

Maryland DNR

***Joint Meeting
of the Sport and Tidal Fisheries
Advisory Commissions***

Monday,

November 5, 2012

Held at the
Chesapeake Bay Foundation
Annapolis, Maryland

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

November 5, 2012

TFAC Members Present:

Billy Rice, Chair

Danny Beck (*proxy for Larry Simns*)
Mike Benjamin
Robert T. Brown
Dale Dawson
Gilbert Dean
Robert Gilmer
Tom Ireland (*proxy for Brian Keehn*)
Bill Sieling
Guy Spurry (*proxy for Steve Gordon*)
Richard Young

TFAC Members Absent :

Steve Gordon
Brian Keehn
Larry Simns
Gail Sindorf
Dan Webster

SFAC Members Present:

Jim Gracie, Chair

Bill Goldsborough
Greg Jetton
Val Lynch
Shawn Kimbro (*proxy for David Sikorski*)
Ed O'Brien
David Smith
Herb Smith
Carol Stevenson
Roger Trageser
Brandon White
Bill Windley

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SFAC Members Absent :

Larry Coburn
Dr. Ray P. Morgan II
David Sikorski
James Wommack

Maryland DNR Fisheries Service

Frank Dawson
Gina Hunt

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KEYNOTE: "---" denotes inaudible in the transcript

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

(6:10 p.m.)

Welcome and Announcements

by Jim Gracie, Chair, SFAC

and Gina Hunt, Deputy Director, MD DNR Fisheries Service

MR. GRACIE: Can I have everyone's attention? I am going to chair the meeting tonight. Billy chaired the last joint meeting so we are alternating. I don't have much to say at this point. I am going to turn the meeting over to Gina, who has a presentation to make. There will be plenty of opportunity to have discussion.

MS. HUNT: Well, thank you, everybody, for coming and rescheduling. I know it is a little last minute. I was starting to think this meeting room may have been jinxed because the first meeting here, the power went out. We were supposed to meet as a joint commission. This last meeting, they sent a hurricane. So I am really pleased that we could all meet here today. Welcome.

First I just want to go over the ground rules that usually Marty would do. So please silence your cell phones. So everybody knows -- the folks in the audience may not have attended before. The meetings are recorded. There is a court reporter up there, and the transcripts will be available online.

And then just a reminder for all to please speak up

1 | so everybody can hear. These microphones are not for
2 | amplifying your voice. They are actually just for the court
3 | recorder. The chair will call on you to speak, as Jim said.
4 | Jim is going to act as the chair this evening, so please just
5 | wait your turn to speak and be respectful.

6 | And last there will be an opportunity for public
7 | comment at the end of the meeting, just like there usually is.
8 | We are missing a few commissioners. Larry Simns, his proxy is
9 | Danny Beck tonight. I think Brian Keehn has Tommy Ireland.
10 | Steve Gordon is not here. Guy Spurry is here on his behalf.
11 | And then proxy for Larry Coburn is Brian Hunt. And Dave
12 | Sikorski also could not make it, and Shawn Kimbro is here as
13 | his proxy.

14 | MR. GRACIE: One other announcement. We also allow
15 | the public to speak before we vote on any motions.

16 | MS. HUNT: Correct. Okay. Unfortunately we don't
17 | have the little remote so I am going to need Eric to stand up
18 | there and just scroll through this.

19 | (Slide)

20 | So just to go over our agenda for the evening, we
21 | are going to go over just the next steps, the timeline of where
22 | we are. As you know, the report was actually due October 1st,
23 | so we are already a bit behind. We are going to go over the
24 | next steps and future timeline.

25 | Review of the documents that were sent out on

1 Friday. They are also posted online. And then we will get
2 into the discussion and recommendations from the commission.
3 So, Eric, if you could just scroll through. Thanks.

4 (Slide)

5 ***Presentation***

6 ***by Gina Hunt, Deputy Director, MD DNR Fisheries Service***

7 MS. HUNT: The timeline -- as I said, the report was
8 due October 1st. The department submitted a letter requesting
9 an extension. It was granted to mid-December. So at this
10 point, we will be looking for recommendations and comments
11 from both commissions this evening.

12 If there are things that you feel like you need to
13 go back and talk to your stakeholders about and, you know,
14 give us further recommendations after this evening, if you
15 could please do that by this Friday, by the 9th, get those
16 recommendations back to us, and then we are going to start
17 drafting the report.

18 We will send a draft report out to all the
19 commissioners by November 27th, so, you know, there are quite a
20 few holidays between here and there, including Thanksgiving.
21 So this is -- I think the Tuesday after Thanksgiving we will
22 be sending out a draft of the report to commissioners, and
23 would like comments back in a week.

24 The comments we are requesting, if you could send
25 the comments back to the chair, they could handle your

1 | comments for your commission, and then they would be forwarded
2 | to the department. And then from there we can submit the
3 | final report in mid-December. So that is the path forward.

4 | MR. GRACIE: Just let me make sure I am clear on
5 | something. There are actually two opportunities for comments
6 | to come back. Do you want both sets to come through the
7 | chairs?

8 | MS. HUNT: That would be great. Any comments after
9 | tonight to us by Friday. If they come through the chairs,
10 | that would also be helpful.

11 | MR. GRACIE: Okay.

12 | MS. HUNT: So Eric?

13 | (Slide)

14 | MS. HUNT: This is just a copy of what you already
15 | have in the handouts so if you can't read it up there -- there
16 | are additional handouts back at the table for the public, and
17 | then obviously the commissioners have them in their folders.

18 | So the first handout, if I could pull it up, is the
19 | adjustments that have been made to the analysis. We have had
20 | many meetings on the analysis, including those two that were
21 | split commission meetings, and based on the comments that we
22 | received from those meetings, we made the following
23 | adjustments.

24 | Money that was part of resource assessment service
25 | was originally allocated entirely to community, and that has

1 | been changed, and parts of it have been allocated to the other
2 | sectors.

3 | And then also the percentage allocated to community
4 | for both striped bass and blue crabs programs was increased to
5 | 30 percent. Originally those programs had 10 percent assigned
6 | to community and that has been changed to 30 percent based on
7 | the iconic character of both those species and the value that
8 | the public, the general public, would place on those because
9 | of their iconic character.

10 | So because of those adjustments, it does change the
11 | numbers slightly, and you will see down there just in the red,
12 | where it is still -- recreational has a surplus of \$1.5, \$1.6
13 | million now.

14 | Commercial has a deficit of \$2.4, and community also
15 | has a deficit of \$2 million, but that is where, at least in
16 | the last one you saw, there was like a little arrow, where the
17 | money from, that surplus in the recreational sector was
18 | funding the deficit in the community, which now brings them
19 | down to \$428,000, as far as the deficit.

20 | So these were the changes in the analysis. There
21 | were -- also other things we just thought we should bring to
22 | your attention. I know we have said them in past meetings,
23 | but so everybody is clear, that the analysis was done on the
24 | '13 budget.

25 | So, you know, not the '11, not '12, this is on '13.

1 So it is based on the cost of programs that were in '13's
2 budget. There were some programs that were not in there
3 because they were being funded by the federal disaster money.

4 So in other words, they are still happening this
5 year, some of these blue crab programs, but they are not part
6 of the analysis because none of that federal disaster money is
7 in the analysis because it is a one-time, we are not getting
8 it again. So it wasn't part of the analysis as your cost. It
9 wasn't part of your analysis as a benefit.

10 So that is why there is -- I put a little asterisk
11 there to be clear there are additional surveys the department
12 is currently doing that are not part of these costs. So the
13 blue crab effort survey winter dredge and cooperative data
14 collection program.

15 And then we just broke it down on if you take those
16 costs for those surveys and now attribute it back to -- try to
17 put it back in fisheries service budget and use those same
18 percentages across the cost recovery analysis, what those
19 costs would be to the different sectors.

20 So that is what the asterisk means at the bottom.
21 It is in addition to what the cost recovery numbers are up
22 there in the table. Are there any questions at that point?

23 ***Questions and Answers***

24 MR. GRACIE: Go through these abbreviations for me,
25 please, on the table.

1 MS. HUNT: Oh, up here on this slide, on the left.

2 MR. GRACIE: On the left and here.

3 MS. HUNT: Sure. So the first line is the total
4 fisheries service cost, and then below that total federal
5 funds, general funds and reimbursable funds that come into the
6 department, and then license revenues are what we call special
7 funds. So the \$11 million over there in the total, those are
8 special funds.

9 That is then broken down in what amount is required
10 for 100 percent cost recovery across each of those sectors.
11 What kind of increase you would need in special fund revenues,
12 so license fees. Cost recovery and then again federal,
13 reimbursable and special funds.

14 MR. GRACIE: Thank you.

15 MR. GILMER: So, Gina, what you are saying is none
16 of the crab surveys are in this budget, correct?

17 MS. HUNT: Right.

18 MR. GILMER: Could you just give us a little bit of
19 information on what it would mean if we didn't have those
20 surveys?

21 MS. HUNT: Well, the winter dredge survey I think is
22 one of those surveys we just absolutely need to do. It is not
23 just whether or not it benefits recreational/commercial. It
24 is actually our indices on how well the population is doing.

25 So this is one that I think even the community would

1 have a high value on, the winter dredge survey. It is also
2 one of the least expensive ones because we already have the
3 manpower. It is basically the gas, the fuel, that kind of
4 extra seasonal, that kind cost.

5 So that one I think there is just, there is not
6 really any way to cut that. The other surveys are more effort
7 surveys. So these are the things that are used to decide what
8 your bushel limits would be above and beyond what the
9 information we get in harvest reports.

10 So if we had to rely -- if we didn't have these
11 surveys and we had to rely on your harvest reports, the bushel
12 limits would go down significantly, the female bushel limits,
13 to be clear.

14 MR. GILMER: Right. I pretty much knew that. I
15 just wanted to make sure everybody --

16 MS. HUNT: You wanted me to say it. I understand.

17 MR. GILMER: Well, yes, yes.

18 MS. HUNT: That is okay.

19 MR. GILMER: Well, I wanted everybody to understand
20 the ramifications of it.

21 MS. HUNT: Right. They are big. Okay, Eric.

22 (Slide)

23 MS. HUNT: The next part, and this is -- the
24 document itself has a better explanation. But the next part
25 was at those meetings there were questions about increasing

1 not just the community costs for blue crabs and striped bass
2 but overall, what is the value the public has for all of these
3 programs or each of these programs.

4 And so the problem is that to actually find out how
5 the public values these, you would have to do a survey and
6 actually find out their preference. And clearly there isn't
7 time to do a survey of the general public to find out what
8 they would be willing to pay for these services.

9 So the analysis is based on the managers'
10 professional opinion of what the value, what the benefit is
11 across the sector. Clearly it could be more accurate if you
12 did do a survey, so what we did here was just say, well, let's
13 look at the sensitivity of the data and see if you did change
14 the community as a whole, not across, again, blue crab,
15 striped bass, but as a whole, you increase those percentages,
16 what would it mean to the other sectors?

17 So that is what the table illustrates. It is just
18 an example of the effects of shifting those costs to
19 community, and what it would mean in those other sectors. So
20 you will see the community deficit goes up. Commercial
21 deficit goes down. Recreational surplus goes up. As you go
22 across 10 down to 35 percent in the community costs.

23 And likewise, Eric, if you just flip to the next
24 one --

25 (Slide)

1 MS. HUNT: Natural resources police: This is a
2 little more, I don't know if finite is the word, but there is
3 a very specified amount of money that fisheries is currently
4 paying to natural resources police, so of the \$3.3 million,
5 when you take these percentages, they are applied to the \$3.3
6 rather than anything like the whole fisheries budget.

