lot of other issues involved in this amendment other than the goals and objectives and how they guide the council in the future on every element of the plan. So they are not requirements they are goals and objectives and we support them as written.

Comments on *Illex* Permitting

Sam Martin (COO Atlantic Capes Fisheries): In addition to points also made in written comments (on behalf of Fishing Vessel Enterprises Inc.) and previous hearings, the following points were made: Our company holds multiple *Illex* permits, some that have been active from 97 through 19 and some with little or no activity. At this time we would really support no action based on what the amendment is bringing forth. This action is solely based on an increased economic derivative by certain historical participants in the *Illex* fishery. It has as nothing to do with the sustainability of the fishery itself. There's nothing in the amendment that truly identifies what a reduction in harvest capacity would achieve to increase the yield, efficiency, or sustainability of the fishery. Everyone benefit from this robust fishery in the price in the market being what it is. Revenues for some of these vessels that are "dependent" on *Illex* are higher than some scallop vessels per year – A fishery that has 345 limited access participants and only fish approximately the same number of days (60) per year as the *Illex* fishery . For other participants that are not solely reliant on the *Illex* fishery the revenue has increased as well as a result of the higher values established by the current participants, harvest and shoreside. There is no proven scientific evidence in the proposed amendment that addresses how this proposed action could enhance sustainability of the *Illex* fishery.

Leif Axelson (Captain FV Dyrsten): In addition to points also made in written comments and previous hearings, the following points were made: When the *Illex* ebbs, or when markets dissipate, Maybe we're in a position now where the markets won't drop back. But the fish themselves will - anybody who has fished *Illex* squid and depended on *Illex* for a lot more time than the last couple of years knows that the *Illex* squid themselves will go away. Who's going to be left holding the bag it's going to be the historical boats who have made a niche as an offshore boat. And in years when they could have fished more they lost out. I have no problem with a permit that has historical participation true historical participation and has depended on the fishery. I've no problem with that permit. I have no problem with the new permits who bought that permit and put it on a boat or bought the boat so they could go fishing for *Illex* squid. That to me is great, good for them, I have a problem with boats that depend on the last two years and a problem with boats or permits that don't even come close to ever depending on them. It's the historical guys and the handful of independent operators in *Illex* fisheries that

are going to be sitting there wanting or trying to figure out something to do while the others moved back to what they did before. Even I know the charts say they derive revenues from Illex squid that's good that's great, but what did they do before? They're going to go back to it. They gave up other revenues or revenue incomes to go Illexing because it was more profitable not because it was the only option they had but because it was more profitable to do so. I agree with that, that is fishing. With the compromise we put forward it doesn't really get rid of everybody it definitely gets rid of the zeros. It still gives access to boats that just decided to get into it that's for sure but it protects the historical participants and what it is that they have sacrificed and built. In recent years every bit of the edge has been getting covered from one end to the other from Hatteras to Georges bank it's been getting hit and covered in recent years. Science or no science we don't know what that's gonna do. I'm not saying the scientists are wrong I hope they're right. I'm not saying it's gonna collapse the stock we don't know but I know that another fisheries we've done this before we've said it's fine keep going fish on ramp up capacity it's fine who's left holding the bag? The historical guys but the other guys move on to something else or better opportunities. Do we want to take this risk/chance again on a fishery when we have a chance now. I do believe that control date needs to be upheld. It was reaffirmed and put there for a reason people were put on notice it wasn't the first control date it was I think the third control date so people should have known that either you get history or you're forfeiting it. And like was brought up in other meetings with reaffirming the control date no one had a comment. Those were years there wasn't much profit to be made in it. I know we can't be based on economics but if you look at the last two years of landings and the amount of permits that are in it, and look at the prices why do you think all of a sudden it jumped up? Not because it was the only option they had but because it was a better option than what the other stuff had it was more profitable to do it or they decided take a chance and go after it and get a piece of that pie. A piece of the pie that the historical participants have a very limited amount of. We're specialized boats that as we've lost access to other fisheries because we pursued the *Illex* fishery we became more and more specialized in being an offshore boat or a high volume fish boat and stay out of sight and out of mind. But if our season gets keep cutting short then we may have to revisit some of our other permits as well and I'd hate to do that I'd rather stay offshore. But to bring it back to the fish that's what this is inevitably about in the Councils eyes is the fish and the stock and the health of it, we have no idea. We know what's happened in the past when we thought we knew. Do we really want to have more boats hammering away on every bit of edge from Georges bank all the way down to Hatteras to just find out that we screwed ourselves. That's what I want I want us to try to avoid – that's what it's all about...the stock and keeping it healthy. We can science away all we want and I don't want to knock the scientists and other things we have going on and I hope it's right but there's too much uncertainty in this fishery and too much ebb and flow. That being said if the historical guys that are going to lose the most because we've given the most to keep it what it is.

