

Key Outcomes Memorandum - DRAFT

Date: January 17, 2008

To: Participants of the Dungeness crab meeting

From: Maggie Ostdahl, David Crabbe

Re: Jan 14, 2008 meeting at Environmental Defense

Executive Summary – Background, Key Outcomes and Next Steps

Background

After being contacted by a group of Dungeness crab fishermen, Environmental Defense convened a meeting to discuss trends in the crab fishery and explore whether and to what degree there was agreement among the fishermen about their goals for the fishery. Environmental Defense asked David Crabbe to help organize and facilitate the meeting, which was held at the ED San Francisco office on January 14, 2008 (see participants listed and materials used below).

Key Outcomes

All participants were actively involved in discussion throughout the meeting. There was general consensus that the fishery is experiencing overcapitalization of gear and derby fishing, although there was a healthy debate about how best to address these issues.

Participants also agree on two general reform concepts: a coastwide simultaneous season start date, and analysis of a pot limitation system that begins with collaborative design of a multi-component formula for determining actual pot limits (see Attachment 5). A pot allocation formula would likely be based on a base number of pots, boat length component, and catch history.

The crab fishery is one of the few fisheries still remaining under the management jurisdiction with the California State Legislature. Any reform package would require new legislation.

Key Next Steps

Effective change will involve short- and long-term strategies. In the short-term, the legislative timeline for introducing new bills is extremely short. A first draft of a bill would be required by next week (week of January 21, 2008). Reed Addis of Conservation Strategy Group proposed to write simple “spot bill” draft language based on key outcomes above, and circulate it to the group. He will also outline the early

process of a bill so all are on the same page regarding coalition development and decision-making.

If the group decides to go ahead with the short-term strategy, ED will coordinate between fishermen and Sacramento to advance any reform legislation and help develop a longer-term strategy.

The details of group discussions are to remain confidential (i.e., within this group) for the time being.

Meeting Participants and Materials

David Crabbe, facilitator/ commercial fisherman (squid)
Geoff Bettencourt, Half Moon Bay
Michael McHenry, Half Moon Bay
John Tarentino, San Francisco
Joe Mantua, Bodega Bay
Tommy Ancona, Ft. Bragg
Pete Leipzig, Fishermen's Marketing Association, Eureka
Gerry Hemmingsen, Crescent City (teleconferenced)
Victor Pomilia(teleconferenced)
Randy Smith (teleconferenced)
Maggie Ostdahl, Environmental Defense, SF
Michael DeLapa, Environmental Defense, SF
Johanna Thomas, Environmental Defense, SF
Reed Addis, Conservation Strategy Group, Sacramento

The meeting was organized primarily by phone, so materials were not circulated prior. Copies of the agenda along with other reference materials were circulated and are attached here.

Attachment 1 – Agenda

Attachment 2 – Governor's veto message for previously passed crab bill (Leno; AB749)

Attachment 3 – Draft summary of crab fishery in three West Coast states (prepared by Maggie Ostdahl)

Attachment 4 – Map of Washington state "fair start" structure

Attachment 5 – "Crab Committee Report" February 2001

Discussion summary - minutes

The group went through introductions and reviewed the agenda.

I. Issues and goals for the crab fishery by area

Crescent City	No issues expressed
Ft. Bragg	Tommy spoke more from personal opinion rather than on behalf port for the following – changes in the crab business and fishery over time; any management changes must be in the interest of the majority of the fishery; industry overcapitalized in gear escalation; social fabric concerns more than ecological ones
Eureka	FMA – experience with the issue lies with reaction to the previous proposal in legislation; cautious of changes and their consequences; equity issues, identification of problems should come first; costs (e.g. enforcement) of any new programs will be an issue; don't make changes just to create change
Bodega Bay	similar to SF; too much gear in the area at the start of the season; slow the race
San Francisco	slow the fishery -> improve supply; interested in either pot limits or coastwide start to season or...
Half Moon Bay	CA regulations are behind, the management of the fishery is behind the other states on coast; bad business especially regarding the supply and price of the product; amount of gear an issue
Environmental Defense	Would be interested in working on reform if a good level of consensus on issues can be reached; work between fishermen, legislators, others on a reform package that would halt increasing effort and race to fish in the CA Dungeness crab fishery and realize the associated conservation benefits (e.g. (less discarded gear, less discarded crab, less concentration in fishing, lower fuel consumption)

