

**Virginia Marine Resources Commission
Crab Management Advisory Committee Meeting
VIMS Conference Room**

July 21, 2008

Members Present

Hon. Rick Robins
Tom Powers
Doug Jenkins
Chris Moore
Ronald L. Jett
Peter Nixon
Paige Hogge

Members Absent

Pete Freeman
Johnny Graham
Louis Whittaker
Marshall Cox Sr.
H. M. Arnold
Jim Casey
Dr. John McConaugha
Jeff Crockett

VMRC Staff

Jack Travelstead
Rob O'Reilly
Joe Grist
Laura M. Lee
Alicia Nelson
Mike Johnson
MPO Miller

Others Present

Ken Smith

I. Introductions/Announcements

Mr. Robins began the meeting by asking for correction to the previous meeting minutes. A date error was pointed out. There were no other changes.

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II. Old Business

Mr. Robins discussed latent effort and effort control, as well as staff's summary analysis of pot tagging and effort control systems.

Mr. Travelstead described the simplified systems. In April, staff was directed to prepare a timeline about pot tagging and effort control measures. He mentioned that staff had these proposals out for comment from the group. He mentioned that staff would like to present this to the Commission at the August public hearing.

Ms. Hogge wanted clarification on the timing of the pot tagging system. She thought it was a two-year implementation. Mr. Travelstead and Mr. Robins said that the pot tagging would be implemented in 2009, and accommodation of transfers would be completed in 2010. For 2009, transfers would be limited to one month. Mr. Travelstead mentioned that it was dependant on funding as well.

Mr. Travelstead presented the draft proposal. One participant suggested adding a personal identifying number on the tags, such as a last four, in addition to serial numbers. It was

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decided that it could be explored by the group. Mr. Robins said that it would come down to cost. Mr. Travelstead stated that, in the current plan, each tag will have a unique serial number, and law enforcement would have a list.

Mr. Nixon wanted to know about attachments. Mr. Grist mentioned that the staff was working with industry members about multiple tag attachment options, for the line or buoy.

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Mr. Travelstead said the initial allotment would include an additional 10% to make up for replacement, and another allotment of 5% would be available in mid-July to cover losses. There would be allowances for catastrophic loss. Harvesters must prepare a notarized statement specifying the tag serial numbers of lost pots before getting new tags.

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Mr. Jett wanted to know the purpose of pot tagging and how it would control effort in relation to the economy of the crabbing community and also commented about the shortened season. Mr. Robins said that if we can develop an effective effort control system that constrains effort in an appropriate way, then we may be able to open the industry year round. By regulation, we can have a full season with an effort control season.

Ms. Hogge asked about catastrophic loss and how crabbers would identify which tags were lost. The group discussed making a check list on waterproof paper. There was a group discussion about accounting for pots. Mr. Moore mentioned that the perforated tyvec tags used in marathons may help watermen to keep account of which pots are missing. He also mentioned Rite in the Rain brand paper (it is waterproof).

Mr. Powers suggested not requiring specific serial numbers for lost pots, for the first year, just a certification for lost pots. Mr. Smith wanted an extremely high penalty or loss of license to deter harvesters from illegally claiming lost pots.

The group discussed the cost of buoy tags and who would pay for them. Mr. Travelstead said the agency does not have the money in the budget to purchase the tags for the first year. Funds will be requested from the General Assembly, but that money would not be available until the next fiscal year. Waterman would have to pay for the tags up front, for at least the first year. Some time later this fall, harvesters would have to declare the number of tags they are going to use and pay for them at that time. This would allow us to order the correct number of tags.

Mr. Travelstead summarized the tagging discussion in three main points: (1) Industry would prefer a waterman's ID number instead of serial numbers on the tags, (2) Industry does not like recording ID numbers of lost pots after a catastrophic loss, and (3) Industry does not think waterman should have to pay for buoy tags.

Mr. Powers asked if the pot tagging effort is sufficient to reduce effort. Mr. Robins replied that the 30% reduction is a place holder to chart the way for 2009. Mr. Nixon asked if you can get a 30% reduction in the pot fishery through this program, could watermen get the fall fishery back as well. Mr. Powers mentioned that the regulation that closed November sunsets next year. The dredge season closed by regulation and can be reopened by regulation.

