

Draft Amendment 23
To the Northeast Multispecies FMP

Including a
Draft Environmental Impact Statement

Prepared by the
New England Fishery Management Council
In consultation with the
Mid-Atlantic Fishery Management Council
National Marine Fisheries Service

May 24, 2018

4.0 DRAFT ALTERNATIVES UNDER CONSIDERATION

4.1 Fishery Program Administration

4.1.1 Sector Administration Provisions

The management measures proposed in this section relate to sector administration policies established in Amendment 13 and Amendment 16.

The alternatives for modifying the current sector administration provisions are described below. The following alternatives will consider changes to the administration of the groundfish sector program designed to improve the operation of the system. The goal is to reduce reporting redundancies, reduce the burden on sector managers for reporting data, increase flexibility for sector participants with business planning, and improve the quality and timeliness of data processing. Additionally, there are alternatives to establish additional funding source options for the groundfish at-sea monitoring program.

4.1.1.1 Sector Reporting Requirements

4.1.1.1.1 Option 1: No Action

Sectors are required to report all landings and discards by sector vessels to NMFS on a weekly basis. Additionally, there is a requirement that sectors submit annual year-end reports (Amendment 13 and Amendment 16). Current regulations require that approved sectors must submit an annual year-end report to NMFS and the Council, within 60 days of the end of the fishing year that summarizes the fishing activities of its members, including harvest levels of all species by sector vessels (landings and discards by gear type), enforcement actions, and other relevant information required to evaluate the performance of the sector. More information on sector reporting requirements and the NMFS year-end report guidance can be found in Attachment 1 (Background Information on the Groundfish Monitoring Program).

Option 1/No Action would continue to require sectors to report all landings and discards to NMFS on a weekly or daily basis, and would continue to require that sectors submit annual year-end reports to NMFS and the Council.

4.1.1.1.2 Option 2: Streamline Sector Reporting Requirements

This measure would grant the Regional Administrator authority to revise the sector monitoring and reporting requirements currently prescribed in the regulations [648.87(b)(1)(v) and (vi)] to streamline the sector reporting process. For example, this could include eliminating the requirement for sectors to submit weekly and daily reports in lieu of the agency providing monitoring summaries for the sectors to use while continuing reconciliation to confirm accuracy.

In Amendment 16, the Council required sectors to report all landings and discards by sector vessels to NMFS on a weekly basis. At the time this was developed, the expectation was that sectors would use real-time information from their vessels to monitor catch. In practice, NMFS provides sector managers with a weekly download of official trip data (dealer and VTR landings data, observer discard data, and calculated discard rates for unobserved trips), and most sectors then use the weekly downloads to update their sector accounting and then submit a weekly report to NMFS. Other sectors use data collected

directly from vessels in their reports. Data reconciliation occurs regularly between the sectors and NMFS to improve monitoring accuracy.

A more efficient process might be developed that would still involve timely monitoring and reconciliation of data sources between sectors and NMFS. If deemed sufficient by the Regional Administrator, an alternative to the process currently prescribed in the regulations may satisfy the need to:

- Summarize trips validated by dealer reports;
- Oversee the use of electronic monitoring equipment and review of associated data;
- Maintain a database of VTR, dealer, observer, and electronic monitoring reports;
- Determine all species landings by stock areas;
- Apply discard estimates to landings;
- Deduct catch from ACEs allocated to sectors; and
- Determine sector catch and ACE balances.

Additional changes to streamline sector reporting could include such items as¹:

- Using NMFS reconciled data to determine when the trigger for sector daily catch reporting has been reached (required when 90 percent of any ACE has been caught), rather than using sector self-reported data. As described above, sector data is not any timelier and the reconciled data is more accurate, so using NMFS reconciled data would be more efficient and reliable than relying solely on sector reports.
- Modifying trip end hauls to accommodate catch reporting and to eliminate redundancy.

Rationale: Streamlining the sector reporting process would reduce reporting redundancies, provide flexibility to sectors and sector managers, and improve timeliness of data processing.

4.1.1.2 Knowing Total Monitoring Coverage Level at a Time Certain

4.1.1.2.1 Option 1: No Action

Currently, NMFS publishes the total monitoring coverage level once the necessary analysis is completed. Typically, analysis to determine the at-sea monitoring (ASM) coverage level is available sooner than the Standardized Bycatch Reporting Methodology (SBRM) analysis used to determine the Northeast Fisheries Observer Program (NEFOP) coverage level. The timeline for when total monitoring coverage level information is available has varied throughout the years of the groundfish monitoring program ().