7 So if you shifted the costs to community, of NRP,
8 currently in the analysis it is 10 percent. So if you moved
9 some of that over to community, how would that affect the
10 other costs?

11 The other cost recovery analyses that have been
12 done, we have looked at other countries, and folks that have
13 done this, some folks do not use any costs of enforcement to
14 the people they enforce. Basically if -- recreational,
15 commercial wouldn't be paying any costs for that enforcement.
16 They are the ones being enforced by it. They find it a
17 conflict of interest.

18 Other groups that do cost recovery analysis say you
19 are the folks getting the enforcement. You should be paying
20 for that service, and it is 100 percent paid. So there is no
21 rule of thumb to follow here. It is about as far a margin as
22 you could be apart.

23 So again, the sensitivity analysis just looks at,
24 well, if you did shift those costs, what would it mean to the
25 two sectors? If you remember, commercial has 26 percent of

1 the cost, so shifting the overall number more toward community
2 doesn't have as big of an effect here because the piece
3 commercial has of NRP costs is smaller.

4 So that is why you don't see the numbers change in
5 this table as much as you do in the community sensitivity
6 analysis. You can stop me at any time if you want, or I will
7 just plow forward.

8 MR. GRACIE: I am not sure I understand what the
9 numbers in those blocks are. If they are 50 percent -- let's
10 take the 50 percent under inland. You have \$658,357, and the
11 next number you have is a minus number. I am not sure I
12 understand what you are saying there.

13 MS. HUNT: Oh, I am sorry. That is because this
14 table --

15 MR. GRACIE: Oh, the minuses are displaced.

16 MS. HUNT: Yes. Up there on the screen you can see
17 it better, but the way it got printed out, the minus showed up
18 on a different row. I am sorry. Blue is surplus. Red is
19 deficit. It is actually better on the screen.

20 Okay. So the other handouts we had -- Eric, you are
21 just going to have to go to the Word document. Just exit out
22 of that. There you go. Just go to the Word document.

23 (Slide)

24 MS. HUNT: So this obviously doesn't fit well in a
25 Powerpoint presentation. It is a long list and, again, it is

1 in the handout. But this is something both commissions had
2 asked a number of times if the department could come up with a
3 list of services that would have to be cut if the additional
4 revenue is not achieved.

5 So -- and we have heard this request a number of
6 times. It was very difficult to put this list together
7 because we are trying to target services that were meaningful
8 for the sector in the deficit. So -- and as you can imagine,
9 a lot of the services the department, fisheries service,
10 provides have benefits across sectors.

11 So there are very few things that you would cut that
12 are only meaningful just to commercial and have no impact to
13 anybody else. So going through the services that fisheries
14 provides, trying to find out what are those items that would
15 actually have a bigger bang in the commercial deficit than
16 adding 100 services that are just small and trying to
17 accumulate them, so this is how the list was accumulated.

18 It is based on '13's budget again, but as I said in
19 e-mail, it is predecisional because at the time that cuts
20 would need to be made, it may be some of these, it may be none
21 of these that are what end up moving forward on the cutting
22 block.

23 These are examples of what you would need to get to
24 \$2.4 million in cuts out of fisheries' service budget.

25 MR. GRACIE: Where are the costs of each of those

1 items listed?

2 MS. HUNT: So the costs were not listed, and so --

3 MR. GRACIE: That actually would be the basis of the
4 kind of budget we would like to see.

5 MS. HUNT: I have had that request today, a couple
6 of times, and the best I can tell you is that the reason it
7 wasn't put up there was because again it is predecisional and
8 we didn't want folks to look through the programs and say,
9 well, you know, a la carte, I will take these 5 and not those
10 20.

11 But what we are looking for is your recommendations
12 on, and your comments back on what you do feel about these
13 cuts. So I will just tell you, if both commissions feel
14 strongly about getting dollar numbers, we will take it back to
15 the Secretary and request it.

16 But at this point I was not able to submit that to
17 you. We can certainly go back and ask for it, but with or
18 without it, we still would like some recommendation on, your
19 comments and your feelings about this. We have tried to list
20 the impact over there on the right, what it would mean if you
21 actually cut that program.

22 MR. GRACIE: Gina, let me make sure I understand
23 what you just said. If you came up with the \$2.4 million, you
24 actually have calculated the cost for each of those, correct?

25 MS. HUNT: There is cost --

1 MR. GRACIE: You are just going to ask the Secretary
2 if you can release them to us.

3 MS. HUNT: Exactly, yes.

4 MR. DAWSON: Gina, you know, one of the questions
5 here too or certainly one of the sensitivities that we have is
6 that people's jobs are included in this calculus here and, I
7 mean, frankly the more information you provide, the more
8 concerned people might be about their individual jobs, and
9 this is just an idea of what are some of the topic areas
10 and/or functional areas that would get cut.

11 And so we are trying to balance that out, you know,
12 along with our staff.

13 MR. GRACIE: Okay, this isn't a comprehensive
14 listing of all your programs, is it?

15 MS. HUNT: No, certainly not, no.

16 MR. DAWSON: This is a listing of what, as Gina
17 said, one recipe, to get to the \$2.4 million.

18 MR. GRACIE: Okay.

19 MR. DAWSON: And as Gina said, we would be glad to
20 entertain -- you know, if there are a number of items on here
21 that you think are palatable to be cut, that is great. If
22 there are other things that you are aware of that you think
23 should be cut, you should tell us those things.

24 MR. GRACIE: Carol?

25 MS. STEVENSON: Yes, I would like to know what the

1 selection criteria were for putting these on the list as
2 opposed to some others. In addition to the cost. The cost is
3 pretty accurate. The cost is pretty important, but if there
4 are certain common values that appear in here, then I think
5 that would be important to determine if those values are
6 understood. In other words, what are the selection criteria?

7 MS. HUNT: You know, cost was the main factor,
8 looking at, of a program, if 30, 40 percent of its costs could
9 be attributed to the commercial sector.

10 MR. GRACIE: So you were targeting things that
11 support commercial?

12 MR. DAWSON: Right --

13 MS. HUNT: Because that is the \$2.4 million deficit,
14 so rather than coming up with a laundry list of a few hundred
15 things that were very small costs to commercial and cutting
16 many things, you know, and trying to kind of basically come up
17 with tiny bits to add up to \$2.4, to come up with something
18 that had a significant cost to commercial so if you cut it, it
19 made a big dent in the \$2.4 million.

20 MS. STEVENSON: But that doesn't tell me whether
21 that is a terribly important program as opposed to a lot of
22 little cuts. I mean I don't have any sense of why, just
23 because it is a bigger target amount that was cut.

24 MR. GRACIE: Carol, I am not sure, that -- it
25 appears these programs primarily serve the commercial

1 fishermen. I am not sure that any of us on the sport fish
2 commission would have a good sense of the value to the
3 commercial fishery.

4 MS. STEVENSON: Yes, but what about the commercial
5 fishery?

6 MR. GRACIE: I think -- I bet every one of them can
7 talk about the value of each of these programs, whether or not
8 they know the cost.

9 MR. DAWSON: Just a couple comments. We have spent
10 a number of years in cutting the budget, not just in this part
11 of the department --

12 MR. GRACIE: I am aware of that.

13 MR. DAWSON: -- and we have spent a lot of time. I
14 think people sit and think of it as cutting the fat around the
15 edges. And frankly we are really past that point. And we are
16 at a point now where we need to take whole programs out.

17 Carol, I think to your point, I mean one of the
18 things we are trying to do, if we had to make these kinds of
19 cuts, is still to try to have the maximum commercial fishery
20 that we could have in the face of these kinds of cuts.

21 So, I mean, those are the kinds of things we took
22 into consideration. You know, how minimal information do we
23 need to actually run certain fisheries? I mean, these are not
24 easy decisions.

25 MS. STEVENSON: I am sure not. I just didn't

1 understand why these were selected as opposed to some others.

2 Thank you.

3 MR. GRACIE: Brandon?

4 MR. WHITE: My question, my first question is if
5 there was a number, was there a threshold. Meaning did it
6 have to be more than \$250,000?

7 MR. DAWSON: No.

8 MS. HUNT: It was a percentage of the program's
9 costs.

10 MR. WHITE: So as a percentage of that program's
11 costs that translated into a dollar amount, that would take a
12 big chunk out of the commercial deficit.

13 MS. HUNT: But some -- again, some do not. I mean,
14 some of them don't have a high cost to begin with. It is just
15 that they are a higher percentage toward commercial. This is
16 where, you know, the comments back on what you think about
17 losing that program is important because they are not all
18 weighted equally. They are not all high dollar numbers.

19 What they are, are all higher commercial costs, but
20 they are not necessarily high dollars.

21 MR. WHITE: Okay, that is fair. So the next
22 question I have is if you can't release the numbers, can you
23 give us the percentages so that we can understand because as
24 recs, we need to understand where that sits to be able to make
25 some determination of the value of the programs that you have

1 listed. And can we add other things to this list, because you
2 say -- I think there is one thing on here that says and/or
3 other fisheries.

4 MS. HUNT: Right. Answer to both: So if you would
5 like to know, when you look at this program, what are the
6 percentages across sector that the cost is assigned to, yes,
7 we can give you that. Again we will check with the
8 Secretary's office on the cost.

9 The second, could you add things to this list,
10 absolutely. Tell us what you would add. Tell us if you would
11 say, absolutely you cannot cut that program. That is the kind
12 of feedback that would be helpful.

13 MR. GRACIE: I think I had Ed and then Shawn.

14 MR. KIMBRO: I had the same question.

15 MR. GRACIE: Anybody else? Go ahead, Ed.

16 MR. O'BRIEN: Frank partially answered my question.
17 I would like to get a better feel as to what this does mean in
18 jobs in DNR, and where?

19 For instance, this fisheries marketing program
20 elimination. That has been a very successful program, and it
21 is one that I had hoped and have communicated that I would
22 like to see the charter boat industry get involved in. So as
23 this goes along I would have liked to have heard or maybe
24 still hear just how many jobs that we can pretty much, those
25 of us that are involved, can pretty much visualize who the

1 | people are.

2 | And that gets to the core of this situation. You
3 | are making it too easy on us when it comes to this elimination
4 | thing. We need to understand it more.

5 | MS. HUNT: You want to know how many people are
6 | assigned to each program that would be cut?

7 | MR. O'BRIEN: Well, in general. Maybe if it is in
8 | here somewhere let me know but how many jobs are going to be
9 | affected?

10 | MS. HUNT: More than 30 people, fisheries staff. In
11 | this particular recipe, there would be more than 30 staff.

12 | MR. : What is the total number?

13 | MS. HUNT: Currently in fisheries staff? 160, I
14 | think. And, you know, as hard as it was to make that list, we
15 | had to tell staff on Friday about the list. So that was a
16 | much harder e-mail to send.

17 | MR. KIMBRO: I am sorry. Say that again, Gina.

18 | MS. HUNT: On Friday, we sent an e-mail to inform
19 | our staff that there was this list because, you know, it was
20 | going up on the Website, certainly a public meeting. They
21 | needed to know that this was a possible impact.

22 | And again we told them the same thing we are telling
23 | you. It is not decisional. But it was a very hard e-mail to
24 | send because they can sit there and look at that list and tell
25 | who is who too.

1 MR. GRACIE: Bill?

2 MR. GOLDSBOROUGH: Just a comment or two. I don't
3 see anything on this list that I think is unimportant, just
4 for the record. So I think our best-case scenario is trying
5 to not cut programs.

