

***Maryland DNR Joint Meeting  
of the Sport and Tidal Fisheries  
Advisory Commission***

***Monday,  
August 6, 2012***

***Held at the***  
Calvary United Methodist Church  
301 Rowe Blvd.  
Annapolis, Maryland

*Maryland DNR Joint Meeting  
of the Sport and Tidal Fisheries Advisory Commission*

August 6, 2012

**TFAC Members Present:**

Billy Rice, Chair

Mike Benjamin  
Robert T. Brown  
Dale Dawson  
Gilbert Dean  
Robert Gilmer  
Bill Goldsborough  
Stephen Gordon  
Brian Keehn  
Bill Sieling  
Larry Simns  
Gail Sindorf  
Richard Young  
Daniel Webster

**SFAC Members Present:**

Jim Gracie, Chair

Larry Coburn  
Bill Goldsborough  
Val Lynch  
Dr. Ray P. Morgan II  
Ed O'Brien  
David Sikorski  
Carol Stevenson  
Roger Trageser  
Brandon White

**SFAC Members Absent:**

Greg Jetton  
David Smith  
Herb Smith  
James Wommack

**Maryland DNR Fisheries Service**

Marty Gary  
Tom O'Connell

***Maryland DNR Joint Meeting  
of the Sport and Tidal Fisheries Advisory Commission***

August 6, 2012

**INDEX**

|  | <u>Page</u> |
|--|-------------|
| <b><i>Welcome</i></b>  |             |
| by Chair Billy Rice, TFAC<br>and Tom O'Connell, Director<br>MD DNR Fisheries Service                       | 4           |
| <b><i>Announcements</i></b>  |             |
| by Marty Gary<br>MD DNR Fisheries Service  | 5           |
| <b><i>Presentation on Results<br/>of MD DNR Fisheries Service Cost Recovery<br/>Analysis (HB 1372)</i></b> |             |
| by Jorge Holzer, Fisheries Economist<br>MD DNR Fisheries Service/UMD                                       | 7           |
| <b><i>Questions/Discussion on Presentation</i></b>   |             |
| by Jim Gracie  | 15          |
| by Carol Stevenson   | 19          |
| <b><i>Next Steps</i></b>   |             |
| by Tom O'Connell, Director<br>MD DNR Fisheries Service   | 20          |
| <b><i>Questions and Answers</i></b>  |             |
| by Bill Windley  | 21          |
| by Gibby Dean  | 21          |
| by Billy Rice  | 22          |
| by Robert T. Brown   | 23          |
| by Jim Gracie  | 23          |
| by Robert T. Brown   | 24          |
| by Richard Young   | 25          |
| by Brian Keehn   | 26          |
| by Richard Young   | 26          |
| by Billy Rice  | 27          |
| by Richard Young   | 28          |
| <b><i>Public Comment</i></b>   |             |
|  | 30          |

KEYNOTE: "---" denotes inaudible in the transcript  
"\*" denotes word was phonetically spelled

E V E N I N G S E S S I O N

(6:40 p.m.)

*Welcome**by Billy Rice, Chair, TFAC**and Tom O'Connell, Director, MD DNR Fisheries Service*

MR. GARY: Mr. Chairman, you can call the meeting to order.

MR. RICE: Thanks, Marty. I would like to thank everybody for making however many trips you had to make to get here. You passed your initial test because you are here.

First I would like to call on Tom O'Connell to bring us up to speed on where we are at.

MR. O'CONNELL: Sure. I want to welcome all of you to our meeting tonight. It has been our first joint commission meeting for a while but I think most of you recognize each other from previous meetings. I know there has been a lot of anxiety leading up to this meeting. There has been a lot of work behind it, and we are anxious to share with you the results of our cost-recovery analysis tonight.

That is going to be the focus of tonight's meeting. Jorge Holzer, our economist, through the University of Maryland, is going to present the results, have some time for discussion, and talk about next steps as we try to work toward fulfilling our directive by the legislature to prepare a

cost-recovery analysis report by October 1<sup>st</sup> of this year.

The department is very interested in the feedback tonight. I would like to recognize that Secretary Griffin and Deputy Secretary Joe Gill took time out of their schedules to attend tonight and to get a sense of the response of the results of the analysis. So with that -- we got started a little bit later but we wanted to give some people the time get over here if they went over to CBF, where there was a power outage tonight.

