

**SAC Meeting**  
**Monday, May 16, 2011**  
**NRSC Room 106**  
**Draft Notes**

1) Welcome and introductions

**Council members:** David Sinclair, Dana Morse, Jon Grabowski, Andy Mays, Annie Tselikis, Dana Temple, Barry Huckins, Jimmy Ackley, Arthur Alley, Terry Gray

**DMR:** Kevin Kelly, Pat Keliher, Kohl Kanwit, Togue Brawn, Deirdre Gilbert, Trish DeGraaf

**Public:** Maurice Alley, Ernest Kelley, Jimmy Wotton, Travis Fogg, Carla Guenther, Scott Dugas, Robert Holland, Alex Todd, Teddy Houghton.

2) Approval of minutes

Motion to approve: Barry. Second: Annie  
Unanimous

3) DMR updates

Legislative update: P. Keliher provided a summary of LD 348 as amended by the Committee – development of limited entry (now major substantive rules), review of the Council composition and geographic distribution,

A. Mays: So lotteries are a no go?

P. Keliher: The Governor does not feel a lottery gives enough certainty for people trying to plan for a livelihood.

D. Morse: How are lotteries defined (what is it exactly that is the problem)?

P. Keliher: As they have been in the past (Maine's elver fishery for example)– the Commissioner is interested in a transferability system. But everything is on the table – need to consider options, taking into account the current number of licenses and the health of the resource

Kevin Kelly: Report on 2010 Survey Whiting and Denny's Bay

Increase in Whiting Bay/Dennys Bay - 4+ fold increase in the harvestable biomass between 2009 and 2010

A Mays – How many bushels per tow?

Kevin – unsure (don't measure that way)

J. Grabowski – What about adjacent areas that were open? Did you see an increase in areas outside the closure?

Kevin: No.

D. Morse – Could you talk about mortality (within the closed area)?

Kevin: Saw a significant increase in clappers (in Cobscook Bay overall). Brought some in for testing – nothing conclusive yet.

B. Huckins – I've seen over 80 in a single tow

4) Summary of current issues and timeline (Togue):

*Upcoming season* – need to recommend dates (this or next meeting). Need to keep in mind that rulemaking takes 90 days (Pat Keliher corrects: should plan on 120 days), so can't wait too long to make the recommendation.

*Limited entry* –lotteries are off the table. We need to have a full discussion of transferability: it's never been an option before. Now that it is an option, we really need to evaluate the consequences, intended and unintended, of transferability.

*SAC composition* - Several bills were brought to the legislature dealing with the SAC composition. A lot has changed in the scallop fishery in the years since the SAC was developed. With 6 times as many draggers as divers, that's something that warrants analysis, as does the geographic representation, and composition overall.

*Closed areas* – must determine a responsible way to manage them

#### 5) Discussion of limited entry regulation

N. Olsen: How do people feel about the fleet size?

A. Alley: Seems that as the resource rebuilds, more people get active in the fishery.

N. Olsen: How many licenses, how many have been active?

(Togue notes there are roughly 700 licenses in the fishery, and roughly 200 -250 are active each year)

A. Mays: I think 500 is what it should be – that's what it was before (note: actual numbers of licenses have varied from 1285 in 2000 to 604 in 2006, but we only have data on how many were active from December 2008 onward). My goal is a return to what it was 15-20 years ago, when it was good, and there were a lot of scallops and a lot of people employed. Want to focus on the future, growing the resource.

N. Olsen: What are the ideas for getting there?

A. Mays – closures, enhancement, spat collection

A. Tselikis – conservation measures (closed areas) to allow people to keep working

N. Olsen – how do we get to 500 active permits, without overshooting?

T. Brawn – Just to point out, we've never really discussed the concept of transferability before, didn't think overtly getting rid of licenses was an option, so the SAC hasn't developed a plan on how to do so. It's important to identify what you're willing to consider in terms of mechanisms before they come up with a plan.