6 Having said that, if I were backed in a corner and
7 had to cut something, I would put a priority on data
8 collection and analysis and application to management, those
9 kinds of programs. And those also tend to be the ones that we
10 need to stay in compliance with the ASMFC management plans.
11 But I would emphasize that not cutting programs seems to be,
12 to me, our clearest, best option.

13 MR. GRACIE: Shawn?

14 MR. KIMBRO: Following up on something Bill said
15 there, I agree 100 percent that not cutting programs is our
16 best option. But if we do cut programs, I think it is
17 important to consider the contribution to both the commercial
18 sector and the recreational sector.

19 The cost recovery as I am looking at it here, the
20 numbers in red, are affecting the commercial sector. And
21 almost everything that I look at -- I just went down through
22 here and made check marks on the ones that affect both
23 commercial and recreational sectors -- and they almost all do.

24 So I guess what we are saying here is we have to
25 take into consideration that we have got to make cost recovery

1 from where costs need to be recovered from.

2 MS. HUNT: As well the community sector. There are
3 some that have a high community impact as well.

4 MR. GRACIE: Did you have your hand up, Richard?
5 Val?

6 MR. LYNCH: Gina, could you comment on the issues
7 that would put us out of compliance with ASMFC? What is the
8 impact of being out of compliance?

9 MS. HUNT: Well, if we are required to have specific
10 information to ASMFC, either we have to find another way to
11 get that information or -- you cannot have a fishery on that
12 resource without the data to support it. So they could -- the
13 Secretary of Commerce could shut us down.

14 (Pause)

15 MR. GRACIE: Gina, can we move on?

16 MS. HUNT: The only other handouts were two on fee
17 scenarios. I am not sure if you wanted to look through those
18 or not. I mean, we all have them in a handout, and they put
19 them up there on a spreadsheet. But there are two fee
20 scenarios. One that tidal fish had a recommendation on about
21 two weeks ago, and the other one was one the department
22 developed to get to the point of full cost recovery of \$2.4
23 million.

24 So I will just say though that the \$2.4 million
25 scenario was not based upon the \$1 million scenario. So it

1 wasn't that we took the \$1 million scenario and just added
2 percentages up. There are some things in there that you will
3 see -- for instance, the nonresidence surcharge, you know. We
4 increased that but that wasn't in the \$1 million scenario.

5 So you will notice it is not -- we didn't have that
6 scenario in mind when we created it.

7 MR. GRACIE: The \$2.4 million is not just a
8 percentage increase on the same items as the \$1 million. Is
9 that what you are saying?

10 MS. HUNT: That is what I am trying to say, Jim.

11 MR. GRACIE: Thank you. I wasn't sure. Do we have
12 questions?

13 MR. WHITE: I have one.

14 MR. GRACIE: Brandon?

15 MR. WHITE: This whole analysis, am I correct in
16 understanding that the commercial sector hasn't come up with a
17 solution because we wouldn't have to cut any of these things
18 if there was a way to come up with the revenue, one.

19 And two I read in the Watermen's Gazette, from
20 Larry's column, that there was a plan that they worked out
21 with DNR that said it was all going to be recovered. So I
22 want to be very clear on are we operating under the assumption
23 at this moment that the sector has not come up with a plan, or
24 it has come up with a plan, because I reading things in here,
25 two different things.

1 MR. DAWSON: Where we are right now is that tidal
2 fish came back with \$1 million, and it is \$2.4. I mean, that
3 is where we are. And if we were to submit our report today,
4 we would submit that in order to meet this deficit. This is
5 what you need to do for \$2.4, and this is what the industry
6 came up with. As far as just reporting where we got in the
7 discussion.

8 MR. GRACIE: If I understand the legislation
9 correctly, you don't have to solve the problem with this
10 report. You just have to quantify it.

11 MR. DAWSON: Right. But we would at least suggest a
12 way in which you could reach that endpoint, and understanding
13 that this is where the industry agreed to --

14 MR. GRACIE: In other words, you would make their
15 position known as part of this.

16 MR. DAWSON: Absolutely, and any other comments,
17 concerns, other ideas that people came up with as far as
18 trying to fill this gap.

19 MR. GRACIE: Which is what we asked for, additional
20 ideas by Friday of this week.

21 MR. DAWSON: Right. So it could be anything from
22 general funds, other fees, whatever ideas. And a lot --
23 obviously some of those have come up already in the
24 discussion.

25 MR. GRACIE: What is -- I don't have it in front of

1 me now, what is the total allocation for community? What is
2 the bottom line number for that?

3 MS. HUNT: The deficit or their total cost?

4 MR. GRACIE: Total cost -- well, both. Total cost
5 in, I assume, contributing general fund revenue to the support
6 of --

7 MS. HUNT: So total cost is \$6 million.

8 MR. GRACIE: Community.

9 MS. HUNT: Yes.

10 MR. GRACIE: And how much do you think you are
11 recovering?

12 MS. HUNT: We are recovering \$4.

13 MR. GRACIE: That is general fund revenue?

14 MS. HUNT: It is federal, general, and reimbursable.
15 Well, it would just be general. I think that is what --

16 MR. GRACIE: It wouldn't be federal if it is --

17 MS. HUNT: Right. It is just general. Sorry, it is
18 just general.

19 MR. GRACIE: So essentially, there are \$2 million
20 worth of community services that aren't being paid for.

21 MS. HUNT: Correct.

22 MR. GRACIE: And that is not counting -- okay. That
23 is more than -- no, it is not more than the deficit. But if
24 you had general fund revenue, of that, A, you wouldn't have a
25 deficit with the million dollars fisheries came up with.

1 MS. HUNT: You would not.

2 MR. GRACIE: And you would have a \$3 million change
3 in the bottom line.

4 MS. HUNT: Right. Let me just back up to probably
5 the first -- if I still had it I would put it up there. The
6 first slide that we had to this joint commission was that
7 fisheries service is facing a \$2.9 million deficit. We have a
8 deficit as a whole. Not sector by sector, whatever, just
9 fisheries service has a \$2.9 million deficit.

10 Then the charge of the report was not fix fisheries
11 service deficit. The charge was look at the cost per sector
12 and have everybody pay for their sector. Okay. So that is
13 the cost recovery exercise. That is what goes in the report.
14 And yes, Jim, community is \$2 million short. And commercial
15 is \$2.4. But recreational's surplus moving over to the
16 community sector is why the fisheries deficit is not \$4
17 million.

18 It is not \$2 million in community and \$2.4 in
19 commercial. It is not \$4.4 million. It is \$2.9, and the
20 reason is because there is a surplus in the recreational.

21 So the charge in this report is not to fix the
22 fisheries service deficit. The charge is simply to come up
23 with -- and actually I should have put that up on the screen
24 too -- is to conduct a review and develop recommendations to
25 determine the allocation of the user fees for fisheries

1 management of commercial or recreational fisheries based on
2 revenues from those respective sectors.

3 MR. GRACIE: Let me just throw something out here.
4 In 2007, the freshwater fishermen in this state supported a
5 license fee increase and we all got a license fee increase.
6 We got a commitment from the governor to give a partial match
7 to general fund revenue. We got that. Then we set up the
8 fisheries management task force, which was also part of that
9 bill.

10 Some of you here were on that task force. Some of
11 the things we asked for were clearly -- the majority of the
12 benefits were community. I would put environmental review in
13 that category. And some of the other things the task force
14 suggested that we wanted to see fisheries do.

15 Now I guess we are all sitting back thinking we got
16 lots of money now and nothing to worry about. The
17 environmental review has been beefed up, and that is the
18 example I am most familiar with.

19 So the question is, if we are assigning costs to
20 community and there are things that the fisheries management
21 task force asked for, is it appropriate to assign them to a
22 sector that has no way of paying for them, or should we be
23 doing these things contingent on general fund revenue support?

24 So I mean that would be a basis for a recommendation
25 that I would want to make to be a part of the report.

1 MR. DAWSON: Jim, just to go back a little bit to
2 Brandon's question related to the general funds, I know that
3 Secretary Griffin, when he talked to Larry, he would talk
4 about things like spreading out the increase of license fees
5 over two years. He talked about things like a general fund
6 match.

7 But I don't think the Secretary felt like we had
8 come to some position of agreement. And honestly we are not
9 in the position to speak on behalf of the governor's office.

10 MR. GRACIE: And I don't suggest that I am asking
11 you to do that.

12 MR. DAWSON: But I think that is fine for you all
13 to --

14 MR. GRACIE: I think we might want to consider
15 something --

16 MR. DAWSON: It is certainly not inconsistent with
17 what happened before as you just described.

18 MR. GRACIE: And that is the only reason I am
19 bringing it up. It is something that hasn't been considered
20 because we have never seen costs assigned to community
21 benefits before this exercise.

22 MS. HUNT: So what I understand you are asking is
23 the community benefits that the task force had requested, that
24 those are charged not to community?

25 MR. GRACIE: I think those are legitimate general

1 fund expenses if the community is the beneficiary. If neither
2 the recreational or the commercial fishermen are the
3 beneficiaries, then who is? The community. That is the
4 general public.

5 So I think it would be perfectly appropriate, if we
6 agreed, that an increase in general funds revenue would be in
7 order. That doesn't mean we will get it, considering the
8 times we are in and what has been happening in the general
9 assembly but --

10 MS. HUNT: But it is to cover the community sector.

11 MR. GRACIE: Yes. If somebody has something to add
12 or disagree with, speak up. Bill?

13 MR. GOLDSBOROUGH: I am not sure -- I don't want to
14 speak for everybody. I am not sure if this really adds or
15 disagrees or fully gets at what you are saying because I think
16 what we are talking about is going to require an increase in
17 general funds regardless. If am seeing the numbers right, I
18 don't see the commercial sector coming up with \$2.4 million,
19 for example. So something is going to have to give.

20 MR. GRACIE: Well, one of the things might be the
21 loss of these programs.

22 MR. GOLDSBOROUGH: Well, okay, fair enough. I would
23 like to assume, as I said already, that we are not going to go
24 there. So where we are left then is some partial increase in
25 revenue coupled with a partial increase in general funds under

1 the category of community.

2 And we just have to find that right point, the one
3 that makes the most sense because there is no doubt that
4 fishermen, whether they be recreational, commercial or
5 charter, are the most direct beneficiaries of these
6 programs --

7 MR. GRACIE: Agreed.

8 MR. GOLDSBOROUGH: -- and ought to pay more than the
9 general public.

10 Now having said that, some things -- as they have
11 gone through the whole analysis and we know some things we all
12 can understand -- there ought to be a bigger community piece
13 than others, and some ought to be bigger commercial and so
14 forth.

15 But I guess I will just reflect on the recent tidal
16 fish meeting I attended as a liaison from sport fish, and I
17 missed the last one, and that was an additional special
18 meeting scheduled spur of the moment. I apologize that I
19 couldn't make it.

20 But I was surprised by the outcome, which kind of
21 reverted back from where we had been at the one I had
22 attended, where I thought we had -- they had -- I will say we,
23 a pretty decent consensus on that middle ground, which
24 amounted to, with this \$2.4 million deficit, a \$1.6 million
25 increase in revenue coupled with a 50 percent match in

1 increased general funds under the category of community to
2 make up the full \$2.4

3 And that would be very similar if not exact, exactly
4 what went on as a resolution after -- how we resolved the
5 situation after the fisherman's task force. Increase
6 recreational fees and got about a 50 percent match in general
7 funds to that --

8 MR. GRACIE: Yes.

9 MR. GOLDSBOROUGH: -- to accomplish the objectives
10 that we had. So there is a precedence for that, is what I am
11 saying, and I thought that was a pretty good --

12 MR. GRACIE: And it might be that somebody might be
13 able to make that case to the governor because it is similar
14 to what the recreational fishermen did, and it is what keeps
15 the whole program whole.