Current regulations set December 1 as the deadline for sectors to submit preliminary rosters, but give NMFS flexibility to set other dates. For example, in FY 2013, managers asked for a later date, and they agreed on March 29, 2013. Beginning in FY 2014, NMFS established a standard deadline of four weeks after potential sector contribution (PSC) letters are sent out, although in several years, there have been agreed-upon extensions.

¹ These items were initially included in a letter from NMFS to the Council: “Bullard to NEFMC re sector reporting streamlining”, dated August 14, 2013 (see Attachment 2).

Table 1 - Target and realized observer (NEFOP and ASM) coverage levels for the groundfish fishery and dates when analyses to determine coverage rates available for Fishing Years 2010-2017 (GARFO 2017). “n/a” indicates that the information is not available.

Fishing Year	NEFOP target coverage level	ASM target coverage level	Total target coverage level	Realized coverage level	Date analysis posted by GARFO to determine total coverage rate	Date ASM coverage rate announced	Date sector rosters due
FY 2010	8 %	30 %	38 %	32 %			
FY 2011	8 %	30 %	38 %	27 %			12/1/2010
FY 2012	8 %	17 %	25 %	22 %			12/1/2011
FY 2013	8 %	14 %	22 %	20 %	4/12/2013	3/14/2013	3/29/2013
FY 2014	8 %	18 %	26 %	25.7%	2/21/2014	2/18/2014	3/6/2014
FY 2015	4 %	20 %	24 %	19.8%	3/2/2015	2/26/2015	2/25/2015
FY 2016	4 %	10 %	14 %	11.1%	5/6/2016	3/22/2016	3/15/2016
FY 2017	4 %	12 %	16 %	n/a*	3/15/2017	3/15/2017	3/16/2017
FY 2018	TBD	15%-NEFOP	15 %		1/25/2018	1/25/2018	3/26/2018

*Realized coverage not available; fishing year still underway.

Source: Summary of analyses conducted to determine at-sea monitoring requirements for multispecies sectors, FY2018, GARFO; and personal communication with GARFO staff

Option 1/No Action would continue the current process of making the total monitoring coverage level available once the necessary analysis is completed.

4.1.1.2.2 Option 2: Administrative Measure for Knowing Total Monitoring Coverage Level at a Time Certain

This measure would consider alternatives that facilitate knowing the target monitoring coverage level at a specific date in advance of the start of the fishing year to facilitate business planning by permit holders and sectors. Groundfish fishery participants need this information in advance of the fishing year in order to decide whether to participate in sectors for the upcoming year and to finalize their business planning. The feasibility of setting a fixed date is related to the method used for setting coverage rates and the desired timeliness of the underlying data used in the analysis.

Certain alternatives for determining target monitoring coverage levels may not require extensive analysis to determine target coverage levels for the upcoming fishing year. For example, alternatives for fixed target coverage levels would provide sectors a clear understanding of the target monitoring coverage level for upcoming years.

Rationale: Knowing the target monitoring coverage level at a specific date in advance of the start of the fishing year would provide flexibility to groundfish fishery participants by making the necessary information available for participants to decide whether to participate in sectors for the upcoming year and to finalize their business planning.

4.1.1.3 Funding for the Groundfish At-Sea Monitoring Program

4.1.1.3.1 Option 1: No Action

Beginning in 2012, Amendment 16 required that the at-sea monitoring program would be industry funded. However, since then NMFS has had sufficient funding to be able to pay for all or some of the sampling costs of the groundfish at-sea monitoring program. From FY 2012 through FY 2014, NMFS fully covered the sampling costs of the at-sea monitoring program. In FY 2015, NMFS fully covered sampling costs for the at-sea monitoring program until funds were expended in March 2016, at which point industry became responsible for the cost of at-sea monitoring. From July 2016 through April 2018, NMFS partially reimbursed sector participants for at-sea monitoring costs through a grant with the Atlantic States Marine Fisheries Commission.

In 2018, Congress directed NOAA to fully fund at-sea monitoring and allocated funds to do so. A spend plan has been submitted to Congress and is under review. It is anticipated that once those appropriated funds are used, sampling costs of at-sea monitoring would be fully paid for by industry, unless additional funds are appropriated by Congress.

Option 1/No Action would continue to require industry to fund at-sea monitoring costs.

4.1.1.3.2 Option 2: Additional Options for Industry-Funded Costs of Monitoring²

² The Groundfish Committee passed a motion at its May 9, 2018 meeting to move Section 4.1.1.3.2 (Option 2: Additional Options for Industry Funded Cost of Monitoring) to considered and rejected.

4.2 Commercial Fishery Measures

4.2.1 Groundfish Monitoring Program

Sectors are responsible for developing and implementing a monitoring program, described in their operations plans, that satisfies NMFS and Council requirements for monitoring sector catch and discards (Amendment 13, Amendment 16, FW 45, FW 48, and FW 55).

