

**S-FFMC MENHADEN ADVISORY COMMITTEE
MINUTES**

Tuesday, October 16, 2007

Point Clear, Alabama

R. Schillachi called the meeting to order at 8:32 a.m. with the following in attendance:

Members

Toby Gascon, Omega Protein, Inc., Baton Rouge, LA
Borden Wallace, Daybrook Fisheries, Inc., Empire, LA
Rick Schillachi, Omega Protein, Inc., Moss Point, MS
Vince Guillory, LDWF, Bourg, LA
Corky Perret, MDMR, Biloxi, MS
Jerry Mambretti, TPWD, Port Arthur, TX
Joe Smith, NMFS, Beaufort, NC

Others

Richard Fulford, USM-GCRL, Ocean Springs, MS
Shaun Gehan, Washington DC
Ben Landry, Omega Protein, Inc., Baton Rouge, LA
Kimberly Thibodeaux, Omega Protein, Inc. Baton Rouge, LA
Mike Brainard, MDMR, Biloxi, MS
Mike Buchanan, MDMR, Biloxi, MS

Staff

Larry Simpson, Executive Director, Ocean Springs, MS
Steve VanderKooy, Program Coordinator, Ocean Springs, MS
Jeff Rester, Program Coordinator, Ocean Springs, MS
Gregg Bray, MRFSS Analyst, Ocean Springs, MS

Introductions

Chairman Schillachi led the introductions of the MAC. After reviewing the roster, **B. Wallace** noted that Ed Swindell should be removed temporarily from the roster as his proxy.

Adoption of Agenda

The agenda was reviewed and **Perret** moved to approve the agenda seconded by **Guillory** and the agenda was approved.

Approval of Minutes (3/13/07)

The minutes from the March meeting were reviewed. **Wallace** moved to approve the minutes as written, **Perret** seconded and the minutes were accepted.

Update on 2007 Gulf Menhaden Season

J. Smith, NOAA Fisheries Beaufort, offered his annual review of the menhaden season. As of September, the landings for 2007 were 422,706 mt of fish, which was down 5% through this same time period in 2006. The year started slowly partly due to weather, but by June and July, landings were surpassing the previous 3 years. The Gulf season opened on April 16th with four plants active (Moss Point, Empire, Abbeville, and Cameron). The early season weather was windy and cool and was reported as "...worse start to the fishing season in years". There were poor fish oil yields and not all the vessels fished with full crews. In mid-June, the wind finally abated and catches improved across the northern Gulf. Fair weather dominated through July and catches generally good with no major weather systems affecting fishing. July was the peak of landings and fish oil yields improved substantially. Landings declined again in August and September due to weather. In mid-August Tropical Storm Erin moved into Texas and Hurricane Dean went into the Yucatan. The fleet lost almost two weeks fishing time in September as Hurricane Humberto made landfall in eastern Texas. The fleet continued to lose considerable fishing time in early October as windy conditions and several weak tropical systems prevailed in the western Gulf. A total of 42 vessels fished in 2007 (39 steamers, 2 run boats, and 1 bait boat). Fishing effort through July was estimated at 227,700 vessel-ton-weeks. The final landings could reach 466,000 mt if the weather in October doesn't hamper fishing. Coastwide ages were dominated by Age-1 fish although Moss Point seemed to fish mostly Age-2s. This abundance of young fish suggests a high abundance of Age-2 next year is possible.

The industry representatives asked **Smith** to consider looking at fishing effort based on actual days fished per week since the vessel/ton/weeks is probably a rather imprecise measure of nominal fishing effort. There are very few weeks when the fleet does not fish at least one day **Smith** would look into it and provide something at the March meeting.

Update on the Atlantic Menhaden

Smith provided an update to activities related to menhaden on the Atlantic. Landings on the Atlantic as of September were 136,700 mt which is up 25% from 2006 and up 21% from previous 5-yr average. Only Omega's plant at Reedville was active with 10 vessels. Beaufort Fisheries closed in 2004 and was sold this summer to developers. Three bait vessels were active in VA, 5-6 bait vessels were active in NJ, and 2 bait vessels were active in New England (RI, MA). **Smith** also reported that the 'Compromise Cap' or quota on menhaden removals from Chesapeake Bay was approved October 2005 and caps the reduction catch in Chesapeake Bay for the next 5 yrs at 109,000 mt annually. Any overages are subtracted from next year's catch while underages are added, up to 122,000 mt. Bill # 2082 [The Compromise Cap] was signed into law in VA in early 2007. Additionally, another bill was signed into law in NC this summer prohibiting purse-seining for menhaden within 3 miles off Brunswick County (southernmost NC county). Landings in Chesapeake Bay in 2006 were considerably less than the 109,000 mt 'cap' which means that the 2007 'cap' for the Bay is 122,000 mt. There was a very strong 2005 year class and a resulting high abundance in the Bay and Mid-Atlantic in 2007 of Age-2 fish. The Atlantic Menhaden Management Board will meet in two weeks in Annapolis at Annual ASMFC meeting.

Summary Data from the 2006 CDFR Database

Smith provided a short update on the fishing activity by set location from 2006. He was able to separate the location information by month and showed total sets on a map east and west of the River. Some areas were distinctly absent of fishing which may relate to the hypoxic zone in the mid to late summer.