Drew Minkiewicz (speaking on behalf of the Town Dock and Atlantic Capes Fisheries): In addition to points also made in written comments the following points were made: On the issue of final action I know the agency and the Counsels are doing their best to move everything forward as much as possible during these times when we can't have in person meetings. But that being said, for an action that is one discretionary and two contentious, it is certainly my

client's position that no final action should happen without an in person meeting and I want that on the record on behalf of Town Dock and Atlantic Cape fisheries. On the control date of 2013, even in normal circumstances a control date that is 7 years old, the case law and guidance from the agency is very clear that this would be considered a rather stale control date. When you add in the fact that this control date was put in place in 2013 there was an action that was initiated that considered limiting access further in the Illex fishery and at that time in 2017 a decision was made then to not limit participation any further because the quota was not being met. To then move forward to 2019 when this particular action was put into motion/ initiated and then still use the 2013 control date, one that you had already rejected from using, to then come back all these years later and reinsert it into discussion is by definition capricious and incredibly problematic from a legal standard and also from a policy standard. So really the 2013 timeline is not where you should be looking at you should be looking at years when this action was initiated an as you said earlier the action was initiated in scoping in 2019 so that is the time period that you need to be looking at here and also I'm hearing about safety of life at sea all these different rationales for this amendment but when you look at last year you had 36 participants in the fishery and some of the options would look to limit the requalifiers to around 35 vessels so safety and life at sea is no good at 36 vessels under current conditions but then it would be OK with 35 qualifiers a difference of one vessel. And so you're not really doing this then to choose for safety of life at sea what you're doing is choosing the winners and losers you're choosing which 35 permits which 35 vessels can participate and that is really what's going on and you can't base an amendment on that reason and that reason alone. You can try to sugarcoat it, put up different things and see we're looking at this and list but when you get down to it and the facts are laid bare you're really just trying to pick winners and losers here and you can't go forward with an amendment that just looks at that. That won't be defensible and in this fishery the goal is to achieve optimum yield and optimum yield is defined as harvesting the quota. While people have correctly pointed out that in one year 17 vessels were able to harvest the entire quota that year is an absolute outlier in the whole time series of this fishery. You've only achieved the quota fully in five years and most of those are recent years where you had more participants in the fishery. So it's hard to justify an amendment where you would be trying to move away from achieving your number one goal and objective and that's achieving optimum yield.

Ryan Tillett. I would probably consider myself one of those historic participants in the Illex history along with my father and the rest of my family who entered the fishery in 1983. We managed Boone Tillett fish in North Carolina which was the only packing plant in North Carolina that did Illex from 1984 to 2012. There's definitely been a lot of ups and downs in the Illex fishery and its markets throughout the years. From what I see there are 76 vessels that qualified for moratorium permits period I've understood recently that probably 20 of those permits would never enter the fishery due to conflicts in other fisheries like scallops. These original vessels that qualified for Illex Should be afforded the opportunity to participate in the Illex fishery. We've recently been broadsided in our country by likely the most devastating economic crisis with COVID-19 the US will have to endure in our lifetime. There's been millions of people unemployed today in the US. So I ask the council not to take any action that will cost even one person their job be it on land or sea. There are certain to be vessels that can use the

flexibility of all their permits that they have qualified for to get through this crisis. I recommend that no action be taken as I believe it will hinder jobs in the United States. If there has to be action taken I would stand behind Ryan Clark and The Town Dock because their proposal has the limits at the least. We always prided itself in working people as much as we could and I think this year it's definitely the year that we try to do the same for everybody.

