

Amendment 18

Potential Range of Alternatives

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Purpose of discussion

Finish selecting the range of alternatives to be analyzed in Amendment 18.

Presentation outline

- Action goals and timeline
- Overview of sections with updates since June Council meeting
 - 4.1 - Accumulation limits
 - 4.2 - Trading U.S./Canada TACs
 - 4.4 - Data confidentiality
 - 4.6 - Redfish exemption area
 - 4.5 - Inshore/Offshore Gulf of Maine



Action Plan Timeline

2014	
July 23	CIE review reports finalized.
Aug. 2	GF Committee mtg.
Sept. 16	RAP mtg. (AM)
Sept. 16	GAP mtg. (PM)
Sept. 17-18	GF Committee mtg.
Nov. 17-20	NEFMC approves remaining Range of Alternatives.
Nov.-Dec.	Revise NOI, develop DEIS (analyze probable effects).
2015	
Jan.-Apr.	Develop DEIS cont.
Apr. 28-30	NEFMC approves DEIS, selects preferred alternative
July-Aug.	Public comment period.
Sept. 22-24	NEFMC votes on final action.
2016	
Jan.-Feb.	Public comment period.
May 1	Possible implementation of measures.



Documents – Tab #3

1 – Sept. 5 PDT memo on AI8

2 – Nov. 5 PDT memo on AI8

3 – AI8 Action Plan v. 13

4 – AI8 Discussion Document, updated Nov. 5

5 – GF committee motions on AI8

14 – Sept. 16 RAP motions

15 – Sept. 16 GAP motions

22 - Correspondence



AI 8 Purpose and Need

To address concerns related to the potential for decreased fleet diversity and increased consolidation in the fishery resulting from:

- Catch shares and currently low catch limits.
- Increases in catch limits as stocks rebuild in the future.

AI 8 Goals

1. Promote a diverse groundfish fishery, including different gear types, vessel sizes, ownership patterns, geographic locations, and levels of participation through sectors and permit banks;
2. Enhance sector management to effectively engage industry to achieve management goals and improve data quality;
3. Promote resilience and stability of fishing businesses by encouraging diversification, quota utilization and capital investment; and
4. To prevent any individual(s), corporation(s), or other entity(ies) from acquiring or controlling excessive shares of the fishery access privileges.



Range of Alternatives

Sect. 4.1 - Accumulation Limits



Sect. 4.1 - Accumulation Limits

Sect. 4.1.2 PSC caps

Alternative 1 - No action. No accumulation limit.

Alternatives 2-5 - Cap the PSC for each and every stock.

Alternative 4a - Caps the PSC for just 3 stocks.

Alternative 6 - Caps PSC for all stocks collectively.

Sect. 4.1.3 Permit caps

Alternative 1 - No action. No accumulation limit.

Alternative 2 - Caps permits at 5%.



Sect. 4.1.2 - PSC Cap Alternatives

PSC Alternative:	1	2*	3,3A*	4*	4A	5	6
GB cod	-	10	15.5	30	30	20	15.5 collectively
GOM cod	-	8	15.5	15	15	20	
GB haddock	-	15	15.5	30	-	20	
GOM haddock	-	7	15.5	15	-	20	
GB yellowtail flounder	-	14	15.5	30	-	20	
SNE/MA yellowtail flounder	-	5	15.5	15	-	20	
CC/GOM yellowtail flounder	-	8	15.5	15	-	20	
Plaice	-	9	15.5	20	-	20	
Witch flounder	-	9	15.5	20	-	20	
GB winter flounder	-	23	15.5	30	-	30	
GOM winter flounder	-	7	15.5	15	-	20	
Redfish	-	10	15.5	20	-	20	
White hake	-	8	15.5	20	-	20	
Pollock	-	6	15.5	20	20	20	
SNE/MA winter flounder	-	-	15.5	15	-	20	

Shading = cap is lower than the maximum currently held by an individual or permit bank.

*Council may select one or more stocks to which this alternative would apply.



Sect. 4.1.2 - PSC Cap Alternatives

June Council motions

- Include options for the PSC alternatives:
 - That holdings in excess of the cap would have the ACE annually distributed to the rest of the fleet in the manner described in Framework 45. PSC for each permit would remain unchanged.
 - That grandfathers holdings in excess of the cap as of the control date.
 - In the event that someone is required to sell permits as a result of this action, adequate time would be provided to do so.
- Directed the Committee to discuss the impacts of PSC caps on divestiture of underutilized species, future buybacks, subsequent sales of permits, and other issues.