16 MR. DAWSON: That would mean that the commercial fee
17 increase would not be a million dollars. That it would be
18 \$1.6. Am I doing the math right?

19 MR. GOLDSBOROUGH: Right. And I am not speaking for
20 the commercial side, but I am the liaison from sport fish --

21 MR. DAWSON: No, I just want to make sure everybody
22 understands what that compromise would mean.

23 MR. GRACIE: Shawn?

24 MR. KIMBRO: It just occurs to me that a point might
25 need to be made here. I heard Gina say, I think, \$2.9 million

1 deficit in fisheries. If I read the 2013 budget, I didn't
2 read the whole thing, but what I understand of it, it looks
3 like this isn't anything above and beyond what we have had
4 before. In fact it looks like it may be even less in some
5 areas.

6 So, you know, I have had an opportunity over the
7 past year to talk to 75,000 fishermen across Maryland, and
8 almost everybody says we are not doing enough right now. We
9 need to be doing more on the enforcement side. We need to be
10 doing more toward conservation.

11 We need to be doing more research on striped bass.
12 That is something we all benefit from here. So when we are
13 talking about \$2.4 million to recover, I think the point needs
14 to be made that maybe that is not even enough.

15 MR. DAWSON: I think that you are correct, that on
16 some level it just keeps us at level. I mean obviously money
17 is getting moved based on priorities within the budget. But
18 for example, if you felt like fisheries should contribute more
19 money to enforcement, then you would need to generate
20 additional revenue funds from someplace else.

21 MS. HUNT: But if your point is this is just getting
22 by, it is -- fisheries budget is smaller than it has been over
23 the last three years. I mean it has gone down, down, as Frank
24 said. I mean, we have been cutting. I don't think folks have
25 actually felt it unless you work there. I don't think you

1 | actually feel it. But that is why, you know, when we are
2 | coming up with cuts now, all that is left, I mean, is the
3 | bone.

4 | MR. DAWSON: Just a further point on that, just to
5 | keep some perspective on it. I mean, I have four units, and
6 | fisheries is one of them. And I would say that everybody has
7 | equally shared in the pain and the cuts. I mean, fisheries is
8 | one of the larger units in the department, but all the units
9 | have been at the table, and it has been significant.

10 | If you look at the number of staff across the
11 | department, it is pretty significant.

12 | MR. GRACIE: I was under the impression that before
13 | fisheries had cuts other units were being cut. And we bought
14 | some time with that license fee increase.

15 | MR. DAWSON: Yes, I think we did in the
16 | first -- yes, we have done some moving around of funds and
17 | things like that but yes, I would say fisheries, we made some
18 | effort to hold them harmless in the beginning part of the
19 | exercise, but at a certain part in time, the larger parts of
20 | the department that contain the dollars ultimately have to get
21 | cut if you are going to meet your budget marks.

22 | MS. HUNT: So all the materials that we had were
23 | these spreadsheets and the other information that I went out
24 | with. So as following the agenda, we are basically at the
25 | point here of just looking for recommendations.

1 make up the commercial industry's refusal to cover the costs
2 of managing its fishery.

3 And conservation and water-quality programs that
4 benefit all Maryland citizens must not be cut in order to
5 cover commercial shortfalls.

6 MR. GRACIE: Okay, am I the only one who can't
7 follow all of that and keep it in my head?

8 MR. KIMBRO: I would be happy to provide the ---.

9 MR. GRACIE: Do you have it written, Shawn?

10 MR. KIMBRO: Yes.

11 MR. GOLDSBOROUGH: Mr. Chairman?

12 MR. GRACIE: Yes.

13 MR. GOLDSBOROUGH: Point of clarification, to your
14 point, to Shawn. Basically it is saying the commercial sector
15 needs to make up the full \$2.4 million?

16 MR. KIMBRO: Essentially, yes.

17 MS. HUNT: But also that there is no general fund
18 match.

19 MR. WHITE: No general funds are shifted. You
20 should probably just give them the piece of paper if you have
21 it so we can see it on the screen.

22 MS. HUNT: You want me to type it?

23 MR. GRACIE: Until we can all see it, I am reluctant
24 to let that be discussed and voted on.

25 (Pause)

Discussion

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MR. YOUNG: Hey, Jim, can I say something?

MR. GRACIE: Sure, Richard.

MR. YOUNG: That comment bothered the heck out of me.

MR. GRACIE: Which one?

MR. YOUNG: The one that Shawn just made.

MR. GRACIE: The motion?

MR. YOUNG: The motion. That is correct. I am speaking to the motion. How dare you recreational fishermen get a matching fund from the general fund from the governor and then tell the department that we can't? That is what I would like to know. You can do it but we can't? Why? That is all I got to say.

MR. GRACIE: Is that the essence of what you said, Shawn?

MR. KIMBRO: No, that is not essentially what we said.

MR. YOUNG: You said no matching funds.

MR. KIMBRO: Let's look at it. What I was speaking to was general funds, not necessarily matching funds.

MS. HUNT: Those are general funds.

MR. KIMBRO: Absolutely. I mean, I don't see any reason why you guys shouldn't get matching funds as well. I mean that is something you would have to work out yourselves.

1 MR. GRACIE: While we are catching up with that, Ed
2 O'Brien would like to say something.

3 MR. O'BRIEN: Before that budget goes in, obviously
4 a management decision will have to be made.

5 MR. GRACIE: Wait a minute. Can we have one person
6 at the time? Ed O'Brien has the floor now. If you want to
7 say something, I will recognize you.

8 MR. O'BRIEN: Before a decision is made on all of
9 this, there is going to have to be a management decision on
10 the part of the administration. Now it is democrats and
11 republicans type of thing right here. I have sat in on a lot
12 of the watermen's meetings in which they have spent hours and
13 hours working on this.

14 Obviously, you know, from their side of the story.
15 Now we have got a motion here that we have got to act upon,
16 and to me this meeting has been a little deficient as we have
17 never heard the watermen's point of view on why they should
18 increase this \$1 million. I mean, I have heard a lot of
19 things, and without acrimony, relative to a motion that is on
20 the table for discussion, I would like to hear the watermen's
21 input on this.

22 I have heard them in meetings, but Sports Fish
23 Advisory Commission, a lot of these people don't go to those
24 meetings. So I think we need to hear your side of it, Gibby.

25 MR. DEAN: Well, if you are asking me, I mean, I

1 think you have heard our side because of what we recommended
2 to the Tidal Fish Commission, which was passed unanimously.
3 That is our side. We debated this thing for weeks. I forget
4 when the first meeting was on cost recovery, and we have
5 presented our side, thousands of times, and that was the
6 results of it with a vote from the tidal fish commission. \$1
7 million.

8 MR. WHITE: And you guys are okay if programs get
9 cut?

10 MR. JETTON: Well, I can speak to some of that. I
11 can sympathize with both sides here. You know, I can look at
12 every program on here and name a person that works in there.
13 I can name family that works in some of these. But you are
14 talking to a group that is losing 30 jobs a year, sometimes
15 10-fold. It is not that we don't have sympathy, but it is
16 happening to us a lot and now we are a smaller group.

17 The fishing community, charter boats have less and
18 less all the time, and you are coming to us and saying, even
19 though there are less of you, we need more money. It is hard
20 to swallow. A real hard pill to swallow, so maybe we do need
21 to look at some programs.

22 You know, this one off the top of the hat here, this
23 sturgeon program. I am not sure why that is on -- commercial
24 is completely out. I have been commercially for 30 years and
25 I don't remember ever having a commercial sturgeon. Danny can

1 probably follow up on that. When in the last time they sold a
2 sturgeon commercially in Maryland? I don't know, so I am just
3 throwing that out there. That is part of the thinking.

4 MR. DEAN: We were one of the ones -- matter of
5 fact, I sent an e-mail myself requesting the cost associated
6 with each one of these cuts that were considered from the
7 department. I am certainly not in a position to make any
8 recommendations, which ones should or shouldn't, until I see a
9 cost assignment to it. And I don't think it is fair for
10 anybody to ask --

11 MR. GRACIE: I think we all feel that way, Gibby.

12 MR. DEAN: I started to say earlier that is
13 hopefully one of the first things of maybe many that we all
14 can agree on.

15 And I agree with Bill. We don't want to see any of
16 them cut either but, you know, we are talking about finances
17 here. We have a deficit that needs to be taken care of. Just
18 for clarification, we have not disputed the \$2.9 million
19 deficit that the fisheries service claims they have. We
20 dispute the cost assigned to each sector and how they arrived
21 at these numbers.

22 And we started this entire process out not looking
23 at it from a recreational/commercial standpoint. We looked at
24 it as a sustainable fishery for the entire state of Maryland,
25 and how can we address this \$2.9.

1 And that is how we started out in this thing, and
2 the further we go, it is more of a -- even options that we
3 have talked about. The NRP, for example, is something that I
4 thought we both were on the same page about. And remember
5 House Bill 1372 was explicit, that we supported, was fair and
6 reasonable.

7 And the NRP expenses, for example, are something
8 that we all wanted to see taken care of. We hear it in every
9 single meeting that we are about. And now that we have
10 presented a plan on how to reduce that \$3.2 million that
11 fisheries service pays NRP, now we are being told even it were
12 to go through, they are only going to credit us with \$800,000
13 of that money.

14 That is not the intent of that. That was not why we
15 got involved in that particular recommendation. It was to
16 solve the deficit of the entire fishery service of the DNR,
17 and I thought that is what we all should be concerned with.
18 Not pointing fingers at who should pay this and who should pay
19 that.

20 And I am not here to debate every line item here
21 because we have done it on how you arrived at those numbers
22 and who should be accredited those through fiscal
23 responsibility. We have been doing this for weeks, and when
24 you ask our opinion, our opinion is fair and reasonable is \$1
25 million we are willing to cough up on license fees increases,

1 period.

2 MR. GRACIE: Yes.

3 MR. BROWN: Robert T. Brown. Look, and also I just
4 ran up the figures, with the \$1 million, my license fees would
5 increase to \$1,930 a year. If I take the numbers on the
6 proposal that the department had for the \$2.4, my license fee
7 would be \$4,660 a year.

8 So those types of figures -- and I hold more than
9 one license. With those types of figures, and you throw that
10 on people, we are going to lose some of our participants who
11 are in there. They are going to give their licenses up.

12 So once you give your licenses up, then what they
13 project the \$2.4, you might not end up with \$1.6, \$1.8
14 because -- it is just hard for us to make it as it is. Our
15 rockfish quota is going down, the whole nine yards. Also, you
16 have got to realize, you have got to try to keep us together.
17 We are food producers. And it is a luxury for people to come
18 and eat fresh seafood out of this bay.

19 And so some of it will have to come out of the
20 general fund. Or where it may come, I don't know. But you
21 have got to realize, as more of us fall out, and if all of us
22 fall out of one of these categories. Say we all drop out of
23 one segment of the fishing or out of the crabbing. We decide
24 we are going to give that up.

25 Then if you all want to stay fishing, you all -- I

1 shouldn't say you all, but the fishing community that is left,
2 which would be the sports fishermen and the tidal fishery,
3 they would have to pick up everything to keep in compliance
4 with the Atlantic States Marine Fisheries Commission on all
5 these things. You all would have to do all those studies.

6 So it is not us or you. We are all in this together
7 because if we go out, all those studies that got to go on, if
8 we are gone, all those studies you will inherit. Thank you.

9 MR. GRACIE: Danny?

10 MR. BECK: I am Danny Beck. I represent the
11 Maryland Watermen's Association. I am a proxy here for Larry
12 tonight. I have been out of the loop on a lot of this stuff.
13 I try to stay in touch with some of it, and I come here to
14 digest the stuff that was in my folder. And I didn't blow out
15 of the sky. I got almost 200 years of heritage on that
16 Chesapeake Bay between myself, my father and my grandfather.
17 I never looked back any further than that.