We anticipate that we are not going to need the full three hours, probably a couple hours this evening, so I think we are still doing good with time. And before we get started, I know Marty wanted to make a couple announcements.

MR. GARY: My apologies, Mr. Chairman. You followed the agenda perfectly. We usually have the little announcements section in there but it wasn't there. So let me just hit that really quickly.

***Announcements***

***by Marty Gary, MD DNR Fisheries Service***

MR. GARY: So members of the public, members of the commissions, this is a joint Sport Fish/Tidal Fisheries Advisory Commission here to address cost recovery as Tom mentioned.

Silence your cell phones. We already heard a couple

***Audio Associates***  
***301/577-5882***

go off. This meeting is being recorded by Ms. Laura Jackson, our court reporter. Our acoustics aren't the best in here but if everybody could just speak up and respect everybody's time at the mike.

If you want to be called on to speak, our chair for this meeting, our moderator, is going to be Chairman Rice from the Tidal Fish Commission. So raise your hand. He will acknowledge you. Don't talk over somebody else or interrupt them. That goes for the staff also from Fisheries Service. Raise your hand and we will bring you up the mike. Laura, which mike are we going to use? The far one down here for any of the staff members that need to participate.

And we do have a designated public comment period at the end of the meeting. It is approximately 15 minutes in duration. We would like you to sign up with Dianne Samuels -- Dianne where are you sitting? Diane is in the back. She has a clipboard.

If any members of the public would like to speak and offer public comment, please go back and sign up with Dianne. She has a clipboard. She will give that to me. That way we can properly allocate the time, an even distribution of time to those folks that want to offer the public comment.

Apart from than that, we are missing three commissioners tonight. Given what we have gone through

tonight, that is not too bad. Commissioners Herb Smith and Dave Smith from the Sport Fish Commission, and James Wommack, and one other, I think, Greg Jetton. But other than that, pretty good turnout for tonight. We appreciate everybody's patience and cooperation with this move we had tonight. So Chairman Rice, back to you.

MR. RICE: All right. Well then at this time I would like to call on Jorge to give his presentation, please.

MR. GRACIE: Mr. Chairman, procedural question.

MR. RICE: Yes, sir.

MR. GRACIE: In terms of signing up for public comment, can people do that at any time during the meeting because they may not know that they want to comment until they hear what they hear.

MR. RICE: That would be fine. They can sign up until we get to the time period for public comment.

***Presentation on Results of MD DNR Fisheries Service***

***Cost Recovery Analysis (HB1372)***

***by Jorge Holzer , Fisheries Economist (DNR/UMD)***

MR. HOLZER: Good evening. What we are going to do today -- I have a brief presentation. I am going to go over the methodology one more time as a reminder of what we did, and then I am going to present the results, conclusions. We are going to have time for questions and plenty of discussion



at the end.

(Slide)

Remember we went over the methodology in the last two meetings with tidal fish and sport fish. We started this project, this summer study, by defining user and nonuser groups. We have five sectors. We have defined Inland Recreational, Tidal Recreational, Commercial, Aquaculture and finally we introduced a Community sector which comprises the general public in Maryland including seafood consumers.

So the idea of the community sector is to capture the public good component of the services that fisheries services provide to the community.

So those are our five sectors. For Step 2, what we did was to take the fisheries service budget for 2013, in particular the salary for each employee, in fisheries service, and allocate that salary based on the time that person spends serving each of the sectors to each of the user groups that I mentioned above.

After Step 2, we would have a total allocation of salaries across the different user and nonuser groups. Step 3, you remember, was to take the rest, nonsalary costs, in the budget and allocate it across the different categories as well. That would allow us to end up with a full budget for fisheries service allocated across categories, okay?

(Slide)

And if you remember, we basically presented -- this is not a natural distribution. This is an example of what did for the distribution of the operating budget for each subprogram, blue crab in this case. And this is an example of how we did it for salaries, in this case, for analysis and assessment. So that you had seen. It shouldn't be new to you. It is just a refresher of what we did.

(Slide)

Step 4, you have to remember that beside the budget, fisheries service is transferring money to other units in DNR, namely Office of the Secretary, licensing and NRP. So we had to distribute and allocate those funds as well across the different user groups. And we requested that allocation from NRP and licensing, and they provided that allocation to us.