Smith is receiving 'in-season' CDFRs received at Beaufort from Gulf factories monthly or bi-monthly and is providing the preliminary edits to them and collating the sets and landings by vessel and date. The key-entry of the complete forms is conducted during the winter by Beaufort staff which makes the annual database available the following spring or summer (e.g., 2006 data available in summer 2007). There is considerable lag-time from when the CDFRs are received at Beaufort, entered, and the database cleaned and made available. **Smith** suggested further revision to the CDFR form itself to move the program into scanning the data forms rather than key-entering everything. He would work up the changes to the form and get them to the industry for review. Pending their acceptance of the new forms, they may be phased in or replaced outright for the 2008 fishing season.

Hypoxia Action Plan

Doug Daigle of the Lower Mississippi River Sub-Basin Committee provided a report via phone on the National Hypoxia Action Plan, developed back in 2000 to address nutrient loads in the Mississippi River contributing to Gulf hypoxia. Daigle reported that while the Plan was adopted by Congress and began implementation, funding was never fully given to the participating states and resulted in what was really a 'non-start'. In 2005 a task force was identified by EPA to look at the science of hypoxia and review the Plan. The original intent of the Plan was to be a proactive approach to reducing hypoxia but again, without funding, the states bordering the Mississippi are now resistant to comply. Daigle will continue to update the MAC through the Commission office and keep them apprised of any changes as they relate specifically to fisheries.

TPWD's Historical Fishery Independent Data

J. Mambretti provided a retrospective analysis of the historical fishery-independent survey data from Texas compared to coastwide gulf menhaden landings over the last 20 years using TPWD gill nets, bay trawls, Gulf trawls, and bag seines. Generally, while the commercial landings have been declining over time, the fishery independent data suggests that menhaden populations in Sabine Lake and in the bays are steady and increasing. Overall, there is no biological concern at this time.

EDRP Supplemental Funding Discussion

The MAC spent considerable time discussing the Emergency Disaster Program and the recent supplement. It was pointed out that while EDRP I did not have the ability to help the menhaden industry in the Gulf, the EDRP II supplement does have a little more flexibility on how it is spent. Both Omega and Daybrook noted that the initial EDRP II discussions included a considerable amount to be directed for the menhaden industry. Since that time however, the

industry appears to be left a little short. The question was raised regarding where the 'disconnect' was, between what was originally discussed by the states and what was finally agreed upon. It was explained that NOAA did not have a mechanism to provide assistance directly to the industry, so it was left to the states to support industry out of their portion, if they so choose.

The industry representatives explained that just because they could spend their own money immediately after the storm to remove debris from waterways, feed contractors, install plumbing and electrical systems to get the economic support back into their communities, they should not be overlooked for their needs and losses. They pointed out that while many local companies and businesses have and continue to play the waiting game and still have people unemployed and no infrastructure, the menhaden industry took care of their own and others, rather than wait.

In summary, the industry is disappointed with the aid discussed so far in the EDRP II package. They feel that the original \$ 15M was fair and appropriate. The industry has done for others and the local economy more than most relief programs so far, in their communities. Finally, some 'fishery participants' will get compensation regardless of whether they incurred damage in the storms or not, just because they had landings in 2004 or 2005. The industry respectfully submits their concerns to the SFFMC and the Commission for their increased awareness and consideration.

Update on LNG Facilities in the Gulf

J. Rester provided a short presentation on the current status of LNG plants in the Gulf. In March of 2007, Shell announced that they were dropping plans to build the Gulf Landing facility which had been proposed as an open rack vaporizer. They cited substantial capacity already available for importing liquefied natural gas into the U.S. market, particularly along the Gulf Coast. The Bienville Offshore Energy Terminal which is proposed 63 miles south of Mobile Point, Alabama released their draft Environmental Impact Statement on July 6, 2007. The comment period for the DEIS closed on August 20, 2007 and a "stop clock" letter was issued on August 21, 2007 by the Coast Guard, requiring them to gather more data. They cited in their DEIS that the four representative species used in their analysis (red drum, red snapper, Gulf menhaden, and bay anchovy) were represented within the SEAMAP data used for the proposed site, but are not necessarily considered the most representative of the marine fisheries found at that location.

Port Dolphin Energy LLC filed its license application on March 29, 2007 for a LNG facility located 28 miles offshore of Tampa, Florida in approximately 100 feet of water. The proposed port would consist of two mooring areas centered on two Submerged Turret Loading Buoys, similar to those used in the Gulf Gateway Energy Bridge deepwater port. The proposed port would be capable of mooring up to two Shuttle and Re-gasification Vessels (SRV). The SRVs are vessels designed to regasify the LNG onboard the vessel in a closed loop regasification system. A Notice of Intent to prepare an EIS and a request for scoping comments was released in the Federal Register on June 12, 2007 and on August 10, 2007, a "stop clock" letter was issued to the owners of Port Dolphin to gather data to develop the DEIS.

Election of Chairman

Lastly, the position of chair rotated back to the states. ***Guillory** was nominated by **Mambretti** seconded by **Wallace**, and elected as chair by unanimous consent.*

With no further business, ***Guillory** moved to adjourn, **Perret** seconded and the meeting adjourned at 11:35 a.m.*