18 But going through the TFAC proposal, which those
19 guys came up with in my absence, my license fees would go up
20 \$1,000. And I hold a TFL, a yellow perch permit, a rockfish
21 permit, and a 900-pot crab license permit. That is all I
22 hold.

23 But I have to have five licenses to maintain the
24 livelihood that a few years ago I was able to maintain with
25 one license. So that would put me in the \$5,000 category, and

1 my license is cheaper than a lot of other people's licenses
2 because of oystering and dredging boats and this, that and the
3 other.

4 Now I have been trying to listen to all of this, and
5 the main problem I have with all these programs is when you
6 come here and give us this, we should have had, along with the
7 programs cut in no priority order, a cost assigned to each one
8 of them. And we would have been way better informed than what
9 we are right now.

10 But sitting here, and this is my opinion, I went
11 through these cuts. I have worked with the department since I
12 was 16 years old on every fish study they ever asked me to do.
13 And I worked for --- Associates in --- Pennsylvania starting
14 the shad run that was decimated since 1940 in Delaware River
15 gathering shad eggs to put in there to start that run, me and
16 a bunch of other fishermen in the York, James, Rappahannock,
17 Potomac and Susquehanna River.

18 And I look at these cuts, and I figure how they have
19 applied to me in my lifetime on the water and how they may
20 apply in the future. Most of these things are relevant, but
21 how they would apply to me is -- commercial harvest and entry,
22 I would do whatever it takes.

23 The fisheries management reduction programs, DNR
24 can't implement adaptive fisheries management because they are
25 guided in the wrong direction by people that don't want

1 commercial fishermen here and they have more clout than we do.
2 So we get the cut all the time. Online license renewal: If
3 there is a place, I will walk in and do it. If not, I get a
4 computer.

5 Cuts in overall operations, reduction in travel, and
6 all that: They can wipe that out in a heartbeat. Chesapeake
7 Bay management monitoring programs: What we catch, what I
8 catch is striped bass, catfish, white perch, yellow perch.

9 The rest of that stuff is above me. All the rest of
10 these things aren't in the Chesapeake Bay where we work, and
11 so therefore it doesn't apply to me. When it comes to
12 monitoring catfish, that has not been done.

13 White perch -- and the yellow perch that they
14 monitored got monitored so good that people that didn't want
15 us to catch them, some of them, one of them right down here at
16 this table, is now a commercial fisherman. He is a yellow
17 perch fisherman. He used to sit over there with you guys.
18 But now he is sitting there with us. I don't know where his
19 allegiance lies yet.

20 But these other programs -- commercial
21 apprenticeship program. I don't know how many people we have
22 because I see the same names on the waiting list all the time.
23 The public oyster fishery reduction, program reductions: No,
24 I don't want to see that happen. Commercial recreational
25 penalties: Yeah, you could take that.

1 Blue crab program: It says will increase management
2 uncertainty. We haven't caught our sooks for this is three
3 years in a row, and we asked for a few more days this year due
4 to the hurricane and our lack in catch and we get six more
5 days.

6 You keep coming to us with your want more and more.
7 I could go right on down this list but one thing that is
8 important is eliminate surveys on certain species: white
9 perch, yellow perch, catfish limits will have to be adjusted
10 to be very conservative.

11 When the Chesapeake Bay limit of yellow perch above
12 the Bay Bridge is as much as I used to catch in one season,
13 and it was seven of us fishing then, and now we got 37 by this
14 piece of paper, that says is requesting tags.

15 That is nowhere equitable for any commercial
16 waterman whatsoever although it says this \$20 fee in here
17 increase in the yellow perch permit, I jotted down \$100,
18 because I would be glad to pay \$100 and maybe get rid of some
19 of the people that just want to be yellow perch fishermen.

20 And then the fisheries marketing program, you know,
21 same thing I have always said: Maryland sells and Maryland
22 has a lot of restaurants and everything else. But it says
23 here that it has been reported that only 2 percent of the
24 seafood consumed in Maryland comes from Maryland waters.

25 It comes from everywhere else, from China to

1 everywhere there is to here. So when you get rid of us, you
2 are getting rid of 2 percent, so it says, and I don't believe
3 that because we catch a lot of crabs and the majority of them
4 get consumed here.

5 Fisheries habitat, yes, we need to look at that.
6 Communications and outreach, we can get rid of that.
7 Anadromous Hatcheries program elimination: Elimination of
8 Atlantic sturgeon hatchery propagation and research program,
9 reduce ability to produce and stock hatchery raised American
10 and hickory shad.

11 We went out the shad business --

12 MR. GRACIE: Danny, you are going through this too
13 fast for anybody to get it down. If you are making
14 recommendations, you need to write them down for us.

15 MR. BECK: Every one of these that I recommend a
16 zero, I am not in favor of.

17 MR. GRACIE: Can you pass that on to your chairman
18 so that gets incorporated because nobody can keep up with you
19 to write these things down.

20 MR. BECK: Well, you need to listen a little quicker
21 because I'm not the fastest reader in the world. But this one
22 here really got me: the elimination of the hatchery, the
23 sturgeon hatchery and the shad.

24 We have been out of the sturgeon business for years.
25 We will never go back. We went out of the shad business when

1 the moratorium went in, in June of 1979. We will never go
2 back because we caught them in gill nets and the gill net is
3 prohibited that time of the year.

4 So I recommend that cut on the grounds that we will
5 never fish that. If we are talking about eliminating fish and
6 wildlife health, we have been talking -- fishermen have been
7 telling DNR everything they have seen for years. And most of
8 what DNR knows came off of fishermen's boats from our surveys
9 or what we have learned ourselves and forwarded to them.

10 And if I took up a lot of time I am sorry about that
11 but that is the way I feel about it. And I was told to do
12 what I was supposed to do when I came here tonight. So thank
13 you very much for your time.

14 MR. GRACIE: Will you get those comments to Billy?

15 MR. BECK: Yes.

16 MR. GRACIE: Gina, did you want to say something?

17 MS. HUNT: Well, I couldn't keep up but we do have
18 the transcripts, so bless you for that. I guess at this point
19 though, overall the take-home message I am getting is that of
20 these cuts, if tidal fish is in support of a \$1 million fee
21 proposal, then they are in support of \$1.4 million in cuts.

22 And of those -- we could go through them.

23 (Chorus of no)

24 MR. BROWN: We are saying \$1.4, we don't know --

25 MS. HUNT: No, right, right, that is what I am

1 saying. Generally, in general, you are -- there is a \$2.4
2 deficit. You are coming up with \$1 million. Then does that
3 mean that there are \$1.4 million in cuts?

4 MR. DEAN: No.

5 MR. BROWN: No, because we don't know what --

6 MS. HUNT: Then where is the rest of the money?

7 MR. DEAN: We presented at the tidal fish several
8 options and ways to reduce the deficit, and it doesn't
9 necessarily mean it has to be cuts. That is why we needed a
10 value assigned. Maybe there are some of them we want to cut.
11 Maybe we don't want to cut any of them. But we asked the
12 department to explore other ways to raise revenue to eliminate
13 the deficit.

14 Nobody said we wanted \$1.4 million in services cut.
15 We just said what we thought was fair and reasonable was for
16 the commercial sector to increase our license fees by \$1
17 million. The NRP thing -- I don't mean to bring that up. I
18 am just using it as an example. If we only talked
19 about -- and look, I come from the Eastern Shore, and over
20 there is not an us versus them.

21 We don't sit on two sides of the table. We sit
22 together. We don't have that problem there. I only run into
23 that when I come to Annapolis. And there is an estimated
24 180,000 tidal recreational fishermen. There are 5,000
25 commercial fishermen, give or take 100.

1 If you took the whole fisheries deficit of \$2.9 and
2 divided that number into it -- Frank, check my numbers -- if I
3 am correct, you are talking about \$10 and something, \$10 and
4 change per person.

5 Why couldn't --

6 MR. WHITE: The recreationals raise their fees \$10?
7 Is that what I just heard?

8 MR. DEAN: Yes, sir, I did.

9 MR. WHITE: Well, by law, just so you know,
10 recreational fees can't cover commercial costs and must go
11 only to recreational --

12 MR. DEAN: I talked about enforcement costs.

13 MR. WHITE: Right. You are only allocated 26
14 percent as I understand it. Is that correct?

15 MS. HUNT: That is where that \$800,000 comes in.

16 MR. WHITE: You are only allocating --

17 MR. DEAN: We are not talking about our deficit. We
18 are talking about the entire fisheries service.

19 MR. WHITE: I know, but the project of this report
20 is not to talk about --

21 MR. DEAN: I am sorry. I can't hear you.

22 MR. WHITE: What we are talking about here is a
23 report so that all sectors cover their costs, not about the
24 \$2.9 overall deficit. So while that may be an issue to solve
25 the bigger issue --

1 MR. DEAN: This came up because we were asked,
2 um -- what is your name?

3 MR. WHITE: Brandon.

4 MR. DEAN: Brandon.

5 MR. WHITE: I understand. So I think what Gina
6 asked you was where else -- if you don't have a suggestion of
7 where the other revenue is going to come from, of which is not
8 going to come from recs, then --

9 MR. DEAN: I am sorry, what?

10 MR. WHITE: The money is not going to come from recs
11 by raising our fees to cover -- you have to look at it from
12 our perspective. We cover our fees --

13 MR. DEAN: \$15.

14 MR. WHITE: Right, fair enough. But we
15 aren't -- you are a for-profit business. In all fairness.
16 You are a for-profit business. You are in it to make money.
17 And I understand your fees. And I think the fees are
18 interesting to talk about as the gentleman there said his fee
19 would go from \$1,000 to \$4,000.

20 And I think that is incrementally a big increase.
21 But then again you didn't increase your fees since 1995, I
22 believe. So while the recs slowly increased their fees, you
23 never did and now it is a big jump. Just wait a second.

24 And then, so you are a for-profit business. You
25 have to cover the costs of running your business. I mean, I

1 don't understand what part of that doesn't make sense. And
2 the point with the fee is if your license goes from \$1,000 to
3 \$4,000, that sounds a like a very big increase.

4 However, without knowing what your total revenue is,
5 of which I doubt any of you are going to tell me, but without
6 knowing that number and what percentage of the cost of your
7 top line that license is, it is meaningless to me because if
8 you make \$1 million and have \$20,000 in license costs, that to
9 me is a very small percentage.

10 MR. DEAN: Brandon, it is very, very simple. And
11 trust me, I understand your side of it is as well. Believe
12 me, I do. The problem is it all stems back is that my
13 original statement. We do not disagree with the \$2.9. We
14 disagree with the \$2.4 that has been assigned to us and how
15 they did it. That is the whole issue here.

16 And we are more concerned about resolving the \$2.9
17 than anything else, and I would think that you as sport
18 fishermen and recreational fishermen would be as concerned
19 about that as well.

20 MR. WHITE: Well, we are concerned but here is the
21 issue --

22 MR. DEAN: You don't want to pay for than \$15 to do
23 it?

24 MR. WHITE: If our money goes to you, then that is
25 out of our pocket, of which --

1 MR. DEAN: It is not coming to us.

2 MR. WHITE: It is because --

3 MR. DEAN: It is because a group of managers from
4 DNR said in their judgment that is what we owe.

5 MR. WHITE: Look, I know it stinks that the numbers
6 came out that way, but that it the way they came out and they
7 had a third-person economist do it.