(Slide)

So Step 5 was to -- once we had the total outflows from fisheries fully distributed across user and nonuser groups, we had to look at the revenue side. We then defined current sources of funds for each group. And for this we only look at recurring funds, so we didn't look into one-time grants. We corrected for that, we adjust the study in order not to capture one-time grants that are not recurring and that are not relevant for cost recovery.

Step 6 and final step was to determine whether or not there were additional funds needed to cover management costs of each of those sectors. So this is very briefly what we did. We described it in a bit more detail in previous meetings but basically this is what we did.

(Slide)

So what are the results?

(Slide)

Here you have first -- sorry if it is too small but you have it in a printed version -- you have a summary table with the allocation of each of the subprograms in fisheries across our five categories, okay? Be aware this is not a full picture. There are some funds that are not included here namely those funds that are transferred to other units, and adjustments I mentioned before.

Nonetheless this is a good summary of the final allocation for each subprogram in fisheries.

(Slide)

So what are the main findings of the study? First we project a deficit of \$2.9 million for fisheries service in 2013, and that deficit will be covered with special fund savings, which will run out this year. So 2014 is going to be a challenge because those funds, those savings won't be there.

Finding 2, Inland Recreational is at 106 percent

cost recovery and Tidal Recreational 118 percent cost recovery. That mean they are bringing a surplus to fisheries service. They bring in \$1.5 million more than they cost fisheries to manage them.

We have also a deficit for community, \$1.8 million. That means the cost of those services that we provide to the community are \$1.8 million higher than the revenues that we can credibly allocate to community. So we have a deficit there as well.

(Slide)

And then on the commercial sector, we have a cost recovery of only 61 percent. That means there is a deficit of \$2.6 million associated with the commercial sector. That means that they bring in \$2.6 million less than it costs DNR to manage commercial fisheries.

(Slide)

So put everything together in a table, this is what we have. So we have the five categories here I mentioned before, our user groups and our nonuser groups. We have in the first line total outflows. This is budget plus contributions to other units in DNR.

In the second line you have federal funds, general funds and reimbursable funds. And the third line you have license fee revenues. And what I was mentioning before, the

two -- you have over 100 percent cost recovery for inland and tidal. Both together bring in a surplus of \$1.5 million. That picture is quite different for the commercial sector. It is a shortage of \$2.6 million. And for the community, it is a deficit of \$1.8 million, okay?

It is important to point out that for 2013, the idea is to cover the commercial deficit using general funds, and to cover the community deficit using both special funds, savings and the surplus from the recreational sector. That is the plan for 2013. Again, for 2014, fisheries won't have savings, and therefore there will have to be a way to address the deficit.

(Slide)

So there are basically two ways to go forward here.

(Slide)

The first one is obviously to increase revenue. How do you increase revenue? Well, for example, increase commercial license fees in order to bring the commercial sector to 100 percent cost recovery. That would reduce the deficit by \$2.6 million.

Second you could use the surplus, the \$1.5 million from the recreational sector, to cover part of the deficit from the community sector. That would reduce the deficit for the community to only \$300,000. That extra \$300,000 would

have to be covered presumably with general funds that fisheries would identify within DNR.

(Slide)

So that is the first option. If you put it in a table again, that is what you have. Basically you are increasing license fees in the commercial sector in order to bring it up to \$4.2 million almost. That means an increase in \$2.6 million. And then we would be using the \$1.5 surplus from the recreational sector to cover the community deficit.

The remaining deficit would have to be covered again with general funds presumably. So that is the first option, increase revenues in order to address the \$2.5 deficit projected for '14.

(Slide)

Another option is less appealing: that is to further reduce costs. If there is no increase in revenues, fisheries service will have to identify programs and services that are currently provided to serve the commercial sector, for a total of \$2.6 million, and eliminate those.

Bear in mind, however, that currently, with the current programs, the management costs and dockside value in Maryland is 9 percent. This is -- says international average. So if you decide to reduce those services by \$2.6 million, you are going to be in the 5 percent level of management costs and

dockside value. That suggests that you are going to be losing valuable services.

Finally, if there is no way to use some of the surplus from the recreational sector to cut part of the community deficit, fisheries would have to identify programs and services that serve the community and reduce those or eliminate those services, up to \$1.8 million in cuts.