The primary goal of the groundfish sector at-sea monitoring program is to verify area fished, catch, and discards by species, by gear type; and meeting these primary goals should be done in the most cost effective means practicable (FW 55). All other goals and objectives of groundfish monitoring programs at §648.11(l) are considered equally-weighted secondary goals.

The goals and objectives of the groundfish monitoring program, are as follows:

Goal 1: Improve documentation of catch

Objectives:

Determine total catch and effort, for each sector and common pool, of target or regulated species. Achieve coverage level sufficient to minimize effects of potential monitoring bias to the extent possible while maintaining as much flexibility as possible to enhance fleet viability.

Goal 2: Reduce cost of monitoring

Objectives:

Streamline data management and eliminate redundancy.

Explore options for cost-sharing and deferment of cost to industry. Recognize opportunity costs of insufficient monitoring.

Goal 3: Incentivize reducing discards

Objectives:

Determine discard rate by smallest possible strata while maintaining cost-effectiveness. Collect information by gear type to accurately calculate discard rates.

Goal 4: Provide additional data streams for stock assessments

Objectives:

Reduce management and/or biological uncertainty.

Perform biological sampling if it may be used to enhance accuracy of mortality or recruitment calculations.

Goal 5: Enhance safety of monitoring program

Goal 6: Perform periodic review of monitoring program for effectiveness

The following sections describe options to adjust landing and discard monitoring for sector vessels. These options may replace existing monitoring and reporting requirements, or may be implemented in addition

to existing programs to improve data collection (e.g., improved discard monitoring systems, dockside monitors for landings, etc.). The range of alternatives considered by the Council includes the current system (No Action) as well as the options proposed below.

4.2.1.1 Option 1: No Action

Monitoring Coverage Levels

Amendment 16 specified a coverage level standard for sectors and required industry-funded ASM beginning in 2012. This requirement focused on the coefficient of variation (CV) of discard estimates, a measure of the precision of discard estimates, but also noted that other factors could be considered when determining coverage levels:

“For observer or at-sea monitor coverage, minimum coverage levels must meet the coefficient of variation in the Standardized Bycatch Reporting Methodology. The required levels of coverage will be set by NMFS based on information provided by the Northeast Fisheries Science Center (NEFSC) and may consider factors other than the SBRM CV standard when determining appropriate levels. Any electronic monitoring equipment or systems used to provide at-sea monitoring will be subject to the approval of NMFS through review and approval of the sector operations plan. Less than 100% electronic monitoring and at-sea observation will be required. In the event that a NMFS-sponsored observer and a third-party at-sea monitor are assigned to the same trip, only the NMFS observer must observe that trip.

Assumed discard rates will be applied to sectors unless an at-sea monitoring system (such as a sector’s independent monitoring program, a federal monitoring program, or other program that NMFS determines is adequate) provides accurate information for use of actual discard rates.”

Currently, a system for fishery performance criteria is used in setting groundfish sector coverage levels (FW 55). Application of the CV standard is filtered consistent with existing goals for the monitoring program, such that stocks that meet the performance criteria are not drivers for the annual coverage level. More information on the fishery performance criteria can be found in Attachment 1 (Background Information on the Groundfish Monitoring Program).

If Option 1/No Action is adopted, groundfish monitoring coverage level requirements would remain as defined in Amendment 16 and subsequent framework actions (FW 48 and FW 55). Currently, the target at-sea monitoring/electronic monitoring coverage level must meet the CV precision standard specified in the Standardized Bycatch Reporting Methodology (currently a 30 percent CV) for discard estimates at the stock level for all sectors and gears combined. Additionally, sector coverage levels are based on the most recent 3-year average of the total required coverage level (based on realized stock level CVs) necessary to reach the required CV for each stock, and are set using fishery performance criteria so that stocks that meet the performance criteria (not overfished, with overfishing not occurring according to the most recent available stock assessment, and that in the previous fishing year have less than 75 percent of the sector sub-ACL harvested, and less than 10 percent of catch comprised of discards) are not drivers for the annual coverage level.

Electronic Monitoring

Amendment 16 specified that electronic monitoring (EM) may be used in place of actual observers or at-sea monitors if the technology is deemed sufficient for a specific trip based on gear type and area fished. Option 1/ No Action would maintain the current process for approval of EM for monitoring by NMFS.