8 MS. : Mr. Chairman, can the public speak?

9 MR. GRACIE: I am going -- well, after we discuss
10 it. I am going to stop this interaction here because it is
11 not getting us anywhere, and we do have a motion on the floor.
12 I actually was anxious to hear from some of you, even though
13 we had a motion on the floor. I think that opportunity is
14 appreciated.

15 The sports fish commission has a motion on the
16 floor. And it is now on the screen. And it has been
17 seconded. So we will have discussion of the motion.

18 MS. HUNT: I am sorry. Who seconded it? Who was
19 the second?

20 MR. GRACIE: Oh, I thought I heard a second. No
21 second. Is there a second?

22 MR. LYNCH: I will second it.

23 MR. GRACIE: Val Lynch seconded it. Okay.
24 Discussion on the motion? Bill Goldsborough.

25 MR. GOLDSBOROUGH: Well, first off I would say that

1 | philosophically this is sound, but I think it represents where
2 | we would be or want to be in a perfect world. And I think in
3 | all the discussions I have participated in, I think it has
4 | become pretty obvious that it is not a perfect world.

5 | There are certain things in here I definitely agree
6 | with, but the overall concept as I read it, and as I clarified
7 | to Shawn earlier, that the commercial sector has to raise
8 | their fees by \$2.4 million, I don't think can be done.

9 | I don't think it is good management, and again I
10 | don't say that because I disagree with the philosophy or the
11 | concept that is being put forth here. I think management
12 | maybe takes a while to get to that kind of a philosophy or
13 | vision once you come up with it. It is too sudden a change if
14 | we are going to try to get to that point, in my opinion.

15 | So my view is something more like what I described
16 | earlier, that we have to --- , it has to be a reasonable chunk
17 | of it, and it has to be something that is consistent with
18 | precedent, like the precedent we have with the fisheries task
19 | force, where you get about a 50 percent match. I think that
20 | is the kind of thing that is realistic on that side of it.

21 | But to take this much of a jump all at one time I
22 | think is a little too much to try and do. I don't think it
23 | represents fair and reasonable management.

24 | MR. GRACIE: Thank you. Any other discussion?

25 | MR. JETTON: I agree with Bill. I think it is

1 premature for one thing.

2 We have heard some different things here about the
3 cost of the community in there and everything, and I have had
4 some conversations with I think his name his Jorge. Some
5 different countries that do different things as far as the
6 community goes and how much of their interest in percentages
7 they could have. I don't think we have pounded any of that
8 out tonight just by the conversations we have had here. I
9 can't support that.

10 MR. GRACIE: I am going to treat you as a member of
11 the public for our motion, Gibby, so I will come to you after
12 we finish discussing. Any other discussion from the sport
13 fish commission? Bill?

14 MR. WINDLEY: I think we may be premature. Not
15 saying I disagree with it. Before we vote on it, we should
16 take time to really line item and write it perfectly. I think
17 there might be some things, you know, that we are not thinking
18 about in some of these lines.

19 MR. GRACIE: Okay.

20 MR. WINDLEY: I think we need to discuss it by line
21 item, and we can't do that tonight.

22 MR. GRACIE: When you say by line item, you mean
23 these programs that they are talking about cutting so you will
24 have a better understanding of what they are and what they
25 foster, or this motion?

1 MR. WINDLEY: This motion.

2 MR. GRACIE: Do you want to make a motion to table,
3 or what are you suggesting? Because we are either going to
4 vote on it or table it. That is the way it works. A motion
5 has been made and seconded.

6 MR. WINDLEY: When do we meet again?

7 MR. GRACIE: January.

8 MS. HUNT: Not on this report.

9 MR. GRACIE: This report has got to be in December
10 12, so we are not going to have another meeting. We have got
11 a motion on the floor so either we vote on it or we pass a
12 motion to table. Ed O'Brien had a comment.

13 MR. O'BRIEN: Yes, I admire -- Shawn you had the
14 guts to put this out here because it certainly has got the
15 conversation started. It is particularly a little one-sided.
16 As I said before, a management decision is what is going to
17 decide this, not an obviously split vote that is going to come
18 from these two commissions sitting around here and further
19 acrimony.

20 Now I have been listening all summer about this
21 whole concept. Out on the boat, customers -- some of them got
22 pretty close to the whole program. One side of it all you
23 hear about it is the poaching, and the penalty that has to be
24 paid. Then there is another side of it about how recreational
25 fishermen come in there with bills that are impractical or

1 | totally one-sided.

2 | So we are not looked at as a forum that can resolve
3 | these kinds of problems, and a management decision in this
4 | administration is going to make it, and a divided vote that we
5 | come up with here now, I don't see where that is going to do
6 | anything for anything.

7 | MR. GRACIE: Val?

8 | MR. LYNCH: Well, it occurs to me that the math,
9 | just simple math. If we are looking at \$24 million divided by
10 | 5,000 commercial fishermen, that is \$480 per fisherman. As
11 | Brandon pointed out, it is a for-profit business, and without
12 | knowing what your top-line revenue is, without knowing what,
13 | after your expenses, your take-home pay is, I don't know what
14 | that \$480 means to you.

15 | I imagine for some of you, it is something that you
16 | can absorb readily. And for many of you, it is not. But it
17 | occurs to me that there might be a solution where we cut the
18 | baby in half so to speak. It may not satisfy everybody but it
19 | upsets everybody and that may be a balance that we have to
20 | look at.

21 | So would it be possible to come halfway so to speak,
22 | where the commercial side would be prepared to accept, at
23 | least going forward to the '13 to the '14 budget, right? Or
24 | the '14 budget, to accept a number like \$250 a year on the
25 | 5,000 licenses to at least accommodate roughly half of that

1 deficit? Does that make sense? I am asking that for
2 consideration. I don't necessarily expect an answer.

3 MR. DEAN: You want me to answer?

4 MR. LYNCH: If you could.

5 MR. GRACIE: I will let you respond.

6 MR. DEAN: I appreciate your comments. Quite
7 frankly, it is refreshing to hear somebody that is willing to
8 compromise on this in some way, shape or form. What I would
9 like the sport fish commission to at least keep in
10 consideration is that the commercial sector has for probably,
11 I know, three years that I know of, have been working in
12 various committees such as the blue crab design team, the blue
13 crab advisory group, striped bass workgroup.

14 All these things are to make management more
15 efficient, the fisheries more sustainable, and hopefully, you
16 know, cut some of our costs of management. For example, the
17 pilot program that we are currently involved in. Another
18 example is electronic reporting that we are looking at. All
19 of this is going to save money and make us more accountable to
20 make more timely, accurate reports.

21 And those things, we are hoping, and we have high
22 hopes, that it is going to reduce the cost of management. We
23 have even suggested at some point to have maybe to have a
24 two-step program here. Let's give -- we have come up with \$1
25 million already. Let's give this another year or so to see

1 | how these programs pan out, and if they are making the
2 | department more efficient, and maybe this -- if it is \$2.4,
3 | will not be \$2.4 in another year.

4 | But, you know, we are just not in a position to
5 | accept \$2.4 at this point without some other assistance or
6 | some other fee. And it doesn't make any difference to me what
7 | you call it or any of this. It could be an enforcement fee,
8 | whatever.

9 | And I don't mean to say it is an increase in a
10 | recreational fishing license either, Brandon. It could
11 | be -- you could call it whatever you want. The main goal
12 | right here today as far as we are concerned -- and I know Gina
13 | doesn't agree with this, at least that is my impression -- is
14 | resolve the deficit of the fisheries service.

15 | MR. GRACIE: Val, if I understand correctly what you
16 | are suggesting, it would amount to \$1.2 million, and to solve
17 | the problem, when fiscal year '14 starts, we are going to have
18 | to lose 15 people from fisheries unless there is another
19 | source of revenue.

20 | If there are 30 involved in these cuts that add up
21 | to \$2.4, then 15 would be what it takes to get to \$1.2, all
22 | things being equal. Just so we understand what that means.
23 | Shawn and Bill. Shawn first and then Bill Windley. This is
24 | our motion, and the commission needs to finish discussion
25 | before we hear from you. I wanted clarification, that is why

1 I allowed --

2 MR. KIMBRO: Just to respond to some of the comments
3 that they made -- and most of it frankly I agree with -- this
4 is a statement of philosophy. This is what we look at, that
5 an industry, a for-profit industry should cover its expenses.
6 It is skin in the pot.

7 When you cover your expenses, you have got clout.
8 You have got clout in Annapolis. You have got clout anywhere
9 you go because you are covering your expenses. When I look at
10 this sheet right here and I see red lines on one side and
11 black lines on the other side, I know which side I would
12 rather be on.

13 I wish there weren't any sides but there are because
14 we are looking at money here, and when it comes down to money
15 we fight about it. But it just comes down to saying let's
16 just pay for what we do. You know, if we did that all over
17 this country, it would be a whole different country right now.
18 We have got a presidential election coming up and I am not
19 going to preach about it, but this is some of the philosophy.

20 MR. GRACIE: Bill.

21 MR. WINDLEY: I think while it is good intent, this
22 issue -- taking the tidal fish license at \$300. Maybe you
23 could put \$250 on it, but you come down the row to look at
24 line, and it is \$50. You can't put \$250 on that. You would
25 have to apportion that equal amount of money based on the

1 difference in the fees now.

2 MR. GRACIE: Is that your comment? Anymore
3 commission comments on the motion? Bill?

4 MR. GOLDSBOROUGH: I think what Bill is saying is
5 something I was thinking about too with respect to Val's
6 suggestion. That is, what we already know from the previous
7 meetings that -- and is on these two sheets of all the
8 different categories, license categories -- is that all of the
9 however many thousand watermen out there aren't the same.

10 You know, there are some of them that are full time
11 year round. Some of them are full time part, and they are all
12 in different categories and different subsets of these license
13 categories.

14 So you can't just break it down evenly like that. I
15 think really the currency we should be talking about, if we
16 aren't talking about a phase in -- and I did hear the
17 suggestion from the department that that was feasible -- is
18 the amount of total dollars that need to be made up by all
19 these permit categories together. And the package that has
20 been put forth as \$1 million as the total, maybe that is the
21 starting point.

22 But maybe rather than just saying, let's see what
23 happens after a year, because I am not sure that is enough
24 time for there to be a substantial adjustment, change in
25 behavior, and perfection and efficiencies and so forth to make

1 a big difference personally.

2 Maybe we also ought to say, and in year two, unless
3 we do detect some big shifts like that, that can make up some
4 of the difference, that we would, that the formula would go to
5 \$1.6 million, with a 50 percent match from general funds under
6 the community category.

7 I think the community category is valid, and more
8 for some categories than others in here. But that is
9 something that we might think about that is consistent with
10 the concept Val was putting out there.

11 MR. GRACIE: Okay, I am going to let the
12 commissioners have their say here and then we are going to
13 open it to the public. As I understand it, several of the
14 comments we have are not to the motion. We have a motion on
15 the floor that essentially says the commercial industry should
16 cover its costs.

17 There should be no additional allocation of general
18 fund revenue to make up that cost deficit, their management
19 cost deficit. I think that boils down what we have as a
20 motion, and I will take comments to the motion. If you have a
21 different motion, then you vote this one down and put yours on
22 the floor. There is a motion on the floor and I would like to
23 restrict the comments. Bill Windley, go ahead.

24 MR. WINDLEY: Doesn't that -- if you can't use any
25 general funds for anything, doesn't that include or preclude a

1 matching fund situation?

2 MR. GRACIE: I don't think the motion does. I am
3 not sure what Shawn meant by wrongly allocated. What I
4 understood when he first was reading the motion -- I was
5 trying to keep up with it -- was there would be no additional
6 allocations of general fund revenue. That does include a
7 matching fund?