(Slide)

So what are candidates to programs to be eliminated or reduced? These are just examples. One possibility is to shorten the commercial fishing season for some species. That would allow fisheries to reduce the transfer to NRP, for example.

Another possibility is to reduce the scope of commercial fishing monitoring. Fish health, for example, harvest reporting, et cetera. That would mean however the uncertainty of management would increase and the flexibility for the commercial sector would have to be reduced and you can think of set asides for quota, for example, as a potential consequence of reducing monitoring.

Another possibility would be to change the current management systems of some of the fisheries. For example, striped bass, in order to make it cost effective, which is certainly not the case.

Fisheries could reduce the scope of marketing and outreach. Could reduce or eliminate water quality monitoring and environmental reviews. Finally, reduce the number of buoys marking closure areas, and also modify the procedures for license renewals and transfers.

Again, these are not services that fisheries would like to cut. But in 2014 they may insist on this. There is a deficit of \$2.9 million, so the money has to come from somewhere, either increasing revenues or cutting programs. So that is basically what I have for today. I am open to everyone for questions.

MR. RICE: At this time we would like to open the meeting for discussion and questions from anybody on the commission. I would like to ask those at this time.

***Questions/Discussion on Presentation by Commissioners***

MR. GRACIE: I am having a little trouble understanding the aspects of community as a stakeholder group. I am not sure -- I mean, is there revenue from community? Or are you allocating general fund revenue to community costs?

MR. HOLZER: Ideally we would like to allocate general funds as the revenue for community. That would be --

MR. GRACIE: But that has not been done. That case hasn't been made, has it?

MR. HOLZER: It has not.



MR. GRACIE: Right now, general fund revenue, I don't think has a formula for allocation except that when recreational fishermen supported a license increase, they got a commitment for a general fund match, which I suppose we could justifiably call an allocation to recreational fisheries. But other than that, I am not aware that general fund has any formula prescribed, rigid formula, for allocation. There is flexibility in that, I think.

MR. O'CONNELL: Yes, I mean the department has had broad flexibility with general funds. House Bill 1372 did include language for how general funds shall be used going forward, and it used the words fair and reasonable, and it was discussed with the constituents with the bill that fair and reasonable doesn't necessarily apply to one single year, but over time that the department should be looking forward to using general funds more fairly recognizing that in recent times, that the majority of our general funds has been used to support have been used to support one sector, that being the commercial fishing sector.

One thing I will mention, Jim, you raise a good point about the general fund commitment with the license fee bill. You may notice some differences in the percentages from what we had earlier this year, and at that point in time, we didn't have a community sector, so all those services that are

now being charged to the community were previously charged to the sectors of recreational fishing, commercial fishing and aquaculture.

And you know, a lot of the recommendations from the task force report that came out from the license fee were to increase programs like water quality monitoring, environmental review, enforcement. That stuff is still happening, but a lot of that now is being charged to a community sector.

So although it is not showing up under the recreational costs, it is a cost that is showing up under the community, which is benefiting still all the sectors. So I don't know if that helps explain that change --

MR. GRACIE: Well, the other part of my question was what is your basis for charging costs to community? So if environmental review is one of them, I don't know that everybody would necessarily agree that should be charged to community because that has benefits for all of the sectors of the fishery too.

MR. O'CONNELL: And Jorge can jump in but when we -- there are components of the cost associated with environmental review and water quality and monitoring that are still assigned to the sectors but not the entire amount anymore. A portion of those are assigned to the community and a portion is still being assigned to the fishing --

MR. GRACIE: I guess what I would like to hear is what is the basis for allocating those assignments, the percentage?

MR. HOLZER: That is a very good question. What we did was we had to make an assumption. What was the benefit that each sector was getting from each of the services that fisheries was providing? And based on that, the best information we had within fisheries, we allocated the cost of supporting each service based on the benefit to each sector, based on the benefit that each sector gets for the given service.

So each service costs something to fisheries. We have to decide what was the benefit that each sector was getting and given that benefit we allocated the cost of the service proportionally.

MR. GRACIE: I guess my final follow up then would be is there a document that details that, that we could look at?

MR. HOLZER: We have that. We have our calculations, and that was conducted by each -- each program, met with their staff and went over the allocation of each single service within fisheries.