Dockside Monitoring

There is currently no requirement for dockside monitoring for the groundfish monitoring program. Amendment 16 had established implementation of a dockside monitoring program in the groundfish fishery, in order to verify landings of a vessel at the time it is weighed by a dealer and to certify the landing weights are accurate as reported on the dealer report. The dockside monitoring requirement was later eliminated (FW 48). More information on the previous dockside monitoring program can be found in Attachment 1 (Background Information on the Groundfish Monitoring Program).

Option 1/No Action would continue to maintain no requirement for dockside monitoring for the groundfish fishery.

4.2.1.2 Groundfish Monitoring Program Revisions

To be developed...

5.0 DRAFT ALTERNATIVES CONSIDERED AND REJECTED

5.1 Fishery Program Administration

5.1.1 Sector Administration Provisions

5.1.1.1 Funding for the Groundfish At-Sea Monitoring Program

5.1.1.1.1 Option 2: Additional Options for Industry-Funded Costs of Monitoring

Under Amendment 16, sectors must develop and fund their own monitoring programs. Sectors are still expected to bear the costs of the monitoring program changes adopted in Amendment 23.³

Funding source ideas

The costs of additional monitoring can be considerable. This action will consider regulatory changes that will help offset the cost of monitoring for sectors. Ideas to offset monitoring costs include:

- Quota auctions and quota set-asides, where a portion of the ACL for key stocks could be auctioned off annually to fund monitoring. This is done in some Fishery Management Plans (FMPs), where a portion of the quota is reserved as a set-aside and auctioned off annually to provide additional catch opportunity and a source of funding for management priorities like research. Section 208 of the Magnuson-Stevens Act (MSA) established a Fisheries Conservation and Management Fund, which may be funded through quota set-asides, appropriations, states or other public sources, and private or nonprofit organizations. This fund may be used to expand the use of electronic monitoring.

This measure will establish the necessary infrastructure for a quota auction.⁴

Rationale: Quota auctions may offset the cost of monitoring for sectors. This measure would consider regulatory changes to establish a quota auction.

Rationale for not including 5.1.1.1.1: After reviewing the work to date, the Groundfish Committee had concerns that an option to set up a quota auction or quota set-aside would further reduce available quota at a time while the groundfish fishery continues to operate under historically low annual catch limits. Therefore, the Committee did not recommend this action for further development.

³The Council recently adopted the IFM Amendment. The IFM Amendment discusses that the existing groundfish monitoring program is excluded from the newly adopted IFM approach. The PDT is aware that there are provisions in the IFM Amendment that will need to be considered for determining how the adjusted groundfish monitoring program in Amendment 23 fits into the IFM approach, and plans to explore this concept further. At present, the PDT does not expect that the IFM approach would apply to the adjusted groundfish monitoring program.

⁴ The PDT is exploring potential limitations to setting up a quota auction for the groundfish sector program. One question is whether the Council can provide a quota auction system outside of Limited Access Privilege Programs (LAPPs). Additionally, even if it is determined the Council can establish a quota auction system for the groundfish sector program, the funds collected would go into the Limited Access System Administration Fund established by section 305(h)(5)(B) of the MSA and would be subject to annual appropriations.

Attachment 1

Background Information on the Groundfish Monitoring Program

Sector Reporting Requirements

In Amendment 16, the Council required sectors to report all landings and discards by sector vessels to NMFS on a weekly basis. Additionally, Amendment 13 established the requirement that sectors submit annual year-end reports, and Amendment 16 expanded on those requirements. Current regulations require that approved sectors must submit an annual year-end report to NMFS and the Council, within 60 days of the end of the fishing year that summarizes the fishing activities of its members, including harvest levels of all species by sector vessels (landings and discards by gear type), enforcement actions, and other relevant information required to evaluate the performance of the sector. However, due to the time reconciliation takes, in the NMFS year-end report guidance the due date for the report is set as 14 days after the date final data tables are provided to the sectors by NMFS. The regulations require that the annual report must report the number of sector vessels that fished for regulated groundfish and the permit numbers of those vessels (except when this would violate protection of confidentiality), the number of vessels that fished for other species, the method used to estimate discards, the landing ports used by sector vessels while landing regulated groundfish, and any other information requested by the Regional Administrator. The annual report is intended to provide information necessary to evaluate the biological, economic, and social impacts of sectors and their fishing operations.

NMFS provides sectors with a guidance document detailing additional information required in the annual report, consistent with the regulatory authority, and specifications for submitting the report¹. Sector annual year-end reports comprise two files: a MS Word file for descriptive information and a MS Excel file for table data.