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Latent Effort

Mr. Travelstead moved on to the discussion of latent effort. He said that the plan was designed to determine if there is a level of inactivity that should exclude a crabber from entry into the fishery even if he had been licensed for a number of years. He referred to Figures 1 through 3 in the handout and proposed those individuals below the line should not be allowed to purchase a license, until the fishery (blue crab population) reaches a recovery state (10% greater than an age 1+ abundance of 200 million crabs). They would be placed on a waiting list.

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Mr. Nixon asked, with regard to bad economy, how do you justify allowing someone to displace someone else who has already been crabbing? Mr. Jett asked how VMRC justifies taking away licenses from those who have held on to them. Mr. Travelstead replied that the status of the resource has changed, for now. Mr. Robins described the different ways of removing latent effort from the fishery and said that the staff proposal was the gentlest way.

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Mr. Nixon described the difference between urban and rural markets. Urban markets provide more availability, for retirees to go crabbing. He sees latent effort licenses as people who make their money somewhere else and want crab potting as extra income. Mr. Nixon does not agree with this added competition in the market because he can't find places to sell his crabs. He said it was a displacement problem—displacing crabbers because of too many pots or too many crabs in the market. He says it creates a fly-by-night crabber who will sell crabs cheaper because it is a retirement market. Mr. Robins asked Mr. Nixon about his opinion of the scenarios presented. Mr. Nixon said he has no argument with options presented.

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Mr. Moore asked if the wait-listed crabbers who would not get a 2009 allotment could buy in instead. Mr. Travelstead answered that those individuals would remain on the waiting list until the population reached recovery status. While they are there, he said they could buy in to the fishery by buying someone else's pots.

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Mr. Robins mentioned that the time frame for the latent effort consideration was from 2004 to 2007.

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Mr. Jett asked if the crab catch declined because there were less people in the fishery. He wanted to know if that had been taken into consideration. Mr. Travelstead responded that it had. Mr. Jett said that some people are adding to latent effort because they had to leave the fishery because they couldn't afford to continue.

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Mr. Travelstead said that he doesn't like the idea of kicking someone out for just a few years of inactivity, but after 4 or 5 years of inactivity, he agrees that they should be put on a waiting list. Mr. Robins said that a qualifying period is a good measure of economic dependence.

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Effort Transfer System

The group moved on to a discussion about an effort transfer system.

During the month of April 2009, the plan would allow transfer of pot tags. Eventually, with full funding and additional staff, transfers would be available year-round (similar to the striped bass system). During April 2009, owners would be allowed to permanently or

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temporarily sell those pots (buoy tags) to someone else. However, the amount of pots allowed to be transferred would be based on prior activity in the fishery (for example, a crabber would have had to be active a certain number of days). There would also be a limit on the number of pots any one person could accumulate. A 500 pot cap is likely. During the first year, transfers would be restricted to the total number of allowable pot tags only (all or none). In this system, those that work less than full time would only be allowed to transfer/sell a percentage.

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Mr. Powers asked about which ID numbers would go on the transferred pots. Mr. Travelstead answered that staff preferred a serial number system instead of a personal ID number for that reason.

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Mr. Smith asked about the value of the crabbing licenses. Mr. Travelstead responded that the Commission had been telling people if they've been buying or selling since the control date, there is no guarantee that the value would remain the same.

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Mr. Powers asked how record keeping was done for someone who was working as an agent. Mr. Travelstead said that reporting is done by the license holder. Mr. Robins also mentioned that agency issues would have to be handled as a transfer or it otherwise would undermine effort control. Mr. Travelstead mentioned that the agency issue would be discussed in more detail at the next meeting.

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Mr. Smith asked how many transfers were made over the past year, and staff answered that there were less than 100 (Note: 100 transfers in 2008 have occurred). The control date was set to prevent someone from increasing activity to increase their likelihood of meeting whatever eligibility criteria are used.

Mr. Travelstead referred to the last graph in the handout as an example of how a prorated system might work in determining how many pots a harvester might transfer under the associated scenario—the more divisions or levels, the less risk of moving part-time effort to full-time effort.

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Mr. Smith asked what the biggest concern is for latent effort. Mr. Travelstead responded that it was catching too many crabs and competition in the industry. Mr. Robins said that in the past, reliance on the market to take care of these issues has not been successful.