MR. GRACIE: I think, for example, all of us would probably agree that the general public -- community, if you

will -- benefits from the environmental review, because that protects water quality and we all benefit from that. But I am not sure -- I guess I would like to see how much was attributed to those various --

MR. HOLZER: I think you have the program. Actually you have the breakdown of each subprogram there in the printout, and you have the allocation, community, for the program.

MR. GRACIE: That is in here.

MR. HOLZER: Yes, you have it in your --

MR. GRACIE: I certainly didn't have time to study this in detail.

MR. HOLZER: I think you will have to also understand that given the level of information that fisheries currently have, it is, I mean it is difficult to calculate the economic value of the different fisheries, including the recreational sector, and therefore it is hard to come up with a perfectly refined number for the allocation community.

MR. GRACIE: I don't expect a rigid equation that gives an irrefutable number for each thing. That is not what I was asking for.

MR. RICE: Thank you. Do we have anybody else with a question? Yes, ma'am.

MS. STEVENSON: I am Carol Stevenson from the Sport

Fish Advisory Commission. Looking at 2014 and the options and the second point under option one, increasing revenue, you are talking about using surplus from recreational sector. And that must have been based on projected license fees and revenues that are coming from that, and I was just going to ask you what is the basis for that because in our previous briefings we saw the revenues from the recreational fisheries declining.

So are you projecting a declining rate of revenue or are you assuming that it is going to be a steady or increasing --

MR. HOLZER: We -- the latest actual number we had, which is 12 for the license revenue, for --

MS. STEVENSON: So it is likely that if the trend continues that revenues from recreation are going to be declining.

MR. HOLZER: It could be going down or up. We don't know, but there still may be surplus. Surplus will be, certainly. If we stay at this level, this budget level, there will be a surplus. It might be a little bit lower but since we don't know at this point, we used the latest actual number we had, which is 12.

MR. RICE: Moving right along, do we have anybody else for a question or to make a comment?

(No response)

MR. RICE: If we have none, then Tom can you present us with the next steps that we need to take, please?

*Next Steps*

*by Tom O'Connell, Director, MD DNR Fisheries Service*

MR. O'CONNELL: Yes, so with the results showing that the deficit is on the commercial fisheries side, as we discussed, I think, at the last commission meeting, we wanted to begin meetings with that sector.

And at the last Tidal Fish Advisory Commission meeting, the commission suggested it be the commissioners from Tidal Fish that would begin meeting with the department in the month of August to begin looking at license fee structures that could begin to address this budget deficit.

So we are planning on probably two meetings in the month of August for the Tidal Fish Advisory Commission. They will be open meetings but they will be meetings of the Tidal Fish. I think Gina has those dates. I think it is August 15 and August 29, based upon pre-planning with the Tidal Fish commissioners to identify those dates.

We would meet with the 10 commissioners. Meeting with the Tidal Fish Advisory Commissioners, hopefully make progress on a license fee structure to the point where we could come back in September, have another joint meeting with

Sport Fish and Tidal Fish, get some feedback on the suggestions that have been developed as we move forward with finalizing our report by October 1<sup>st</sup>.

So those are the proposed next steps at this point in time, and if you have any questions --

MR. WINDLEY: Would you give us those dates again?

MR. O'CONNELL: August 15<sup>th</sup> and August 29<sup>th</sup>, beginning at 6:00 p.m. We don't have a location yet but we will send that out when we have that available.

MR. RICE: Gibby?

MR. DEAN: Moving forward from this particular meeting, are we to I guess assume that these numbers are set in stone as far as a level to achieve cost recovery because I am sure that we are going to want to contest these numbers as I have the 61 percent cost recovery on the commercial fishing side. I mean, I totally disagree with those numbers. I would like at least some input on how you arrived at those numbers themselves.

For example, the commercial fishing industry itself because of the regulations and stuff, requires a lot more manpower hours compared -- and I am not here to get into a match with the recreational fishery -- but I think the DNR will be the first to admit that they have no clue, they have no accountability, no clue of what they are catch is because

they are not held to the same accountability level that the commercial is.

So therefore you are spending more time by your choice on monitoring and managing the commercial fishing side, and we are already in process - I mean, this isn't the only meeting we have been attending. We have been working diligently through a number of committees to try to reduce costs just for the enforcement objective. I mean we have a pilot program going on now for electronic reporting. We are looking at hail in and hail out. That could reduce enforcement manpower hours and things of that nature.