*Togue suggests a "strawman"*: Currently one third of licenses are active. Make all licenses transferable, but cut back daily limit to 100 pounds. Allow people to increase their vessel limit by adding up to two additional licenses, with a 50% conservation tax, so three licenses would equate to 200 pounds. If everyone does that, the relative "capability" of the fleet stays the same (takes three licenses to add up to what we have now, which is roughly 230 active licenses capable of catching 200 pounds per day). If they don't, it's because a lot of people kept to the 100 pound limit: either way, effort is controlled.

D. Morse – We have actually discussed this, in terms of the entry/exit ration, as we had in the proposed rule. Our plan was to come up with a ratio, try to get to some number, that could be revisited. That allows us to feel our way along, nothing so drastic as to eliminate half the licenses.

A. Mays – The problem with transferability is the licenses that will be "transferred" have been sitting on the bank for 10 years. When we put the moratorium on the license, a

bunch of people jumped in. If licenses were transferable, they'd be the first to sell out, to people who are actually going to go. You'd get latent licenses becoming active.

E. Kelley – I agree with transferring your license. 20 years ago, in our area there were twice as many boats, twice as many scallops. With a lower limit, there would be no problem (the resource could support that number). I'd rather see more guys go for 135 lbs, than one guy go for 200 lbs. And once you leave the fishery, you should have to stay out – can't buy back in.

N. Olsen – In terms of numbers, you could require that in order to get a new license, two other guys would have to give up theirs...

A. Tselikis – (to Junior) why don't you want to allow someone to buy back in?

E. Kelley – You should have to sell your gear with the license.

A. Tselikis – (to the Commissioner) Would you be willing to treat latent and active license holders differently?

N. Olsen – I haven't gotten that far. Looking into the future – hopefully the resource is coming up, boats going down...you need to find the sweet spot. You want to have the right number of licenses, add new licenses in when necessary, and take them away when necessary to match to the resource. That's what they do in Bristol Bay. You want to make the fishery dynamic – give people flexibility. Right now, Maine fisheries don't have that flexibility.

T. Fogg – Who will you take licenses away from if the resource declines? Am I going to get shut out? As an active fisherman, I don't like the idea of having my license taken away from me. How will you determine who has to give up their license?

M. Alley – in Jonesport, our problem came when the scallops were going good. Boats out of Portland worked 24 hours a day – if there had been a size limit, and they couldn't drag at night, and a lower daily limit – we wouldn't be dealing with this: that would sustain the boats in the two towns.

E. Kelley – if you talk about taking licenses away from people who aren't using them, you will activate effort – they'll show landings just to make sure they don't lose their license. The licenses are there – can't talk about taking them away. We need to leave the number where it is – with a smaller daily limit, could support that number.

Annie - Resource will increase. Why are we worried at all about allowing new entry? Just let the permit go. Is the transferability issue that important?

N. Olsen – To me it is. You need dynamism in the fishery. A good argument to be made that there is already lots of capacity in the fishery. You could create something where you'd need to have three guys get together to sell their permits – one guy buys it.

T. Gray – look at the system in the lobster fishery

J. Ackley: Are we back where we were two years ago? For licenses.

D. Temple: Why replace licenses at all? We already think we have too many?

*Discussion ensued:* DMR was directed by the legislature to come up with a mechanism to allow new entrants. The commissioner notes that perhaps we'll just need to go back to the legislature and explain that we don't want any new (additional) licenses, but we've come up with a way to allow entrants by means of transfers.

N. Olsen: the replacement is to maintain flexibility to construct your annual livelihood to be able to move in and out of fisheries. Maintain dynamism.

T. Gray: if you want to maintain your license, just keep buying it. You could sell your license, but need to buy it back in the future for twice as much...that's foolish. Why wouldn't you just keep your license in case you want to use it in the future?