Section 4.1.3 – PSC holdings in excess of accumulation limit

(color notes Committee motions)

4.1.3.1 - Grandfathering Current Holdings that are in Excess of an Accumulation Limit

Option A - Do not grandfather current holdings.

Option B - Grandfather current holdings at control date (4/7/11); the grandfathered status applies to an individual or entity and is neither transferable nor attached to the holdings itself.

4.1.3.2 - Disposition of Current Holdings in Excess of what is Allowed (limit plus any grandfathered holdings)

Option A - Can hold permits, but not use PSC.

Option B - Must divest permits.

Option C - Can hold permits, but must divest excess PSC.

<u>Section 4.1.3.2 Options</u>	<u>A</u>	<u>B</u>	<u>C</u>
Can permits with excess PSC be retained?	Yes	No	Yes
Can the excess PSC be retained?	Yes	n/a	No
Can the excess PSC be used?	No	n/a	n/a



Section 4.1.3 – PSC holdings in excess of accumulation limit

(color notes Committee motions)

4.1.3.3 - Acquisition of Future Holdings

Option A - Can hold permits, but not use excess PSC.

Option B - Can hold permits, but must divest excess PSC.

<u>Section 4.1.3.3 Options</u>	<u>A</u>	<u>B</u>
Can permits with excess PSC be retained?	Yes	Yes
Can the excess PSC be retained?	Yes	No
Can the excess PSC be used?	No	n/a

Committee motion:

“For Section 4.1, allow accumulation limits to be modified in a future framework due to a federal permit buyout or buyback.”



Section 4.1.3 – PSC holdings in excess of accumulation limit

Other U.S. catch share fisheries w/ cap:

# of fisheries	<u>Cap relative to highest current holdings</u>	<u>Grandfathering & divestiture</u>
4	Higher	Grandfathering not necessary.
1	Higher	Temporary grandfathering allowed, but not necessary.
2	Lower	Grandfathering allowed with expiration upon sale.
1	Lower	Grandfathering allowed with expiration date.
1	Lower	Grandfathering allowed with expiration upon inheritance.
1	Lower	Grandfathering allowed with no expiration.
1	Lower	Grandfathering not allowed. Divestiture necessary (Scallop IFQ).



Range of Alternatives

Sect. 4.2 – Trading U.S./Canada TACs



Section 4.2 – Trading U.S./Canada TACs

Section 4.2 U.S./CA trading

Alternative 1 - No action. Allow in-season adjustment of U.S./Canada TACs just for FY2014. Any additional quota would be allocated consistent with current ABC distributions (i.e. sectors, common pool, scallops, small-mesh).

Alternative 2 - Allow in-season trades of U.S./Canada stocks.

Option A - Trading of sector sub-ACL.

Option B - Trading of specific sector(s) ACE.



Section 4.2 – Trading U.S./Canada TACs

(color notes Committee motion)

Council meeting (June)

- Approved the range of alternatives.

TMGC meeting (September)

- Noted additional US work necessary to enable trading (e.g. A18).
- Felt there are no TACs available for trading (at current levels).

GF Committee meeting (September)

- Discussed if the Council should develop the possibility to trade.
- Felt the feasibility of a trade is too far off in the future. Would rather focus on near-term issues.

Committee Motion:

To move Section 4.2 Trading U.S./Canada TACs (p. 40-42) to Considered but Rejected.



Range of Alternatives

Sect. 4.4 – Data Confidentiality



Section 4.4 - Data confidentiality

Section 4.4 Data confidentiality

Alternative 1 - No action. Price data on leasing/moving ACE is confidential.

Alternative 2 - Price data on leasing/moving ACE to be non-confidential.

PDT Input

- NMFS has previously determined that price data is not necessary for the administration of the program, not warranting a MSA exemption.
- PDT could not find a catch share program where permit holder and price are posted with each quota transfer.
- Alternative 2 could incentivize misreporting; prices are difficult to verify.

GF Committee discussion

- If the impacts of catch shares are to be mitigated by leasing, the public needs to know more about the lease market.
- NMFS groundfish performance reports note that the paucity of leasing data hampers analysis.

No Committee motions.