Robert Ruhle (FV Darana R): In addition to points also made in written comments and previous hearings, the following points were made: The longfin Amendment was supposed to be a capacity Amendment for both. Things got heated quickly and Illex fell out of it due to everything involved in the longfin capacity issue. And then we had to wait our place in line with other amendments. This is not a new idea this is not something industry has just asked for because of recent participation in 18 to 19 we asked for this prior to that and we've been waiting patiently to get this implemented Someone said 2017 was an outlier because it was a year we caught OY with few participants. But if you look at it the years we've closed from 98 to 1998 oh 4 and 17 were less than 20 boats and it was historical participants that had that executed the fishery and achieved oh why that's three out of five that makes 18 and 19 an outlier to Maine the justification for using 19 because that's when scoping went out I agree with scoping happened in 19 but well before the fishery ever took place so I would assume that whenever that date is chosen in the Federal Register the day it comes out is the day that it becomes valid so whenever the end of the scoping was in 2019 which i'm not sure that exact date but it was well before the Illex season and that would have been the cutoff point not anything that took place after that because the season hadn't started. I made the comment before that where my concerns lie I'm well aware of the index working groups projects and them Anderson paper and I think it would be great if we can actually get some more solid science on these organisms and have an increase in quota or validation and mechanism for adjustments. But we've gone over last two years and will we get a knee jerk reaction of severe cuts due to going over OY like has happened elsewhere given the Agency and Council tend to err on the side of caution? That's one of the things that I'm really worried about more than the level of participants because every historical participant has been in this fishery knows that if we go back to a normal season/production/market, a lot of the newcomers are going to fall by the wayside because yeah it's a great fishery to get him in the price is \$0.30 - \$0.40 but it sucks when you're getting 7-8 cents and I've done all of it since 1983 I've been in this fishery every year. I've seen the highs I've seen the lows. As one of the two North Carolina-permitted Illex vessels and the vessel that was responsible for over 70% of Virginia's historical landings I'd like to go on record in support of the historical participant's compromise. It is a true compromise. I don't like the idea of disenfranchising any fisherman but I also have to look out for this fisherman.

Dan Farnham, Jr (F/V Gabby G): In addition to points also made in written comments and previous hearings, the following points were made: My vessel is one of the 76 and we'd always wanted to get involved in this fishery but it wasn't until some new processors came onto the scene in 2017 that they started accepting *Illex* from iced vessels, i.e. wet product. Prior to that you had to freeze at sea or have an RSW system that was prohibitively expensive. So it wasn't until then that we were actually able to get into this fishery not for a lack of wanting to but lack of acceptance from the

processors and the newer processors have also been a huge part of getting the ex-vessel price raised from 7-8 cents up to \$0.35 to \$0.40 to the vessel and this dramatically increased the value of this fishery creating a boom time not just for the historical participants making more money than they ever had prior to 2017 but also spillover from this expanded pie to the new entrants such as myself. For the five times in the history of the fishery when OY (the goal) has been hit, in 1998 there were 33 vessels, 30 in 2004, 20 in 2017, 31 in 2018, and 36 in 2019. So 2018 and 2019 weren't huge outliers, roughly the same as 1998 and 2004. The low number in 2017 was great and speaks to the huge biomass offshore. That's why we have two working groups. Going right now to try and look at ways to possibly expand quota in years of high abundance I think the council should ideally wait for that new information to come in so we can use it and making more decision when taking final action I think we'd like to wrap up here quickly with the idea the council would possibly postpone final action until we can have an in person meeting. I'm hugely in favor of that and actually at the meeting down in North Carolina that we went to when we last dealt with Illex, we were almost promised by the council that we would have an in-person AP and committee meeting seeing as we'd been kind of rushed with that with previously both being webinars and only one day apart. So if we are going to, as the Council has kind of asked us to, come together and get together with an industry compromise, I feel like if we can have an in person AP and Committee meeting – I feel like we have to for an issue as contentious as this to have a real physical meeting for the final vote. When people can get together and see each other face to face that's when you can find middle ground and that's what I hope we can do if the Council takes the time to push this back.