Table 1– Contents of the Descriptive Information File

Section Name	Description
Section 1: Fishing Effort Information	Fishing effort by sector vessels under sector rules
Section 2: Discard Estimation Method	A description of the method that was used and the sector's experience of using the method
Section 3: Violation Reports	Detailed reports of violations and how they were handled
Section 4: Other Relevant Information	Biological, social, and economic impact of sectors

¹ Preparing the Northeast Multispecies Sector Annual Year-end Report, 2016, GARFO, <https://www.greateratlantic.fisheries.noaa.gov/sustainable/species/multispecies/sector/docs/fy2016/sectoryerguidefy2016rev70.pdf>

Table 2- Summary of Year-End Report Tables

Table	Table Contents
Table 1	Summary data by vessel
Table 2	Port landing data
Table 3	PSC and Initial ACE data
Table 4a	Groundfish Landings and ACE Transfer summary data
Table 4b	Groundfish Landings from Trawl Gear
Table 4c	Groundfish Landings from Gillnet Gear
Table 4d	Groundfish Landings from Hook Gear
Table 5a	Other Species Landings Data from Sector Trips
Table 5b	Other Species Landings Data from Non-Sector Trips
Table 6	ACE Transfers to other sectors
Table 7	ACE Transfers from other sectors
Table 8	ACE Redistribution within sector
Table 9	ACE Conversion GB Haddock East to GB Haddock West

The source data for these tables come from various inputs including but not limited to VTRs, dealer reports, VMS catch reports, and Permits; these source data have been processed for quality by NMFS.

Funding for the Groundfish At-Sea Monitoring Program

Beginning in 2012, Amendment 16 required that the at-sea monitoring program would be industry funded. Framework Adjustment (FW) 45 included a measure to remove the requirement for industry-funded at-sea monitoring for FY 2012 and maintain at-sea monitoring coverage of sector trips at the level that NMFS could fund during FY 2012. The rationale provided in FW 45 was that to date, NMFS had sufficient funding to provide an at-sea monitoring program to fulfill this requirement for sectors annually since FY 2010. The Council was concerned that imposing these costs on the industry in FY 2012 would reduce profitability and result in making the sector system an economic failure. However, NMFS disapproved this measure to delay the requirement for industry-funded at-sea monitoring because it had concerns that it did not meet the requirements of the FMP and the Magnuson-Stevens Act, as previously expressed in letters and at Council meetings. The justification was that relying on NMFS appropriations to determine an at-sea monitoring coverage rate does not ensure that coverage will be sufficient to monitor sector annual catch entitlements (ACEs) or to meet the purpose and goals for sector monitoring described in Amendment 16. A similar measure to delay the requirement for industry-funded at-sea monitoring in FY 2013 was included in FW 48, and again was disapproved by NMFS based on the same concerns.

Monitoring Coverage Levels

Amendment 16 specified a coverage level standard for sectors and required industry-funded ASM beginning in 2012. This requirement focused on the coefficient of variation (CV) of discard estimates, a measure of the precision of discard estimates, but also noted that other factors could be considered when determining coverage levels:

“For observer or at-sea monitor coverage, minimum coverage levels must meet the coefficient of variation in the Standardized Bycatch Reporting Methodology. The required levels of coverage will be set by NMFS based on information provided by the Northeast Fisheries Science Center (NEFSC) and may consider factors other than the SBRM CV standard when determining appropriate levels. Any electronic monitoring equipment or systems used to provide at-sea monitoring will be subject to the approval of NMFS through review and approval of the sector operations plan. Less than 100% electronic monitoring and at-sea observation will be required. In the event that a NMFS-sponsored observer and a third-party at-sea monitor are assigned to the same trip, only the NMFS observer must observe that trip.

Assumed discard rates will be applied to sectors unless an at-sea monitoring system (such as a sector’s independent monitoring program, a federal monitoring program, or other program that NMFS determines is adequate) provides accurate information for use of actual discard rates.”

FW 48 stated that the minimum coverage level based on CV is only appropriate for sector monitoring purposes if there is no evidence that behavior on observed and unobserved trips is different. If there is evidence that behavior is different, then a higher coverage level may be required to ensure the accuracy of discard estimates. The required levels of coverage will be set by NMFS based on information provided by the Northeast Fisheries Science Center (NEFSC) and may consider factors other than the SBRM CV standard when determining appropriate levels. These requirements were modified in FW 55.

FW 48 clarified that for allocated groundfish stocks caught by sectors, the CV standard must be met for each stock at the overall stock level. FW 55 further clarified the Council’s intent that total coverage levels for sectors should be set using only realized stock level CVs. Since FY 2012, NMFS had considered it desirable to set groundfish sector coverage levels so that 80 percent of the discard estimates have CV30 at the sector/stock/gear level. This had resulted in setting ASM coverage at levels higher than what was needed to achieve a CV30 at the overall stock level. The Council clarified that overall ASM coverage levels should not be set using an administrative standard of monitoring a percentage of discarded pounds at a CV30.