It looks like we are all focusing on increasing commercial license fees to offset this deficit. And I would like to have at least some kind of discussion on this 61 percent because it is of your choosing that it goes in that direction.

MR. RICE: I would just like to say, Gibby, I think that is going to be our task at Tidal Fish Advisory to weed through those issues, and all of us on Tidal Fish pretty much are also on the Striped Bass Subcommittee and participating in the Crab Design Team so we are going to discover ways and work out ways that will cut down or eliminate some particular costs and give us more workable figures to hopefully work with.

Robert T?



MR. BROWN: On the Striped Bass Workgroup we were talking about the amount of tags that we have been using and we are going to start paying for our tags. That is one thing that is going to be part of the overhead that the department has. And also by not mailing out as many and not getting as many issued - and part of that has to do with the Atlantic States Marine Fisheries Commission, because they are saying there are too many tags that are out in circulation.

And just by doing that, that is going to be of course saving now. We are talking about possibly how we are going to monitor our tags a little differently and our cards. They have got checking stations where that may be able to save us some money too.

MR. RICE: Tom, did you have something to add?

MR. HOLZER: My understanding is that the tags, tags cost is not in this budget, no. The tag cost is not in the budget. It is out already.

MR. GRACIE: I don't understand that statement. Where is that cost being shown? It is being spent --

MR. HOLZER: They are going to pay directly for that. That is my understanding.

MR. GRACIE: Oh, so it is out of your projections.

MR. HOLZER: Our budget, right.

MR. GRACIE: Okay. I get it now, thank you.

MR. BROWN: So if it is already out of the budget, so we are still at, what you say, --- ?

MR. HOLZER: So correct me, Tom. I think the watermen will pay for that directly? Is that correct? Therefore it is not in the fisheries service budget? Is that clear?

MR. BROWN: I know were talking about doing it. I didn't know if it was in this budget or not.

MR. O'CONNELL: Gibby, I concur with Chairman Rice that that is going to be the focus of our first discussion with Tidal Fish, going into more of the numbers to give you guys a higher level of comfort of the analysis.

I will also comment in regards to Commissioner Brown that I think your response is exactly one of the benefits of cost recovery, that you start looking at it as a business and you look for incentives to reducing costs, and hopefully through the workings of our Blue Crab and Striped Bass Workgroups there will be benefits that will reduce costs, that will lower that cost recovery amount.

I know that there is a lot of work that has been done. There is a lot of work still to do with those two groups before we get there. And whether or not we can get there for '14 or not, we are striving for that.

MR. RICE: Richard?

MR. YOUNG: Charter boat fishing, is that designated commercial or recreational under your calculations?

MR. HOLZER: It is commercial.

MR. YOUNG: It is commercial. They operate under recreational regulations? I would argue that they are not a commercial fishery.

MS HUNT: Just a couple comments. Gina Hunt with fisheries. Charter boat is one of those, you are right, it kind of fits in between, that is why it used to be allocated in a separate quota. So charter boat actually brings in two sources of revenue. They have a commercial license, so you have a fishing --- license or an unlimited TFL. So you bring in revenue on the commercial side that you also, if you are active, purchase a pleasure boat decal, which covers your recreational --- . So you bring in money on the recreational side.

You have costs on both sides. There is --- commercial for management but --- charter boat reports. That goes to commercial monitoring. So it really is unique. It basically brings in two sources ---. It also costs us two different groups of charges so the only part that was on the table here was the commercial fee for charter boat at this point. Not the pleasure boat decal. Again the pleasure boat decal is seen as recreational revenue, and recreational is

already at cost recovery. If that helps.

MR. KEEHN: So to answer your question, Richard, we pay twice.

MR. YOUNG: Well --- what you pay. I am saying where is the cost management of the charter boat fishery falling? Is it falling in the commercial sector or --

MR. KEEHN: We pay into the commercial and we also pay into the recreational.

MR. YOUNG: It doesn't matter where you pay. It matters where they are charging the expense of managing you as to whether they are charging it as a commercial fishery or as a recreational fishery. And it looks like they are going to charge it as a commercial.