Range of Alternatives

Sect. 4.6 – Redfish Exemption Area



Section 4.6 – Redfish Exemption Area

Committee Motion:

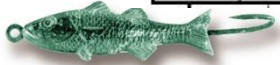
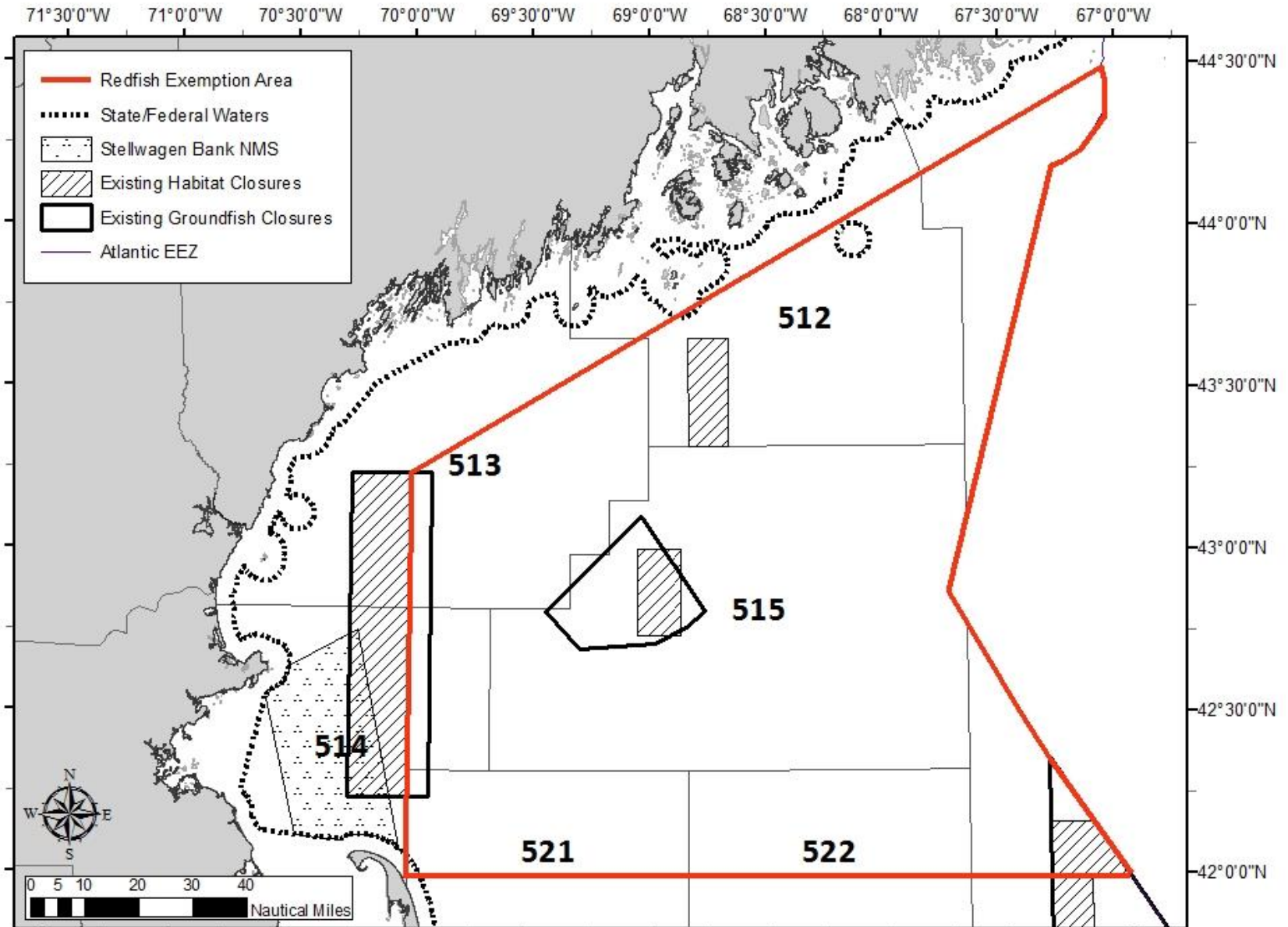
To add an alternative in Amendment 18 that would allow vessels to use a 5.5” codend within the Redfish Exemption Area (see next slide) on trips with an observer or approved electronic monitoring technology on-board.