A. Mays: I saw what happened in New Zealand when they went to transferable ITQ's-- all the quota is owned by a few corporations, the little communities like SW Harbor and Jonesport, etc., all their licenses are gone.

J. Kelley: if I could transfer my license with my boat, I could get rid of the equipment

N. Olsen: for conservation purposes, don't want new licenses right now. I think scallops are a good candidate for transferability. You've taken the first hard step -- you've closed entry. You have a permit that is the same for everyone -- no zones -- everyone abides by the same rules. When you buy a permit, can put the pencil to it and figure out what that permit is worth to you. That's how it works in Bristol Bay salmon.

C. Guenther -- the success of ITQs is dependent on how good the science is. Can't engineer this too closely without that information.

N. Olsen -- You need to let a lot of boats go out before allowing any new ones in. You ought to be looking at having mobility between fisheries. That's what used to happen before.

T. Gray -- A lot of people are concerned about the younger generation getting in. They might not be able to afford to buy into the fishery.

N. Olsen -- they can't get in at all right now

A. Todd -- What controls effort is what is going on in other fisheries (lobster, shrimp). Transferability will increase effort. A guy might hold on to his license, but not use it because he's shrimping. If he knows he can get money for it, he'll sell it. If you are going to try to reduce effort, don't transfer it...

Audience: Leasing? Is that on the table?

Jimmy Wotton -- My main concern is latent effort. As the price of scallops increases (Dana Temple had mentioned how the price, already high, will be increasing even more due to Japanese issues caused by the Tsunami/power plant), effort will go through the roof. Will make it profitable to work on amounts of scallops that people shouldn't be working on. You'll grind things down to nothing because you can make money for even a few scallops. Forget transferability until you have the licenses reduced to what you want.

N. Olsen -- they aren't separate, they can relate...transferability can reduce effort.

#### 6) Discussion of upcoming season

J. Ackley -- At home, guys would like to work Monday through Friday, closed weekends  
Togue explains the history of the season issue: DMR required at least one week-end day for the 2009/2010 season, went with SAC recommendation (no week-ends) for the proposed rulemaking in 2010/2011, but significant public comment opposed. People pointed out it wasn't fair to exclude recreational license holders and those with other jobs. DMR crafted a compromise.

N. Olsen points out his opinion: must allow at least one week-end day.

A. Mays -- *motion to adopt the same season as we had last year, seconded by A. Alley*

Discussion of why two days for two months rather than one day for all four. The commissioner notes he believes it's fairer to have one day throughout the season.

D. Sinclair -- It's fair to have one weekend day

MINUTES TAKEN BY DEIRDRE GILBERT 5/16, EDITED BY TOGUE BRAWN 5/17/2011. RE-EDITED BY TRISHA DEGRAAF 8/5/2011.

A. Alley - wasn't there pretty strong consensus in support of the last season on the survey?

Togue - there was strong support for three things in the pre-season survey: no to a split season, yes to days off each week, and preference for a December 15 (as opposed to December 1) start date.

T. Gray – my markets would like to see us to have Friday and Saturday off

D. Temple – doesn't matter for my markets

T. Brawn – Notes two comments from buyers (from last year's public hearings) who deal in Maine scallops, would like to see Fridays off for market reasons

J. Wotton – Are we still talking about a 70 day season?

T. Fogg – Why not have it run from December 15 – March 30?

T. Brawn – we reduced the season from 132 days to 70 days due to concerns over the resource. Anecdotal info suggests we're seeing positive signs, but it's only anecdotal at this point. There's no justifiable reason for increasing the season now. Even if the resource is recovering, why would we want to instantly scoop up the gains? Leave them alone to multiply. For this year anyway, it's 70 days. But do you want to keep it to 5 days in a week? You could go to 3 or 4 days a week. You could take two days off, but not in a row. You have options.

Robert Holland: Sundays are bad, you can't fix your boat if it breaks down on a Sunday – can't buy parts.

Travis: could break down on a Monday, too.