MS. HUNT: It is in both, but your charter boat reports are a commercial recording method, that is how it is charged. That is how it is charged. But that is unique to charter boats, so a charter boat is going to have some recreational costs, and fish recreational quotas so it costs -- costs some recreational costs and some costs are commercial costs.

It wasn't a separate sector that we charged here. There is rec inland, rec tidal, commercial, aquaculture. Those are the sectors, not charter boat.

MR. YOUNG: I understand that.

MS. HUNT: So in order to tease out your question, you would have to assign that.

MR. YOUNG: The point is that is a gray area and it could be determined to be more of a recreational expense than it is a commercial expense because it is recreational people that are actually out there -- even though it is reported on the commercial side. Should the full burden on the charter boat harvest monitoring be borne by the commercial sector?

MS. HUNT: On your commercial license.

MR. YOUNG: Well, I understand, yes. However, it is recreational people who you are reporting on. So it is a gray area and it is something that I think that, you know -- I mean, it may just be, it maybe be pennies. I don't know. Until we can get into this and we can decide and work on coming up with ways that we can --- a \$2 million deficit.

MR. RICE: Well, maybe at the Tidal Fish meeting we could possibly have some figures to work with on the cost of managing the tidal fishery. And that will let us know how to ---.

Does anybody else have something to bring forth about this allocation issue?

(No response)

MR. RICE: If not, before we move to public comment, Commissioner Young asked to bring forth an issue.

MR. YOUNG: And I was going to try to squeeze it in before. It has nothing to do with cost recovery but I think it is something that both commissions need to know about. It has come to my attention that there is a growing problem with live bait fishermen and especially -- I hate to point fingers on the recreational side -- of harvesting undersized Atlantic croaker and using them for bait for the rockfish, as live bait.

And I know of several fishermen who have been in a certain area in the eastern bay, and they have spent 3 hours to catch 15 spot, which is the preferred bait for the striped bass. And they see these summer consoles and small sport fishing boats come in there and 20 minutes later they got their --- and are back out going fishing.

Well during those three hours, these people are catching 25 or even 30 to 1 croaker versus spot. And these guys are coming in there in 20 minutes and leaving with a load of live bait -- are leaving with juvenile croaker.

And whether it is that they don't know the difference or whether they are just blatantly -- they just say, oh, that is a small fish. That will be good bait. And they go right ahead and fish with them. Now it is my understanding the croaker has got a nine-inch minimum. Am I right on that?

(Chorus of "That is correct")

MR. YOUNG: What I am looking for, I guess, is for -- maybe NRP will state checking live wells and seeing what kinds of bait these people are actually keeping. And what they are actually taking and write the citations for it. A couple of citations with the new penalties -- if 50 percent of your creel limit is undersized, it is a 180-day suspension. And a couple of tickets that say 180 days, your license is suspended, will stop them from keeping those croaker.

MR. RICE: Thank you for bringing that to our attention. I am sure the necessary authorities will be notified.

MR. O'CONNELL: Yes, this issue came to our attention a couple weeks ago and our staff put together a fact sheet to try to clarify the difference to identify croaker and spot. I don't know if that was sent to Tidal Fish or not.

MR. : We received it, Tom.

MR. O'CONNELL: But we will follow up with NRP to make sure they are actually aware of this potential problem and anybody has any information on locations, you know, time of harvest, please bring that to our attention either directly through NRP through their poaching hotline I guess or you can contact --- or myself and we will try to make sure it is addressed.

MR. RICE: Okay. Danny you are the sole public participant tonight. We would like to hear from you.

***Public Comment***

MR. BECK: Gentlemen, I appreciate the opportunity to come here and express my opinion on where we are at in the fisheries that we have. I am what is left of Daniel Franklin Beck Jr. and a lifelong commercial fisherman. My first fish was sold when I was in the first grade, and I have fished ever since.

I always do my homework and read all this stuff and pay attention to what is up there, and I see that we have got a 61 percent level of cost recovery in the commercial fishery, and we have a \$2.6 million deficit. At this point in time, and I see something about commercial season up there. It is a lot of things there.

But at this point in time, with the level of our fisheries throughout this United States with catch shares and corporations buying up quotas and all these things that the total fisheries in this United States are subject to, and our amount of fishing that we are allowed to do now for seasons and daily limits and seasonal limits -- and I don't have any complaint anymore with quotas, if I thought they were just.