Stipulations:

1. Prior to leaving the dock, vessel operators would be required to declare their intent to fish in the Redfish Exemption Area through the VMS by checking the box next to "Redfish Trip";
2. In the first part of the trip, vessel operators would fish with conventional groundfish codends (6.5”) in the GOM and GB regulated mesh areas, except when towing a separator trawl on GB where the codend may be 6”;
3. Vessel operators would be allowed to switch to 5.5” codends at the end of the trip after submitting VMS notification;
4. Vessel operators would report catch from the entire trip through the VMS prior to returning to port; and
5. Vessel operators would submit a separate VTR to report catch on each codend.



Section 4.6 – Redfish Exemption Area



Section 4.6 – Redfish Exemption Area

PDT Input

- Similar to a FY 2015 sector exemption request that GARFO is currently considering, with the additions of:
 - Including the common pool.
 - A 100% observer requirement.
- Considering similar measures in separate actions could lead to confusion and duplication of analytical resources.
- Alternative 2 could create new strata for observer coverage, stretching coverage resources, and diverting coverage from regular groundfish trips.
- Recommendation: Clarify which approach should be used to develop this concept and how this can promote statistically valid observer data.



Range of Alternatives

Sect. 4.5 – Inshore/Offshore Gulf of Maine



Section 4.5 - Inshore/Offshore GOM

June Council motion

Develop a range of alternatives:

- Inshore/offshore Gulf of Maine boundary lines, including: 70° W longitude and 70° 15' W longitude.
- Apply the following to the commercial and recreational groundfish fisheries:
 - Divide the existing ACL into inshore and offshore sub-ACLs (by historical catch patterns or stock distribution), and a sub-option to prohibit vessels from fishing in both the inshore and offshore GOM areas on a single trip without an observer or electronic monitoring technology;
 - Address concentrated inshore effort by expanding the gear restricted area in inshore Gulf of Maine; and
 - Create declaration time periods in and out of the areas.



Section 4.5 - Inshore/Offshore GOM

(color notes Committee motions)

4.5.1 Inshore/offshore GOM boundary

Alternative 1 - No action. No boundary.

Alternative 2 - Establish boundary.

“This action [alternative] is based on knowledge of the seasonal distribution of juvenile and adult fish within the management area, differences between the inshore and offshore fishing grounds, and the location of known spawning grounds.”

“One of the most important reasons for distinguishing management areas is to avoid over-exploitation of individual spawning components that are included within a stock-complex.”

Cte. Consensus Statement

The intent of the inshore/ offshore measures (Section 4.5) is to address Goals 1 and 3 of Amendment 18.



Section 4.5 - Inshore/Offshore GOM

(color notes Committee motions)

Doc. # 4
p. 52-54

Alternative 2 (cont.)

Option A - 70° W longitude.

Option B - 70° 15' W longitude.