Vote: 7 in favor, T. Gray opposed, J. Grabowski abstained.

Togue lists the season on excel spreadsheet, starts Saturday, December 17, taking December 25 (Sunday) off, runs through Sunday, April 1.

#### 7) Management of closed areas

Carla Guenther: Fisheries roundtable – written report

Have completed 2 rounds of meetings, good percentage of active fleet attending

Asks what's important to you about scallop fishing, what have you seen over the past 15 years, what has your experience with fisheries management been

3<sup>rd</sup> round – will be using the list of priorities to examine specific proposals concerning how to reopen the closed areas. Steuben group will invite Diane Tilton to their next meeting. Different groups will be inviting legislators, the Commissioner, Togue  
T. Brawn – have you been hearing specific proposals concerning how to reopen the closed areas?

C. Guenther – There was a lot of similarity in the first round. Almost every area is proposing a volunteer to assist in monitoring the closed areas.

D. Temple – the more we know, the better we can gauge how much to leave. You want to leave at least 50% of harvestable biomass on the bottom.

R. Holland – when would that (surveys) happen?

Togue - K. Kelley and K. Kanwit are working on a plan of how to augment our current survey to better assess the closed areas – important to mobilize industry, but needs to be done in a meaningful way, statistically significant.

A. Tselikis – to Commissioner: Are you willing to consider using industry in surveys?

N. Olsen – yes, I'm willing to consider it

A. Mays – how are we set for money? We are losing fishermen, declining research revenue. The scallop license with the surcharge is a modest fee – we need information in order to make decisions. Can we do it with what we collect right now?

N. Olsen – we'll have to make it work

A. Tselikis – with Togue leaving, will we still have staff support?

N. Olsen – yes, will still have it somehow

M. Alley – why do we do Cobscook Bay every year? We know there are scallops in Cobscook. We know what's going on in that closed area. We don't have the data we need to manage the other closed areas. Why can't we survey Cobscook less and increase closed area coverage in the rest of the state?

K. Kelley – it's every 2 out of 3 years.

A. Mays – without having a million dollars to do closed area surveys – everyone who has been fishing looks at these areas as a place to make money, but also to get back to a baseline. Do not want to raise hell and wipe them out – lower limits are acceptable, inch by inch approach until they need to be closed. We really want to be conservative.

C. Guenther – there is disagreement on what the effect has been – some areas think they are suffocating themselves out. Need to understand what makes a successful closure.

A. Arthur – What about lower catch limits, limited number of days, daily reporting and then checking on that data... be conservative, and check up on things before it gets too far?

Maurice asks Jimmy to relate story of what happened at the edge of the Jonesport closure.

J. Ackley – there was a piece of bottom at the Jonesport closure, the line was debatable...a guy went in there, took 200 pounds before noon, wound up cleaning the whole thing out.

N. Olsen – does anyone think the closed areas should be open more than 2 days?

Audience: No, and that might be too much. Might also need a lower limit.

Everyone wants to be prudent about reopening these closures.

J. Grabowski – are we going to leave some closed as spawning areas? If you've achieved dense aggregations, might help the resource.

C. Guenther – that was discussed, would be area specific

K. Kelley – depends on what you are trying to achieve – growth? Reproduction?

Should be thinking rotationally about the whole system, rather than just how we are going to reopen the existing areas. Need to be alternating areas, taking effort off of bottom, not optimizing yield...let the scallops rest, can't hurt anything.

Dana M – Carla, does your project include a process to get industry together to talk about industry based surveys?

Carla – yes, it could. Not every area is the same. Different levels of enthusiasm.

#### 8) Other business

Dana Morse: aquaculture and scallop health

Putting together a document regarding the odd things that people are seeing with regard to scallop health – here's how to keep a hold of them, how to keep them, who to contact. The people who would do the analysis is the Aquatic health lab at UMaine. Is it important enough to get samples in? Should we allocate money from the research fund for histology? If so, how much?