FW 55 specified that the most recent three-year average of the predicted coverage rates (based on realized stock level CVs) would be used when determining ASM coverage levels on an annual basis, consistent with the requirement that minimum coverage levels must meet the CV in the SBRM at the overall stock level. For example, the coverage rate needed to achieve a CV30 over three years would be added and then divided by three (e.g., (percent coverage necessary to meet the required coefficient of variation in year 1 + year 2 + year 3)/ 3). Since FY 2012, NMFS had used the most recent year of available data to determine coverage needed to achieve a CV30 at the stock level. While this approach had yielded relatively consistent coverage rates to-date, there is the potential that variability in a single stock could lead to wide fluctuations in the target coverage levels in the future. Using a moving average is likely to help stabilize the predicted coverage levels that are needed.

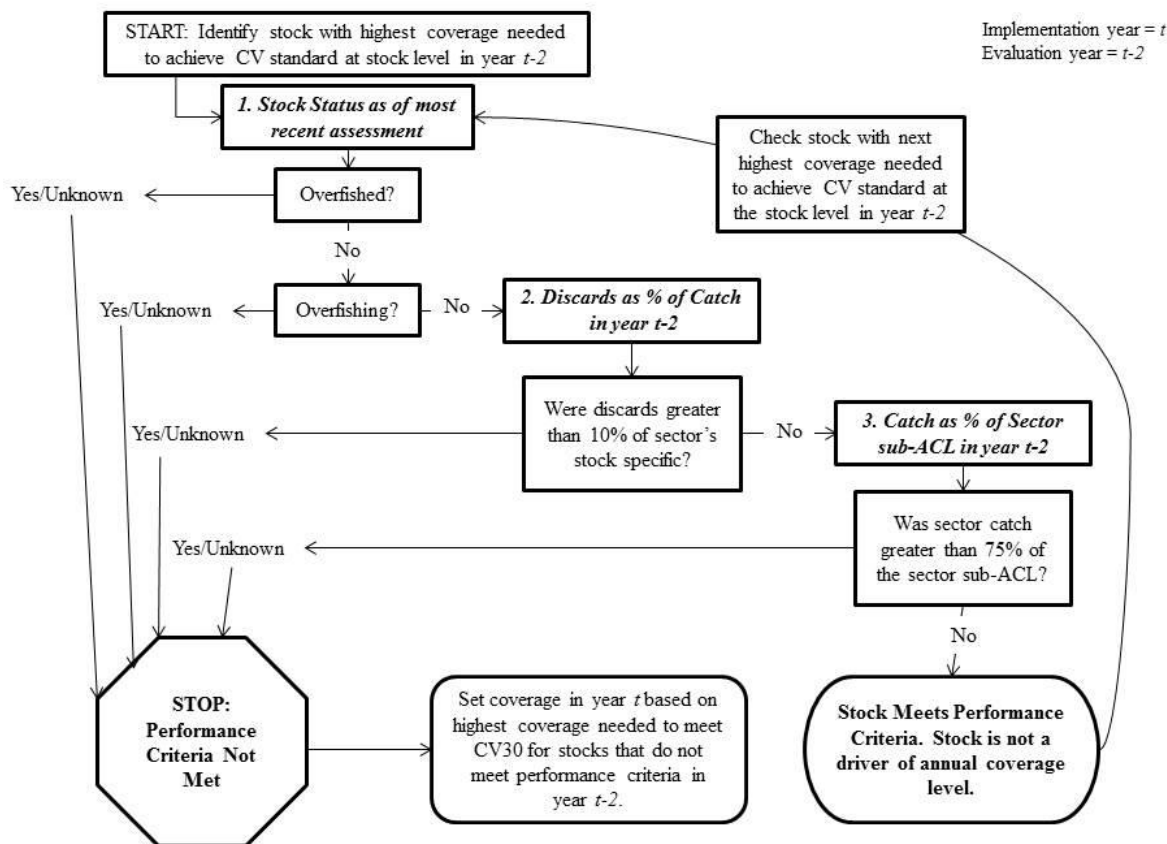
FW 55 also established a system for fishery performance criteria to be used in setting groundfish sector coverage levels. Application of the CV standard would be filtered consistent with existing goals for the monitoring program, such that stocks that meet the performance criteria are not drivers for the annual coverage level. This does not remove the 30 percent CV standard; rather, stocks that meet these criteria would not dictate the predicted ASM coverage needs for a given fishing year. Realized ASM coverage levels would need to be consistent with the Goals and Objectives of groundfish monitoring program as adopted through FW48.