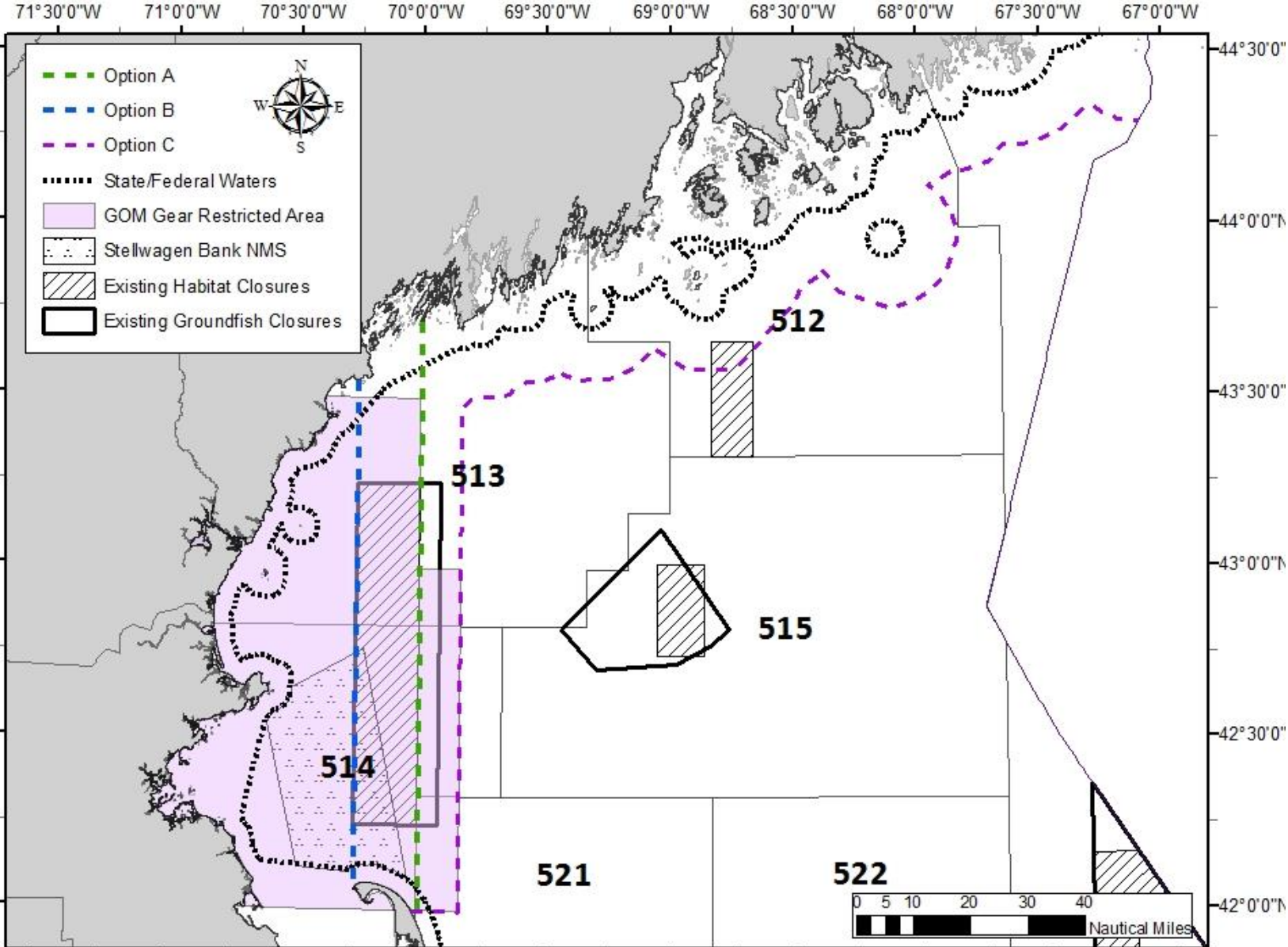
Option C - Align with GOM Gear Restricted Area and 12nm limit.

Consensus Statement

In Section 4.5.1, part of the rationale for Alternative 2 Option B (boundary line at 70° 15' W) would be to create a distinction between the day-boat and the trip boat fishery.



Section 4.5 - Inshore/Offshore GOM



Section 4.5 - Inshore/Offshore GOM

(color notes Committee motions)

4.5.2 Inshore/offshore GOM cod sub-ACLs

Alternative 1 - No action. No sub-ACLs.

Alternative 2 - Within the commercial and recreational ACLs, establish sub-ACLs.

Determining the inshore/offshore split

Option A - No predetermined rule. Set during each specifications process.

Option B - Proportional to catch in sub-areas.

Option C - Proportional to fish distribution in sub-areas.

Sub-options:
Prior 10 or
20 years.



Section 4.5 - Inshore/Offshore GOM

(color notes Committee motions)

Doc. # 4
p. 55-58

4.5.2 Inshore/offshore GOM cod sub-ACLs

Alternative 2 - Within the commercial and recreational ACLs, establish sub-ACLs.

Commercial allocation

Unchanged. Consistent with current PSC calculation methods.

For example, if a permit has a GOM cod PSC of 1.0, it would then the PSC for each sub-area would be 1.0.



Section 4.5 - Inshore/Offshore GOM

(color notes Committee motions)

Alternative 2 (cont.)

Catch monitoring & reporting

<u>Trip</u>	<u>Declaration</u>
Unobserved	Vessels would be prohibited from fishing in both inshore and offshore GOM areas on a given trip.
Observed	Vessels may declare into both inshore and offshore GOM areas on a given trip.
Unobserved	If a vessel declares into more than one BSA, the vessel cannot fish in the inshore GOM area.

Committee motions:

- Any option in Section 4.5 on prohibiting fishing without an observer or EM technology would only apply to commercial vessels, and
- Reporting measures be established to accurately apportion catch to each sub-ACL (including for recreational vessels).