8 MR. KIMBRO: No.

9 MR. GRACIE: You meant not to include any matching
10 fund general revenue?

11 MR. KIMBRO: I don't have an opinion about that. It
12 is not addressing that.

13 MR. GRACIE: Okay. What do you think it says,
14 Brandon?

15 MR. WHITE: It says it may not shift it or wrongly
16 allocate it. It doesn't say it precludes any matching funds.
17 It simply says you can't take funds that exist, general funds
18 that may be going toward water quality, and move them to
19 commercial to cover those costs.

20 MR. GRACIE: But if the general assembly passes a
21 license fee increase with a general fund match, then that is
22 not precluded by that. You agree with that? Okay. Herb, did
23 you have a comment?

24 MR. SMITH: I just have problems with the language
25 of that third paragraph.

1 MR. GRACIE: Well, help us out. Tell us what --

2 MR. SMITH: I am not sure. I just don't like that
3 at all. I think it would --

4 MR. GRACIE: You are free to amend the motion. Make
5 a motion to amend it.

6 MR. SMITH: To me that would damage the matching
7 concept. And I could see some Eastern Shore --

8 MR. GRACIE: Well, if you want the matching concept
9 then you will vote against the motion, I guess. Carol, you
10 had a motion?

11 MS. STEVENSON: Well, do we have to vote against the
12 motion before we table the motion or --

13 MR. GRACIE: If you want to table the motion, you
14 make a motion to table and see if we have a vote --

15 MS. STEVENSON: I suggest that we table this motion.

16 MR. GRACIE: We have a motion to table. Is there a
17 second? Okay. No discussion on the motion to table. All in
18 favor of tabling the motion, raise your hand.

19 (Show of hands)

20 MR. GRACIE: Against the motion to table?

21 (Show of hands)

22 MR. GRACIE: Motion is tabled with a nine to three
23 vote. Does somebody want to make an alternative motion?
24 Bill, you want to make a run at this?

25

MOTION

1 MR. GOLDSBOROUGH: Okay. Like I said earlier in the
2 meeting, I feel like where we ought to be is \$1.6 million
3 raised in license revenue and half of that matched under the
4 community category.

5 MR. GRACIE: We have a motion to recommend \$1.6
6 million in commercial fees and seek a general fund match.
7 That would be our recommendation. Is there second to the
8 motion?

9 MR. SMITH: Second.

10 MR. GRACIE: Motion is seconded. Any discussion?

11 *Discussion*

12 MS. HUNT: Eric, could you type that up there?

13 (Pause)

14 MR. GRACIE: Any discussion on the motion? We
15 recommend that the commercial license fees increase to raise
16 \$1.6 million, and we recommend a general fund match of
17 \$800,000.

18 (Pause)

19 MR. GRACIE: Any discussion on the motion? Any
20 other discussion from the commissioners? Carol?

21 MS. STEVENSON: I just have one point of
22 clarification.

23 MR. GRACIE: Wait, I can't hear you. Speak up.

24 MS. STEVENSON: Your general fund match proposal is
25 contingent on the ability of the legislature.

1 MR. GRACIE: All of this is contingent on the
2 legislature.

3 MS. STEVENSON: Well, except --

4 MR. GRACIE: It is a recommendation of the
5 commission. That is all.

6 MS. STEVENSON: But you are asking the commercial
7 people to provide the \$1.6 but the general fund match --

8 MR. GOLDSBOROUGH: Yes, it actually starts with
9 being contingent on the governor being willing to put that in
10 his budget.

11 MR. GRACIE: In fact, it is a recommendation of an
12 advisory commission. It doesn't tell them how to raise it.
13 It doesn't say if the governor is going to do anything. It
14 doesn't say they are going to agree to it. It is our
15 recommendation. We are only an advisory group. Brandon,
16 question?

17 MR. WHITE: How much did the recs receive in
18 matching funds last year?

19 MR. GRACIE: \$750,000.

20 MR. WHITE: So this is more than the recs received.

21 MR. GRACIE: Well, we got 50 percent. That is what
22 it has been all along, total increases in recreational fishing
23 licenses. It has been 50 percent from day one. When license
24 fees went back up it didn't go up, so it is actually -- it was
25 less than 50 percent of that increase last year. But in the

1 first year, it was about 65 percent of the increase because we
2 got about a \$1.2 million increase in license fees as I recall,
3 and \$750,000 in match.

4 So it started off higher than that. Does that
5 answer your question? Shawn?

6 MR. KIMBRO: Isn't that just a commitment from the
7 governor and not part of the law?

8 MS. HUNT: It has to go in the budget bill.

9 MR. GRACIE: Everything has to go through the
10 governor.

11 MR. WHITE: Can I ask the department a question?

12 MR. GRACIE: Certainly.

13 MR. WHITE: Do you think that if we recommended
14 this, in your opinion, based on everything that you know
15 today, how feasible is it that you will get \$800,000 in
16 matching funds from the governor or legislature to commit to
17 that?

18 MS. HUNT: I think it is much more feasible than if
19 you don't ask.

20 (Laughter)

21 MS. HUNT: I mean, if I were the governor, a lot of
22 things would be different.

23 MR. DAWSON: Maybe a fairer question would be -- I
24 think it is difficult for us to speculate on that. I think
25 the fairer question is would we be willing to --

1 MR. WHITE: Okay, fair enough.

2 MR. DAWSON: The answer would be yes.

3 MS. HUNT: Right.

4 MR. GRACIE: Any more discussion on the motion from
5 the commissioners? You are nodding your head. You want to
6 say something, Herb?

7 MR. SMITH: This is much improved, much improved.

8 MR. GRACIE: Anybody else? All right. We will open
9 it to the public, and I think we have some tidal fish
10 commissioner members who would like to say something. You
11 guys still want to say something? We have got a different
12 motion now. Any members of the public? Anybody who wants to
13 make a comment or ask a question about the motion before we
14 vote on it? Yes, Ken.

15 MR. HASTINGS: I am Ken Hastings.

16 MS. HUNT: Ken, I am sorry. Could you go up to the
17 microphone? Remember it is court recorded.

18 MR. HASTINGS: I have got a question about the
19 motion first. I see both motions up here. What are you really
20 voting on? Is this last part here --

21 MR. GRACIE: He didn't erase or say the other motion
22 was tabled, but it was.

23 MS. HUNT: It is --

24 MR. GRACIE: It is Bill Goldsborough's motion, is
25 what we are voting on. Any other comments from the public,

1 | tidal fish commissioners included?

2 | (No response)

3 | MR. GRACIE: If not, I will call the question.

4 | MR. HUNT: Oh, wait. I am sorry, Danny.

5 | MR. GRACIE: I am sorry. Go ahead, Danny.

6 | MR. BECK: Look I am in favor of paying more money
7 | than I am paying now because I agree we need to do something,
8 | the watermen, to help offset the cost of management. But that
9 | fellow over there said something about the amount divided by
10 | the deficit and number of watermen and all that. That is the
11 | best thing I have heard all night.

12 | But what I wanted to say was I added up your waiting
13 | list numbers here, and we got 262 people that want to be
14 | watermen to a greater or lesser degree. I don't know how many
15 | of them would want to be a waterman when they get this license
16 | fee increase, not to mention the many that are mediocre
17 | watermen that would probably say I am not paying the fee and
18 | get out.

19 | And all of that adds up to less money in DNR's
20 | budget and less money coming off the boats to go to our 2
21 | percent of what gets consumed in this state. And between the
22 | two commissions here, I pray that we both come to an equitable
23 | decision because it will not be any winners here. It is not
24 | going to be the mediocre waterman that has a job somewhere
25 | else. He is not going to be a winner.

1 And you guys aren't going to be winners, you
2 recreational people. The only ones that are going to lose
3 will be us, and the department isn't going to have any more
4 money left than what they have now because they will be
5 spending it on whatever it takes.

6 You know, when it comes to the enforcement, most of
7 our bad boys have been through the wringer. And the important
8 part about that is they don't have to watch us anymore because
9 it only takes a fool to screw up twice. That is the truth. I
10 don't think there is a new group of bad boys growing up
11 because they have heard enough about what not to do because of
12 the way we get watched.

13 And I don't have anything against hailing in or
14 hailing out, all the things that we are working on to cut down
15 on expenditures by the DNR and to have more accountability.
16 Have no problem with any of them. If that is what makes
17 everybody happy, let's do it. But we can't get put out of
18 business on declining quotas of everything that we catch --

19 MR. GRACIE: Danny, do you have anything to say
20 about the motion? Do you want to speak to the motion? You
21 haven't said anything about the motion. We are talking about
22 the motion.

23 MR. BECK: Oh, I am sorry.

24 MR. GRACIE: Are you speaking in favor of the
25 motion?

1 MR. BECK: What is it?

2 MR. GRACIE: It is right there on the -- \$1.6
3 million increase in commercial --

4 MR. BECK: No, I am not in favor of \$1.6 million.

5 MR. GRACIE: Thank you.

6 MR. BECK: Thank you.

7 MR. GRACIE: Any other comments from the public? I
8 will call the motion then. All in favor, raise your hand.

9 (Show of hands)

10 MR. GRACIE: I count eight. Gina, we are voting for
11 the motion.

12 MS. HUNT: Nine.

13 MR. GRACIE: Nine. Okay, I missed one. All
14 opposed?

15 (Show of hands)

16 MR. ZLOKOVITZ: Three opposed.

17 MR. GRACIE: The motion passes.

18 MR. ZLOKOVITZ: No abstentions?

19 MR. GRACIE: No. That is all we have here tonight.

20 MR. ZLOKOVITZ: Who seconded the motion? I missed
21 that. I heard a couple voices at the same time.

22 MR. GRACIE: I am not sure. Was it Val? I think it
23 was Val.

24 MS. HUNT: Bill Goldsborough made it.

25 MR. GRACIE: He knows that. He put that on the

1 board. Okay, anybody else want to give feedback to the
2 department on their report?

3 Sport fish commissioners, get your comments in to me
4 by Friday, and tidal fish in to Billy by Friday, and we will
5 compile them and get them on to you. I will have it to you by
6 Monday morning because I am going to give until close of
7 business Friday.

8 MS. HUNT: I think Billy has a question.

9 MR. GRACIE: I am sorry. Did you have something to
10 say? I didn't mean to --

11 MR. RICE: Yes, I just wanted to kind of follow up
12 on some of Gibby's comments because he has probably worked
13 harder on this than any of us. I think we lost sight of where
14 we were headed. We all got stuck on this million dollars, and
15 Gibby has repeatedly said he didn't draw a line in the sand at
16 a million dollars. I have heard him say it more than once.

17 What we expected to accomplish by our proposal was
18 to have the groundwork laid out where we could put forth that
19 we are willing to come up with these license fee increases,
20 and we would add in revenue from other sources to accommodate
21 the budget, the cost recovery. Am I somewhere close to being
22 correct? All right.

23 There was leeway for adjustments on all sides so
24 when we look at the possible programs that are being cut, and
25 I know where Gina is coming from with the dollar figures deal,

1 | but it would be a huge help if you had a dollar figure. And I
2 | have always said I have been in fisheries management since I
3 | was 16 years old. It is not always about the resource.
4 | Sometimes it is about the people.

5 | And we need to see the faces that are tied to these
6 | programs. We need to see the numbers, the people that we will
7 | affect, you know, with eliminating these programs. If you
8 | took and put a dollar figure here with these program cuts, it
9 | would be kind of like looking at a divorce settlement, and I
10 | have been divorced twice so I am speaking from experience.