The three fishery performance criteria are:

1. Stock Condition – Not overfished and overfishing is not occurring.
2. The percentage of sector sub-ACL catch comprised of discards (less than or equal to 10%).
3. The percentage of the sector sub-ACL harvested (less than or equal to 75%).

In practice, coverage levels are set based on the stock with the highest coverage level needed to achieve the CV standard. Figure 1 describes the process for determining coverage levels by iterating through each of the criteria.

Figure 1 - Process for applying the performance criteria when setting coverage rates.



The Council provided rationale that using fishery performance criteria for predicting the target ASM coverage level reduces the cost of monitoring while maintaining coverage levels sufficient to improve the documentation of catch, incentivize reducing discards, and provide additional data streams for stock assessments. By using performance criteria to identify healthy stocks for which percentage of the sub-ACL harvested and discards of stock-specific catch are low, the performance criteria reduce the chance that a realized stock specific CV above the standard would result in sectors exceeding their sub-ACL. In doing so, this option sought to balance the goals of minimizing the effects of potential monitoring bias to the extent possible while maintaining as much flexibility as possible to enhance fleet viability. The Council considered a range of catch as a percentage of the sector sub-ACL of 50% - 75%, and discards as a percentage of catch from 5% - 10%. The Council clarified that its preferred performance criteria thresholds are stock specific catch is equal to or less than 75% of the sector sub-ACL and discards are equal to or less than 10% of catch.

Additionally, FW 55 removed the ASM coverage requirement for sector trips using gillnets with extra-large mesh (10 inches (25.4 cm) or greater) in the SNE/MA and Inshore GB Broad Stock Areas. The Council's rationale was that this would reduce the cost of monitoring while maintaining coverage levels which are consistent with non-sector trips that target non-groundfish species (through SBRM coverage). The majority of catch on sector trips using ELM gear is of non-groundfish stocks, such as skates, monkfish, and dogfish, with minimal groundfish catch, and so reducing ASM coverage for these trips

allows resources to be used to monitor trips that catch more groundfish, which could improve discard estimates for directed groundfish trips.

Dockside Monitoring

Beginning in FY 2010, Amendment 16 established implementation of a dockside monitoring program in the groundfish fishery, in order to verify landings of a vessel at the time it is weighed by a dealer and to certify the landing weights are accurate as reported on the dealer report. Sectors were required to develop and implement an independent third-party weighmaster/dockside monitoring system that was satisfactory to NMFS for monitoring landings and utilization of ACE. The details of the weighmaster/dockside monitoring system were to be provided in the sector's operations plan. Common pool vessels were to become subject to dockside/roving monitoring upon the transition to a trimester total allowable catch (TAC) accountability measure (AM). Amendment 16 specified a requirement for pre-sailing and pre-landing hails in order to coordinate the deployment of dockside or roving monitors, and required reports of those hails to be made to the sector manager/monitoring contractor (and other entities if directed by NMFS). The requirement for dockside monitoring was imposed immediately for vessels fishing in sectors and in FY 2012 for common pool vessels.

For dockside monitoring, the required coverage were as follows:

FY 2010: Random dockside monitoring of 50% of trips in each sector.

Subsequent years: Random dockside monitoring of 20% of trips in each sector.

FW 45 modified the dockside monitoring program so that in FY 2011 and FY 2012 there was no requirement that dockside monitoring of sector catches be funded by sectors. NMFS was to provide as much funding as possible for dockside monitoring of up to 100 percent of sector trips, and, starting in FY 2012, common pool trips as well, if funds were available. If funds were not available for monitoring 100 percent of trips, priority was to be given to monitor trips that did not have an at-sea observer, at-sea monitor, or an approved electronic monitor. Rationale provided for this change in funding requirement was that since this measure did not replace dealer reporting or VTRs, it did not produce a new data stream that assists the assessment and management of the fishery. Eliminating the requirement reduced monitoring costs to industry, avoided duplication of effort, and did not reduce the availability of landings information. If the cost was to be covered by NMFS, the industry did see some benefit in continuation of the program. Also, FW 45 specified that the reporting requirements associated with a dockside monitoring program were not considered reporting requirements for sectors, and the Regional Administrator could exempt sector participants from these requirements as part of the approval of yearly operations plans.

Building on operational standards developed for dockside monitoring in Amendment 16, FW 45 established the requirement that dockside monitors inspect the fish holds for any trip that was assigned a dockside/roving monitor beginning in FY 2011. This requirement was intended to enhance the enforceability of existing provisions and minimize the incentives to underreport/ misreport the amount of regulated species landed. However, this requirement was removed by NMFS prior to developing protocols and training for dockside monitors to board vessels, due to safety concerns raised on samplers inspecting a fish hold. NMFS made the determination that retaining the vessel trip-end (pre-landing) hail requirement was sufficient to provide an efficient and effective means for observation and enforcement of vessel landing requirements through unannounced observation of vessel offloads at the discretion of law enforcement, which could include inspection of the hold.