Section 4.5 - Inshore/Offshore GOM

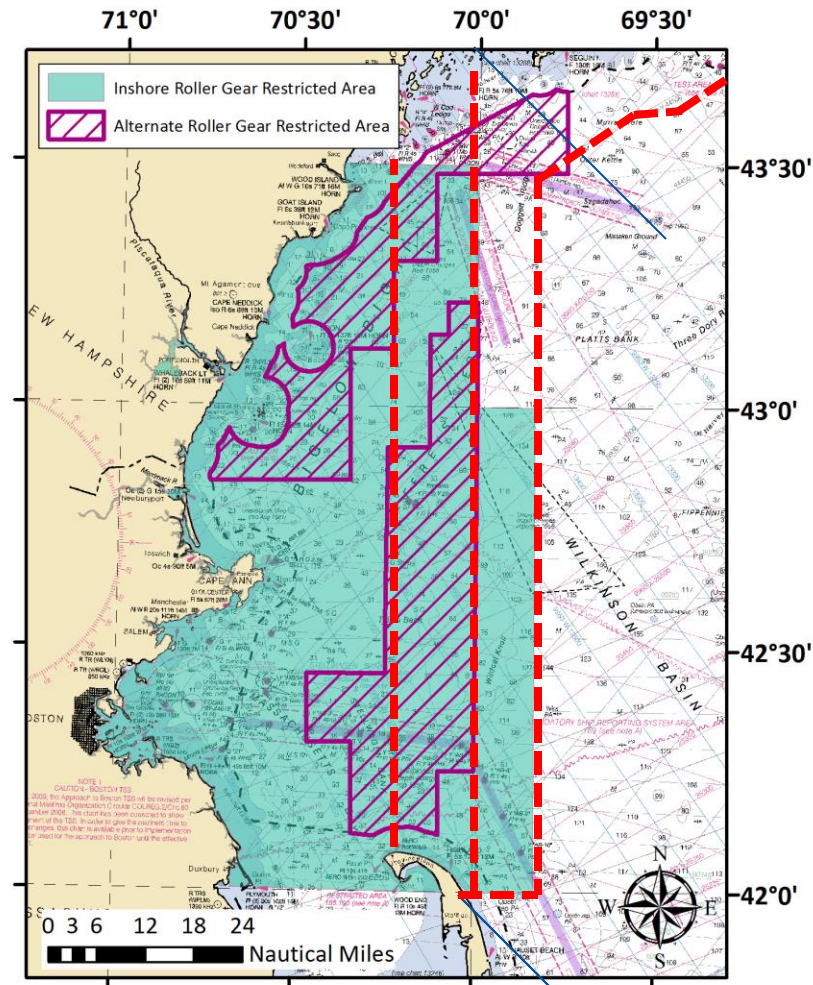
4.5.3 Gulf of Maine Gear Restricted Area

Alternative 1A - Current no action.
Area in **aqua**. 12" max for trawl roller gear for all trawls fishing under groundfish FMP.

Alternative 1B - Potential no action (pending OHA 2).

- Apply the area to all trawls (*preferred*).
- Change the area to that in **pink** (*non-preferred*).

Alternative 2 - Make boundary consistent with inshore/offshore GOM cod line in **red**.



Section 4.5 - Inshore/Offshore GOM

(color notes Committee motions)

4.5.4 Declaration Time Periods

4.5.4.1 Commercial fishery

Alternative 1 - No action. Do not specify time periods.

Alternative 2 - Annual declaration. Each year, vessels declare which area they will fish in.

Alternative 3 - Seasonal declaration. Each trimester, vessels declare which area they will fish in.

Alternative 4 - Trip declaration. Each trip, vessels declare which area they will fish in.

Option A - Must declare into an area each trip.

Option B - With an observer of EM monitoring, may declare into both areas on a given trip. Without, if a vessel declares into more than one BSA, the vessel can't fish in the inshore GOM area.

For Alternatives 2-4, vessels can only fish in the non-declared area on a non-groundfish trip, and ACE transfer and leasing unchanged.



Section 4.5 - Inshore/Offshore GOM

PDT Input

- Catch attribution may become more fine-scale and ACE transfer/leasing may become more frequent; how mortality would be reduced is unclear.
- Data/monitoring challenges remain:
 - Private anglers are not monitored. No data on fishing locations.
 - Party/charter fleet is not monitored. One position point/trip.
 - The observer program has a random-stratified design, departing from which would skew results.
- Recommendation: Consider rec. catch monitoring in the future.

RAP Input - Section 4.5 should not apply to the recreational fishery, due to lack of benefit, impracticality, data limitations, and enforcement and safety concerns (8/0/0).

GAP Input - Splitting the GOM cod ACL into inshore and offshore sub-ACLs be considered but rejected (4/3/0).

