

Introduction of Compass Lexecon

by Rachel Feeney
Council staff

Groundfish Oversight Committee meeting
November 18, 2013



Project Introduction

AMENDMENT 18 GOAL #4:

“To prevent any individual(s), corporation(s), or other entity(ies) from acquiring or controlling excessive shares of the fishery access privileges”

- Additional expertise in economics from an external consultant is necessary to help determine if market power exists in this fishery (e.g., permits, PSC holdings, ACE leasing, landed fish).
- Market power is the ability to profitably control the price of a product that has limited substitutes.
- Findings will help the Council determine an appropriate excessive shares limit for the groundfish fishery.



Compass Lexecon

Dr. Glenn Mitchell, Senior Vice-President

Specializes in analyzing restraint of trade and regulatory review of mergers and joint ventures, including extensive econometric analysis of market power and competitive pricing.

Dr. Steven Peterson, Executive Vice-President

Specializes in the economics of antitrust and competition, estimation of damages, regulation and public policy.

They co-authored, with Dr. Robert Willig, the May 2011 report: “Recommendations for excessive-share limits in the surfclam and ocean quahog fisheries” for the NMFS and the MAFMC.



Project Phases

Done!

1. Initial consultation and quantitative data gathering

Receive appropriate NMFS economic and fishery data and pertinent background reports.

Done!

2. Initial public input

Solicit input via surveys and individual/small-group interviews. Hold at least one public webinar hosted by NEFMC staff, to receive additional input and preliminary feedback from interested parties.

In progress

3. Draft report preparation and presentation

Compass Lexecon presentation at 11/18 NEFMC Groundfish Oversight Committee meeting.

Upcoming

4. Final report submission

Based on feedback received during Phase 3, a final report will be prepared for the Council.



Remaining Timeline

Nov. 18	Today's CL presentation and discussion.
Dec. 11	CL submits draft final report. Staff checks that TOR are met and that there are no data confidentiality issues.
Dec. 16	CL submits revised draft, if necessary.
Dec. 23	Public comments due back to CL.
Dec. 31	CL submits final report.
Early 2013	Peer review by panel of SSC social scientists and other experts.