Ryan Clark (Town Dock and several Illex-permitted vessels): In addition to points also made in written comments and previous hearings, the following points were made: There are some major differences in our Tier plan and the Seafreeze plan. We support looking through 2019. That would cause the least pain for permit holders that have been active. There has to be a way to qualify more vessels in the exclusive Tier 1 class. It can't be held to a control date of 2013. We've been on record that we feel the control date is stale. Tier one also maximizes the value for those permit holders.

Mead Amory (Amory Seafood): I'm in a pretty unique position down here in Virginia I'm kind of old traditional in this fishery and also new in that we've been packing Illex down here for well over 30 years. We're also new in that we bought a boat and a permit in 2012 another one in 2014. We had a significant purchase investment, spent a year putting an RSW system in and set that boat up specifically for Illex fishing and under one of these options that keeps a control date at 2013 that boat would not be in Tier 1 and that's a real concern for me- there's an option that goes from 2014 to 2019 with a million pound qualifier in that would put us into tier one with that boat. The second boat we bought that's going to end up in a Tier 2 and I was kinda hoping we'd end up in tier one with both but I understand there's going to be some sacrifice coming out of this and we're all just going to have to deal with it but you know there's some good and bad in this and it's going to be tough for people that have to swallow some of this but unfortunately that's the way these things go and there's been precedent in the loligo fishery and some of the other fisheries too. I do think Ryan is right if we end up with a tiered system here it needs to be a significant trip limit in the 90,000-pound range. With hold capacity I think

that certainly should be something that we need to consider. And I do remember a significant discussion in about Illex capacity when we did Loligo- we talked about both of them back in 15 and 16 and the Loligo was the one that everybody cared about at the time it was contentious and it was taking up all the conversation in the room and I remember people discussing let's drop Illex for now. We can bring it back up in another year or two we don't need to worry about it right now let's deal with Loligo and then we'll deal with Illex I do remember that.

Mark Phillips (FV Illusion): In addition to points also made in written comments and earlier hearings, the following points were made: I can't believe that NMFS and the council are entertaining letting boats that only went in the Illex fishery five or six years after the control date. Fluke, Loligo, red crabs, scup, sea bass, I think scallops we were all held to control dates. I was kicked out in 96 because there was no CPH - I abided by the decision that national marine fisheries made and now we got people that didn't even abide by the control date and they think they deserve to get back in. I'm a little bitter that I lost my permit And I did everything right, Even in the compromise that the historical participants have it's still allowing a lot of people after the 2013 control date. I just feel that if this goes through then controlled dates mean nothing and maybe we should open up sea scallops again so that we can get back into sea scallop fishery Maybe we should open up fluke; maybe we should open up scup; maybe we should open up Loligo. Either control dates mean something or they don't mean anything. If these people are going to be allowed in I think I should be allowed back into the fishery. I hope I can have my permit history looked at because I did legitimately participate in the fishery when none of these other people did.

Ryan Scelsa (Purchasing and Fresh Sales for The Town Dock) reiterated his support for the Town Dock Plan.

Stephan Axelson (FV Drysten): Regarding the knee-jerk reaction, we've seen it before. Things go over like we're catching the quota over for two years and my fear and many others is what's going to happen. The Council 's gonna see that we're going over and there might be a knee jerk reaction to slam things shut and I've seen it many times once that door swings closed it Stays closed for a very long time. Who does it hurt? It hurts the historical participants – we're the ones who will be hurt when all this overcapacity that's been happening and possibly continuing to happen. That's my fear. Regarding a delay, I don't want to see that. I think these webinars are actually great especially for owner operators, people in the industry. We're on boats - it's easier for us to grab a phone and talk into it like a radio. I'm pretty much a people person myself but you stick me in a room and it's hard for me to talk. It's easier for me to do this over a phone. It's like grabbing a mic cord. I would not like to see any kind of delay.