II. Issues expanded

(Reed asked for some clarification) Are the problems with:

- The market?
- Overcapitalization?
 - Gear
 - Latent permits
- The incentive structure?
- Recurring theme “80% of the crab caught and sold for the lowest price in the first 2 weeks of the season”

Processor dynamics

Dwindling Thanksgiving market overall

More buyers, especially developing Asian markets, each year

Latency (permits)

- What does “latent” mean in this case; Tommy voiced concern for cutting participants out of the fishery
- Estimate is 183-186 unfished permits in CA
- Make a clause for latent permits in any pot limit program
- There must be a fair and equitable way to deal with latency
- Johanna raised the question of buybacks – have they been discussed for ‘latent’ permits?
 - Mike DeLapa pointed to the CFF and loan deals as a potential financing source
- A ‘spike’ in effort (ratchet up to a pot limit, for instance) may be expected with any regulation change

Enforcement

- DFG may object to any change for enforcement cost considerations
- Budget estimate once reported by Pete Kalvass, DFG, was \$700,000 (+ cost of boats) for 6 wardens

III. Potential reform tools

Coastwide opener

- Tommy has been advocating for a long time
- Would address to some extent market, pricing, gear concerns
- The 2 weeks is a holdover – is there still a Thanksgiving market? Some thought that the market is different, the prices are no longer as strong as they once were anyway
- Tradeoff – the potential \$\$ lost for 6-8 days may be worth giving up for what’s being lost for the season
- Least controversial tool (among harvest side)?
- Interest by N. Cal in Dec 15 or Jan 1 with clauses

Start clauses (30 day delay/ “fair start”/ effort shift)

- Already there in WA
- Coastwide complicated to set up – overlaps may be possible to get around
- May not be necessary with coastwide simultaneous start date
- Could do a softshell clause

Jurisdiction change

- David asked about changing management of the fishery from legislature to Commission – following from the veto message of the last bill
- Mixed reception
- Mike McHenry receptive to the idea, cited examples of being able to easily access Commissioners to discuss squid
- Political implications

Pot Limit program

- Careful of putting forth numbers without analysis (What is the goal? How to get there? How to enforce?)
- Have to consider latency of permits in any pot limit program
- Other options raised – limit for just one district, temporary pot limit, transferability?
- Total pots in CA waters now?
- Estimate from Bodega Bay meeting Mar 2007 ~ 153,000 pots fished on CA permits (R and NR), using ~ 604 permits, about 250 pots per permit
- could compare this to analysis from yet-to-be-developed formula and decide if too many; could consider pot reduction after formula allocation

IV. Informal straw poll on support for various reform tools (estimated percentage/strength of support by port in parentheses)

<u>Tool</u>	<u>Support</u>	<u>Opposition</u>
<i>Simultaneous start date</i>	Support from SF (90%), HMB (70%), Bodega Bay (70%), Ft. Bragg (50%), and Crescent City (80%)	Eureka more against (80%)
<i>30-day delay clause</i> (assuming current regulations)	Support from HMB (70%), Bodega Bay (70%), SF strongly supports	Crescent City divided (20% strongly opposed, 75% wouldn't care either way) / Ft. Bragg 50% strongly opposed
<i>Shift in management authority</i> (jurisdiction change to Commission)	Needs more explanation and discussion; support very conditional	Crescent City took a port vote last year on this issue and voted no
<i>Pot limitation system, based on flat limit or tiers</i>	HMB, Bodega Bay, and SF in favor of tiered, especially if flat limit won't fly	Ft. Bragg is hesitant with about 50/50 support
<i>Pot limitation system, based on hypothetical formula</i> as envisioned in the 2001 Crab Committee report (proposed by FMA; see Attachment 5)	Consensus to move forward on analysis	
<i>Address latent permits</i>	Needs to be linked somehow to the pot limit formula analysis, and clear setting of a control date (for last vetoed bill, control date was July 15 2007; control date could be set to end of current season so as to address potential activation of unfished permits)	