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Mr. Powers said that it was not just pollution that was decreasing the crab population, but also over-capitalization of the fishery (too many pots in the water); part of the intent of effort control is to reduce the number of pots in the water, and if some pots aren't permanently removed, the fishery will remain over-capitalized. Mr. Nixon expressed agreement with Mr. Power's ideas, in theory.

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Mr. Smith felt that the group needed to be addressing issues related to water quality, habitat, and DEQ, and disagreed with further restricting fishery regulations. Mr. Travelstead said that citizens need to get involved in that type of process.

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Mr. Nixon felt that the problem was the excess of crab pots in certain areas—as the number of pots went up, crabs went down.

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Mr. O'Reilly mentioned the condition of the striped bass fishery from 1992 to 1997. It was a tough time for everyone, and 500 harvesters out of 3,000 (registered fishermen) made out well. The difference between that situation and the present issue of putting

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latent effort on a waiting list is that the former eligible crab licensees would have the opportunity to get back into the fishery when the population improves; those who did not survive the hard times of the rockfish fishery did not get back into fishery.

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Mr. Nixon asked if there were a time frame on a secondary transfer. Mr. Travelstead responded that after year one, assuming we have funding and staff, it would be an ITQ like the striped bass quota.

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The loss of investment of licenses was brought up by Mr. Nixon. He said that older watermen who have purchased the license every year would suddenly be on a waiting list, and the \$190 they invested would be worthless. Mr. Travelstead said that it would not be worthless if someone were interested in getting into an open fishery.

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Mr. Jett believed that individuals who weren't active at all should be compensated in some way (such as a small number of pots) since they have purchased the license consistently, for many years.

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Allocation Option

Mr. Robins and Mr. Travelstead moved on to discuss the allocation option. Basically, each individual fisherman has a number of days he or she has worked within a given period of time. That number would be compared with the total number of days anyone has worked, giving them a percentage of the whole. Under such a system, almost every waterman would be allotted different numbers of pots. There are also hundreds of people that would end up with very low numbers of pots (less than 10).

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Mr. Travelstead said that under the first system, you can work 5 or 110 days and you would still be eligible to fish the pots. Fishermen would only be restricted by the number of pots that could be transferred. Mr. Nixon asked if it was differentiated between hard crab pot days and peeler pot days, and staff responded yes.

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Mr. Robins said the biggest variation is the number of days worked, not in the number of pots. It would be an administrative nightmare for everyone to have different number of allowable pots. Individuals on both sides of the curve would get watered down, and there would be significant allocation problems.

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Mr. Moore expressed concern about people who are going to be put on the waiting list. He said he would feel better about it if we could set aside a certain number of pots (say 5% of latent effort) for people on the waiting list on a first come/first serve basis. (Mr. Powers said it would have to include the caveat that those pots couldn't be transferred). He wants to set aside a certain amount for those individuals to buy up to the amount of their license allocation to take care of those that may lose their jobs. This would be something to discuss to alleviate the burden for those people who haven't worked from 2004 to 2007. Mr. Travelstead said that every person let in to this system is letting in effort that didn't exist for a number of years. This idea was not completely accepted by the group.

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Mr. Robins said there is a need to discuss the agency side of this at the next group meeting (August). It must be considered in context of the transfers (one year transfers versus permanent transfers and how it would relate to that). If agency can be allowed, the question is who can utilize the tags. He asked staff to write up scenarios on agency for the

next meeting. Mr. Powers requested that copies of the straw man proposals be distributed with the meeting announcements.

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Mr. Jett made a motion that the committee should suggest to the Commission that the latent effort and tagging system be tabled until the 2010 season, to see what the new regulations will do. It was seconded by Mr. Smith.

Mr. Robins found the motion out of order because staff was tasked with this project by the Commission. He said that the role of the committee is not to tell the Commission to undo what it has already recommended to staff. He also stated that when we finish and make a final recommendation to the committee, those opinions can be expressed.

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Mr. Smith said that he doesn't like the latent effort issue because he believes it will take care of itself, and he doesn't see how the tagging system will work without the money from the General Assembly. Mr. Jenkins wanted the General Assembly to offer a buy back program, and Mr. Smith mentioned the hardship for harvesters on Tangier Island.

The group discussed the committee's role and the Commission's role on the issue.

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III. New Business

No new business was discussed.

IV. Next Meeting Date

No date for the next CMAC meeting was set.

V. Adjournment

The meeting adjourned at 8:39 p.m.