Jeff Kaelin (Lund's): In addition to points also made in written comments and previous hearings, the following points were made: I wanted to say one thing about the hold measurement we've talked in the past about how it's used in the mackerel fishery with the intent to ensure fleet stability and reduce the potential for capacity to substantially increase after requalifying permits. We believe the hold measurement requirement should reach both Tier 1 and Tier 2 boats as it did in the mackerel fishery. I disagree with a previous point that the council had somehow rejected the 2013 control date for use in the Illex fishery. It certainly wasn't the case. The time it took to deal with

[longfin] issues were about spatial conflicts which is an issue here in terms of the narrow corridors on the edge. The council reaffirmed the control date and the 2013 control date in 2018 which if it was just the 2013 date I would agree but it's not stale. There's tons of language from the Loligo amendment that supports moving ahead in exactly the same fashion on Illex we want the council to do that. I do see the point of having a final action in a public room. I would say no later than the August meeting. Hopefully we can all get back to normal by then I don't think the virus is sufficient reason to delay this at all. I also don't think that there's going to be any middle ground on fully qualifying boats that only have history in 2019. Our proposal qualifies more boats than were in the fishery last year. The Council's action here in moving this amendment ahead is not capricious at all. It is in fact anticipated and if I remember correctly scoping on this had been closed out mid-April 2019. So anybody who geared up and went in 2019 and didn't have history should have been paying attention if it was worth a million dollars to them. And they should have started in the fishery earlier. Also, there's no new processor in New Bedford. We're happy to see NORPEL putting in a few fish over the dock we work with them ourselves when there's mackerel or herring when we're down that way. They are good people but it's not a new plant. It's now back online after huge quota reductions in the mackerel and herring fisheries, which had been significantly over capitalized by the governments identification of those quotas as being orders of magnitude bigger than they turned out to be. For example mackerel was 300,000 MT when these boats were built and now it's 30,000 MT. And herring was 200,000 metric tons and now it's like 16,000 so overcapitalization is a reality and the people have been in the fishery for the longest period of time and made the investments in the vessels and plants and have been in this from the beginning of the Magnuson Act, they've lost access to other fisheries due to control dates that kept them out like scallops which happened to our company. That is how fisheries are managed and it's economic in that it has an impact on the communities that have a stake in this fishery for decades. If overcapitalization is ignored by the council it's extremely unfair so we want the council to move ahead. And I agree the webinars are working pretty darn well. Maybe on final action it should be face to face.

Meghan Lapp (Seafreeze Ltd:) In addition to points also made in written comments and previous hearings, the following points were made: I'd like to point out that for the requalification of Loligo permits, according to the Federal Register final rule in 2018 on that amendment were justified by the Council and the Agency due to concerns that unused permits could be activated and this could lead to excessive fishing effort which could lead to premature closures in the fishery. We historic participants are not asking for this based on something that could happen we are actually dealing with consistent closures that are happening. The 2013 control day date is not stale. It was voted on and reaffirmed by the council in 2018. New entrants had been put on notice three times: once in 2013 via the control date notice the original one; once in 2018 when the council reaffirmed the 2013 control date; and once in 2019 when the council sent this action out for scoping before the fishery even started, so including 2019 as a qualifier departs from the council's freeze the footprint approach to management by including deliberative speculative entry. We ask the council move forward with this action without delay – we've been working on this for two years and we already have three premature closures of this fishery.