K. Kanwit – had complaints about scallop health in Machias bay – gave special licenses, brought to Microtech in Richmond, but nothing is standing out, nothing conclusive. Some of the research fund was used to do that. If we don't know what we are looking for...it may not yield results. May want to approach step-wise.

D. Morse – could get someone like Sandy Shumway to come in and give us some education.

A. Tselikis – is there an RFP process?

T. Brawn – you could, make a recommendation to the Commissioner. I don't know how much it would cost.

D. Morse – the SeaGrant funds were program development.

A. Tselikis – have S. Shumway give a presentation, could SeaGrant do outreach?

D. Temple – not sure how much money there is for this sort of thing.

D. Morse – the only argument I'd make is that a little bit of monitoring on a lower level is better than waiting until something happens.

#### *Aquaculture:*

Ever since the spat bag project there has been interest in growing scallops

Now there is a more accessible path for growers

Interested to hear what people have to say about this...some potential impacts, some good some maybe not so good – what does this group think about this topic?

A. Tselikis – important topic, but there is a lot on our plate right now, and deadlines to meet.

D. Temple – hard to find money for this – usually where this happens, the government gets involved and gives loans. Smaller sector – not our focus right now. Natural wild fishery is where we need to put our resources.

T. Brawn – Just wanted to let you all know that I'm not leaving due to any waning interest in scallops. I need to leave in order to start my business, which will involve buying scallops directly from harvesters, and that represents a conflict of interest. Only leaving because she wants to move forward with her idea for her company. Over four years, we've made amazing progress. I don't want to make any sort of "good-bye" speech, because I plan to stay very much involved, and attend SAC and other meetings. Ideally, I'll be just as involved as before, but from the outside... But I did want to comment briefly, saying that all of you (and I include many of the audience members) should be very proud of the work you've put in over the past few years. DMR dictated that some tough choices needed to be made, and both the SAC and industry rose to the challenge. I'm not saying everything went perfectly smoothly, but progress was made, and although people disagree, there's a whole lot more optimism now than there was a few years ago.

The Maine scallop fishery represents a HUGE opportunity for Maine fishermen and fishing communities. There's no reason the scallop fishery has to be the bastard stepchild compared to lobster. We'll probably never compete with their sheer landings, but scallops could be far more profitable for those fishermen that harvest them. Right now, Maine's scallop fishery is currently missing out on a huge opportunity.

MINUTES TAKEN BY DEIRDRE GILBERT 5/16, EDITED BY TOGUE BRAWN  
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Maine scallop meats grow between 30-50% per year. If you leave on the bottom, they will pay you back and then some. Right now, any little incremental gains the scallops put out will be scooped up so they won't have a chance to yield their full potential.

I understand that it's extremely difficult to work for change in fisheries. Comments from opponents of varying degrees of sanity can be extraordinarily frustrating, and often times, the simplest thing would be to just give up. But I would just urge you to keep talking, even when you disagree. Divers, draggers, full timers, part timers, Downeasterners versus Westerners – for such a small fishery, we've got an awful lot of divisions. But you guys have a lot more common ground than you think you do, and you would ALL stand to gain by bringing this resource back. Don't worry so much about making sure each group suffers and benefits in equal proportions. Concern over dividing the spoils may very well ensure there are no spoils to divide. If one group triples their income and the other quadruples it, both groups are still a lot better off.

You've got a unique opportunity here: you've made some sacrifices, and now you need to figure out how to parlay that into long term gains. With enough willpower, cooperation and determination, you guys can turn Maine's scallop fishery into a completely different entity: something that generates a lot of money for a lot of fishermen and a lot of communities. I would just urge you to keep at it, recognize you're going to have both gains and setbacks, and don't give up.

9) Set next meeting date

Last week of June? 30<sup>th</sup> of June

Motion to adjourn – Annie, second David Sinclair

Unanimous

Adjourned at 6:50 pm.