But when a guy like me who went into the business as a black net fisherman, when the moratorium went into effect,



and continued on that path, and watched my quota go down from 10,700 pound per license down to 2,700 pounds this year, something is wrong with that picture. I am not even going to talk about oysters or clams or anything like that because everything has a serious problem.

And looking here about eliminating water monitoring and fish health monitoring and all the things we can do to reduce this deficit. And raising our license fees up. Gentlemen, I have to maintain five licenses, TFLs with rockfish allocations now, as I have for years, to be able to be a commercial fisherman.

And due to the fact of our whittling down of quotas, I can't be a pound netter anymore because in my section of the bay, we don't catch bait to sustain us. I have to hook up with a real fisherman somewhere else who makes the majority of his living off of mud shad or off of menhaden to be a real pound netter.

And the rockfish, nowadays it is just a little piece of the pie compared to what you could do every day pound netting doing something else. Now myself now, I am 100 percent catfisherman. I got a minimum size limit that I couldn't sell anything 10 inches to begin with, and I can try to catch them 10 months out of the year.

And what I want to say is I know DNR is in a tough

position here but we are in a tough position too when it comes to what we are dealing with, with regulations and quotas and seasons and everything.

And I believe everybody needs to pay their fair share, but the end product of this is, when this state loses its commercial fishermen, whatever value that we catch and feed the consumers, and the Maryland crabs and all the stuff.

When you lose us -- the majority of us are 60 years and older. I am 63, and I am about done because of my accident. But I have to work. But I see what is going on around but when you lose your watermen, you are going to lose your tax base that is coming off of everything that we produce and in whatever season that we produce it.

And, you know, there is one thing in here that wasn't written out. I am on some rockfish groups and crab groups and things that are trying to find a better way. And we have been talking about, on the rockfish committees and subcommittees about DNR is not going to buy our rockfish tags anymore. That is okay. We will buy our own rockfish tags. That will knock a little piece of chunk out of here.

And we talked -- Gibby talked one time about raising our license fees up \$300 if we are a striped bass fisherman. Well, that is buying our license, buying our tags. And in

here I see a cost recovery thing of transferring license and license modifications. One man can't hold five permits for striped bass and have to give them to somebody else without a transfer.

So if you initiate a fee on that, that is one thing that we may find palatable. I don't like it, but if you have to do it you have to do it. And I just hope that in these tight economic times, that we don't see our watermen whittled down no further than what we are. I would like everybody to catch everything they can catch. All you guys over there that fish with hook and line, I hope you catch all you want to catch and all you can do everything with. And we hope to be able to do same thing in the Chesapeake Bay.

On the Maryland seal, I don't know whether you know it, but you got a tobacco farmer and commercial fisherman. We don't have anymore tobacco farms in Maryland. And you got a few commercial fishermen left. And I just hope we find a better way or give us some more latitude. If we got something back instead of losing every year, every species.

Our oystermen, Governor O'Malley is going to save the oysters, so he took all the good oyster ground for sanctuaries. The flood last year come along and wiped that out. He ain't saved nothing. All the crabs we were going to have this summer is going to be a banner season. They got to

grow yet and get hard. And when we got them, it is going to be after Labor Day.

So our crabbers, trot liners, and all of that have had a terrible year so far. So, you know, I sit back, got a lot of time to contemplate and look at things. And you know, you have got to look at the big picture. And I hope I haven't offended anybody here because that wasn't my intention.

I just wanted to express, as president of the Baltimore County Watermen's Association, on the board of directors, MWA, what I feel about this. And I just wish Larry would have had something to say and let me off the hook a little bit, but I don't care. In the position I am in, I have been on the hook plenty in the last year and a half. Still here.

MR. RICE: Thank you, Danny.

MR. BECK: Thank you gentlemen, and lady.

MR. RICE: That Maryland seal means a lot to me because I grew up on a tobacco farm and I hated it so much I decided to make a living on the water as soon as I got out of high school. Does anybody else from the public wish to speak?

(No response)

MR. RICE: If we don't have anymore public speakers, I would like to thank everybody for their patience and for finding their way here tonight. Thank you very much. We

stand adjourned.

(Whereupon, the meeting adjourned at 7:30 p.m.)