Hank Lackner (FV Jason and Danielle): In addition to points also made in written comments and previous hearings, the following points were made: I want to be clear that the industry

compromise is not just Seafreeze's and the historical participants are giving up tons and tons with this compromise. The new effort in 2018 and 2019 was speculative entry since the Illex capacity action was put off for other actions. It should be noted that boats in the new northern area are subject to 1/3 the observer coverage that boats in the mid-Atlantic are and there's not a lot of data coming out of that area. This is almost becoming a processor amendment. I don't know an amendment that hasn't been purely economic. We have a new processor trying to jump into this fishery and is forgetting about the guys who built the fishery the fishery is basically built on history. The foundation of this entire fishery is history and fisheries management has been built on history. I think it's important to say that people who are talking about getting cut out they want to process squid for economics you don't process squid not to make money so economics is absolutely the reason why people who have not done it before nor dependent on it or relied upon it want to be part of it. Comparing it to scallops is no way comparable by any stretch of the imagination. Squid come and go off the edge, offshore, offshore. We've had two or three good years in a row we've had 10 bad years. I had to remortgage my boat twice in the last 15 years to keep my crew going because they deserve a paycheck every week. I fished squid for 15 cents, 13 cents, when there were no squid because I am an *Illex* squid boat and that's what I do. Scallop boats have consistency and science and also have the money. They're trying to buy into this fishery they don't understand it. They've only fish the last two years when it's been unbelievably great. This year all signs point to no squid being out on the edge I'm saying it's gonna be a bad *Illex* year. Is it because there were 70 boats last year? Maybe, maybe not? But what happens if we don't get OY - it's never about the number of boats - boats do not reflect catch. I live it. I breathe it. My hands get dirty. I run the boat. I own the boat. I'm out there the entire season. I know what's going on - I'm not talking anecdotally from my desk or because I own a couple boats. I do it to pay my bills and my crew gets paid by it and my crew has counted on it with me for a long time. I got cut out of the mackerel and herring fishery but I didn't actually get cut out I just didn't qualify for the permits but I do now have a permit because no one loses access I went out and bought a permit. Access can be gained. It's a fallacy the control date is stale, that's not a fact. It was brought back before the Council and reconfirmed not stale in 2017. Unfortunately other business took precedence.

Katie Almeida (Town Dock) reiterated points made in written comments or previous hearings. Also: the control date may or may not be used. Also: the Council did not have the information they have now about new markets and boats not being able to participate when it reaffirmed the control date. We have already invested in buying these permits as people have suggested - it's already limited access not open access. Regarding the working group no one wants to see the stock crash. None of us want to see the stock come down to nothing or enter rebuilding. No one wants to act irresponsibly but the industry asked for the mid-Atlantic council working group and the industry did put together this industry working group. Not only that but the industry did come together to ask for an increase in quota last year and they got it. The industry has been looking into getting NAFO quota to be transferred into the American fishery and they're also looking to get an increase in quota this year so if we're very much concerned about the stock why are we asking for increases in quotas. Lots of money has been put money into the Manderson report and it's not peer reviewed but it is going to be used to look at alternative management and the SSC is going to look at it. Regarding fluke, the Council decided not to do a

requalification and that fishery has actual biological issues and about 900 permits but the Council chose to do nothing. We are not going to give up on reaching a middle ground. There are also historical participants who believe that Recent participation up to 2019 should be considered and that those people should have access to Tier 1 permits and to remain profitable and have the access that they have today.

Mike Roderick (Town Dock): I support the Atlantic Capes, Amory, and Town Dock proposal. I do have concerns about the historical participants 47,000-pound tier 2 option. I'm not in support of that. I'm in support of a 90,000 thousand pound trip proposed by the town dock. At 47,000 pounds it will be detrimental to the fishermen in the industry if a tier option was selected

Jeff Reichle (Lund's): Reiterated support of the historical participants compromise. I believe it is a compromise. I think community dependence is something that has not been well looked at in the East Coast fisheries management regime and I think in this case especially it's critical because there are three ports on the East Coast that have significant historical dependence on this fishery. Regarding COVID-19, my company is not shut down, we have not stopped any boats from fishing we have not laid one employee off. We're working every day and I've done more work in the past three weeks on webinars and conference calls and telephone calls than I've ever done in my life and just delaying everything because of this horror that we're all going through is admitting defeat to me. So I don't support that and I think we should continue hopefully face to face but if we can't we should continue by webinar we can't stop moving.