11 | (Laughter)

12 | MR. RICE: There are no two winners. There are only
13 | degrees of losing, and that is a good way to look at it. And
14 | the one thing that kind of bothers me is the figure that it is
15 | only 5,000 commercial fishermen. That is true. We won't
16 | dispute that.

17 | But I just sat here and figured up in my head, last
18 | season alone, I probably provided 100,000 meals for the
19 | seafood that I caught. That figure could be off because I did
20 | it in my head, but I know how many pounds of fish I caught and
21 | how many bushels of crabs I caught and I figured how many
22 | people it would feed because you can cut a 10-pound rockfish
23 | up a lot of different ways.

24 | And that is affecting all those people, if we no
25 | longer are available to provide that service. They expect

1 fresh seafood. They expect sustainable fresh seafood, and
2 that is what we are working toward with these programs we are
3 involved in, and all that type of thing.

4 We affect the waitress that serves that meal. We
5 affect the truck driver that transports our products. The
6 list can go on and on and on and on. And a lot of times we
7 get condensed to this small number, to the guy that pulls up
8 to dock. The guy that pulls up to the dock is the egg. The
9 chicken will hatch afterward. And that chicken lays a whole
10 lot more eggs, because it keeps spreading out and getting
11 wider and wider and wider. And it affects everybody.

12 We bring a certain amount of historical value and
13 cultural value to our state of Maryland. People travel for
14 miles to come to the state of Maryland to eat Maryland-fresh
15 seafood. If you don't think it is better than anywhere else,
16 drive somewhere else and eat the other seafood. Either I am
17 used to eating it or there is something wrong with it, one or
18 the other, because ours is the best. No doubt about that.

19 MR. GRACIE: Billy, I think the department
20 recognized that in assigning some of the value to community.

21 MR. RICE: Correct.

22 MR. GRACIE: And I think that is why a majority of
23 the sport fish commission is in support of a general revenue
24 fund match for you. So I think that is understood and a
25 fairly widely accepted understanding. Go ahead, Gibby.

1 MR. DEAN: I appreciate those comments. And I don't
2 want everybody to lose sight of the big picture here. There
3 is an alarming statistic out there right now, and ---, correct
4 me if I am wrong but I think you put these numbers together.
5 63 percent of all commercial fishermen are over the age of 50
6 years old. A third of those are over 60.

7 Now just through attrition alone you could very well
8 see the end of commercial fishing in the state of Maryland.
9 It is obviously not that profitable. That is why we are so
10 emphatic about these license fees.

11 There are younger people who can't even get into
12 this industry. There is no way they can go out and buy a
13 boat, a rig of crab pots or whatever and start out in this
14 industry today with the costs involved and make a decent
15 living and provide for their families.

16 And just try to imagine what the state of Maryland
17 would be without a commercial fishing industry. Now I know
18 there are some people here that would like to see the
19 commercial industry go, and I am very sad for those people
20 because Maryland is based on the Chesapeake Bay and its
21 seafood industry.

22 And just as Billy said, look what we are going to
23 lose. And all these other costs that are associated, that are
24 currently charged to the commercial industry, Gina, would you
25 say 80 percent of those costs are going to have to be picked

1 up -- is that a fair number -- by the recreational community,
2 cost of headquarters and everything else?

3 Maybe it is not 80 percent. She is looking at me
4 like -- but a large portion are going to have to be put up.
5 So please keep that in mind.

6 MR. GRACIE: Did you want to say something, Roger?

7 MR. TRAGESER: No, you echoed exactly what I was
8 saying before when he was talking about the overall benefit
9 and appreciation. That is the community, and general funds,
10 if that argument can be substantiated and made, that is that
11 community investment right there, to this shortfall.

12 MR. GRACIE: Shawn?

13 MR. KIMBRO: You know, I just want to say I agree
14 with everything Larry said right there. I am sorry, Gibby.
15 It is not about getting rid of the industry or doing away with
16 that. I think we are saying the same thing, we are just
17 trying to get to it in two different ways. It is about
18 strengthening the industry when you think about it.

19 If you pay for yourself, you are from a position of
20 power. That is what the point is and that is where the motion
21 was directed.

22 MR. DEAN: We understand. Thank you.

23 MR. GRACIE: Okay, I think that concludes our
24 business. Oh, go ahead. I am sorry.

25 MR. BROWN: I do want to address Val over there

1 | where he said it is 5,000 people, which he was correct on
2 | that, and it would be like \$480 a license per year. It
3 | doesn't work like that. I just did the figures. The
4 | difference between just with my one license that I have, and I
5 | have got a couple more other than that, but my main license,
6 | at \$1 million it would be \$1,930 a year. And at \$1.6 million
7 | it will be \$3,088 a year.

8 | Because you have got a lot of people in that 5,000
9 | who only have a \$100 license. They only like limited crabs.
10 | They are part-timers or they had to leave the industry not
11 | because they wanted to but they had to leave the industry
12 | because they had to get a job with security. One where they
13 | could possibly find some health care. They had to feed their
14 | families.

15 | And with the oyster industry getting the way it is,
16 | we don't have something to fall back on in the wintertime. We
17 | have got fish and crabs. Oystering is very, you know, it is
18 | coming back a little bit in some places but it is nowhere near
19 | where it used to be. At one time that was my main thing, was
20 | oysters. And we can't do it now. But I just want to let you
21 | know the difference.

22 | MR. GRACIE: Okay, we are open to the public for
23 | comments, suggestions, questions. Yes, Trent?

24 |

25 |

Public Comment

1 MR. ZIVKOVICH: Trent Zivkovich, CCA Maryland. I
2 just want to make a comment quickly about the community aspect
3 of this whole exercise. I think we all should remember
4 that -- let's not kid ourselves. We are going to be fighting
5 this fight this spring in the general assembly. There is
6 no --- . It is huge.

7 The bottom line is that talking about the benefit of
8 a clean bay, well-managed fisheries, to the general assembly,
9 and the fact that we all -- all of us, commercial, rec,
10 everyone else -- puts money into the till for it, and then we
11 all, all of us, all the Maryland citizens outside of this
12 room, they get one hell of a good deal out of that money.

13 And the fact of the matter is when we go and we
14 talk -- Gibby can tell you this, and I can tell you this -- we
15 go to talk to a lot of legislators, and you say, I am here to
16 talk about striped bass, they just laugh at you. They don't
17 give a damn about striped bass. They don't give a damn about
18 crabs and oysters.

19 They give a damn about clean water and the sense of
20 the environment and the fact that there are bird watchers out
21 there and all that kind of good stuff. And the fact of the
22 matter is that we as people who enjoy our water and our
23 resources -- Bill knows this. That is why CBF talks a lot
24 about the fact that the environment feeds all of us in a lot
25 of different ways.

1 But the fact of the matter is if we can show how we
2 all give back to the resource and pay into it, we as a
3 community, people who enjoy the bay, are going to get a lot
4 back more from the general assembly than what we are right
5 now. We are sitting here asking for matching money. Rec has
6 asked for matching money in the past. Commercial is
7 potentially asking more for it this upcoming year. I think we
8 would all support that. I think we would all support that.

9 And I think the general assembly would be a lot more
10 responsive if they realize and understand and see this report
11 and show what benefit they get, all of their citizens, all of
12 their constituents get, from a healthy bay and people being
13 involved and giving back more, giving back more in license
14 fees and whatnot.

15 And so let's keep that in mind that if we want to be
16 asking, if we want to be getting something back, we do have to
17 give something as well. Just a thought about it. Thank you.

18 MR. GRACIE: Any other comments from the public?
19 Ken, go to the microphone. Thank you.

20 MR. HASTINGS: My name is Ken Hastings. I am a
21 recreational angler. Could somebody drop this back down so I
22 could see Shawn's motion again?

23 MR. GRACIE: That is the motion.

24 MR. HASTINGS: Shawn's motion, the original motion.

25 MR. GRACIE: Oh, the tabled motion.

1 MR. HASTINGS: Yes, I don't have to talk to the
2 motion that we passed. I can talk about anything, right?
3 Thanks. How much time do we have?

4 MR. GRACIE: You have five minutes, and I will cut
5 you off.

6 MR. HASTINGS: If you look at these first two items
7 in Shawn's motion, this is really a business plan for a
8 successful, for-profit company. I know that comes down as a
9 hard concept right now but the truth is that this is a hard
10 sell right now because for so many years, the commercial
11 industry has not been a successful for-profit company, run
12 this way without subsidies.

13 Just recently, apparently, and I am going to find
14 out for sure eventually, the state failed its striped bass
15 sustainability certification. One of the major criteria in
16 that was that they would not issue certification to a heavily
17 subsidized industry unless the subsidies were firm and you
18 could count on them.

19 Well, guess what? They are not, not here, okay?
20 And they recognized that as being a for-profit model for a
21 fishery, like any other company, like anybody else who is
22 making a profit. Over the years if you needed more money, you
23 got some from general funds. You got some from Wallop-Breaux,
24 which you shouldn't have gotten. You got some from other
25 places.

1 If you were a true for-profit organization, you
2 would have had to go borrow that money. Maybe you would have
3 to sell some stock. And there would be interest involved and
4 shares and whatnot. You didn't do any of that. No one is
5 asking you to give that money back or pay interest on it.
6 They are just saying stop needing it.

7 Common thing is done. You cut your expenses. You
8 improve your profit margin. You get an influx of capital,
9 something. But you don't just keep doing the same thing over
10 and over again. Companies don't survive that way.

11 We talked a little bit about ASMFC, and how this is
12 all going to put our ASMFC efforts at risk, our compliance.
13 That is not true. Look at the other places that don't even
14 have fishing industries. New Jersey has game fish or striped
15 bass. New Jersey is compliant with the striped bass fishery
16 management plan at ASMFC.

17 It is not a requirement to even have a commercial
18 fishery. And here they are just talking about cutting back
19 some things to balance the budget, and right away the first
20 hysterical thing that comes out is we won't be compliant
21 anymore but that is crap. That is not true. Thank you.

22 MR. GRACIE: Ken, I just want to correct one thing
23 you said. They do not get Wallop-Breaux money.

24 MR. HASTINGS: For 17 years, Mr. Gracie, and I think
25 you know that because you and I had a long discussion about

1 | this, for 17 years the industry got upwards of -- let me
2 | finish now. You asked the question.

3 | MR. GRACIE: That is fact. I don't disagree with
4 | that. They are not getting Wallop-Breaux money currently. So
5 | your statement was in the present tense.

6 | MR. HASTINGS: I hear that, but I don't know that
7 | for a fact. However, I was talking in the past, how we got to
8 | where we are here.

9 | MR. GRACIE: Oh, I misunderstood you then. I
10 | thought you were talking about currently.

11 | MR. HASTINGS: During those 17 years, there were
12 | upwards of a quarter of a million dollars a year spent on tags
13 | that were given to the commercial industry.

14 | MR. GRACIE: You are correct.

15 | MR. HASTINGS: Thank you.

16 | MR. GRACIE: Thank you. Any other comments? Two
17 | things: First of all, I think Frank wants to say something,
18 | but I want to remind everybody we have a deadline. Did you
19 | have another comment, Frank?

20 | MR. DAWSON: No, I don't.

21 | MR. GRACIE: Oh. Remember you have a deadline to
22 | get your comments into the two chairmen. The department is
23 | going to get a draft report and send it out to everybody on
24 | the two commissions, and give us, I think, one week to
25 | respond, to give them comments on the draft report. That is

1 going to be, what, the end of this month?

2 MS. HUNT: Yes. After Thanksgiving, we will be
3 sending it out.

4 MR. GRACIE: Okay. All right, we are adjourned.
5 Thank you.

6 (Whereupon, the meeting adjourned at 8:00 p.m.)

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