FW 45 also specified that vessels fishing under a Handgear A or Handgear B permit, or a Small Vessel Exemption permit, were exempted from the dockside monitoring requirements adopted by Amendment 16 when fishing in the common pool, because these permit categories land small quantities of groundfish and the expense of the monitoring requirements would make them uneconomical.

FW 48 eliminated all dockside monitoring requirements that were adopted in Amendment 16, as modified by FW 45, beginning in FY 2013. The rationale provided was that dockside monitoring increases the operating costs of sectors, and landings information is already provided through the dealer reporting system. The Council's rationale was that as long as unreported landings do not occur, the dealer reports can be used to monitor sector landings and there is little advantage to having dockside monitors verify these reports. By eliminating the program, sector operating costs would be reduced and redundant accounting would be avoided. NMFS determined that dealer reporting combined with dockside intercepts by enforcement personnel were potentially sufficient to monitor landings of sector catch at the time. However, after the removal of the DSM program there were incidents of unreported and misreported landings.

Attachment 2



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
NORTHEAST REGION
55 Great Republic Drive
Gloucester, MA 01930-2276

AUG 14 2013

Terry Stockwell
Vice Chairman
New England Fishery Management Council
50 Water Street, Mill 2
Newburyport, MA 01950

Dear Terry:

I would like to initiate a discussion with the Council about sector reporting requirements. Last November, NMFS staff met with the sector managers for a conversation about current sector reporting requirements and the associated reporting process. The sector reporting requirements discussed in November pertain to: Weekly catch reports, VMS catch reports, trip-end hail reports, and year-end reports. This meeting, and subsequent internal discussion, led us to conclude that we could streamline reporting requirements while maintaining or increasing data quality, and reducing the current reporting burden for sectors. When we raised the idea of combining VMS catch reports and trip-end hails under Regional Administrator authority, we were asked by Council staff to delay any changes to sector reporting requirements to allow the Council to participate in the discussion. Now that Framework Adjustments 48 and 50 have been implemented, I am raising this issue again.

Council staff members were unable to attend our November meeting, but did provide excellent comments about streamlining sector reporting requirements. Importantly, the comments focused on the larger picture and suggested that the conversation needs to begin by asking how the reporting requirements fit into the overall plan for monitoring and communicating performance of the fishery. This leads to questions about what data should be collected and how the data are used. Recently, we initiated a process to evaluate fishery-dependent data and reporting in the Northeast Region. As suggested by Council staff, we would like the discussion of sector reporting streamlining to be held in the context of overall fishery performance reporting and monitoring.

Below are several reporting measures that my staff identified as candidates for streamlining. Some of the changes would require Council action, while others could be done under existing Regional Administrator authority.

Sector Weekly Catch Reports

First, I would like the Council to consider granting additional Regional Administrator authority to streamline sector reporting requirements. For example, NMFS lacks the authority to remove the current weekly reporting requirement if a more efficient method for timely monitoring of sector ACEs is developed. In Amendment 16, the Council required sectors to report all landings and discards by sector vessels to NMFS on a weekly basis. At the time this was developed, the



expectation was that sectors would be using real-time information from their vessels to monitor catch. In practice, we provide sector managers with a weekly download of trip data (dealer and VTR landings data, observer discard data, and calculated discard rates for unobserved trips). Sectors use the weekly downloads to update their sector accounting and then submit a weekly report to us. Data reconciliation occurs regularly between the sectors and us to improve monitoring accuracy. However, a more efficient process might be developed that would still involve timely monitoring and reconciliation of data sources between sectors and us.

Second, Amendment 16 required that all sector operations plans include a catch threshold for triggering more frequent reporting. The particular data used to trigger more frequent reporting, however, are not expressly covered by Amendment 16. The shared understanding has been that sector data provided consistent with the reporting regulations would be used in-season, based on the expectation that sectors would have timelier in-season data. Currently, sectors must report daily when catch has reached 90 percent of any ACE, and the increased reporting frequency is triggered by the catch as reported by the sector. When data have been reconciled, we would like to use our data to require daily reporting, rather than relying on sector self-reporting to trigger the daily reporting requirement.

Using our data would result in a more reliable and efficient in-season reporting adjustment. Unexpectedly, using sector data has not been timelier than using our reconciled data. This is because, as noted above, sectors have been using our data to avoid duplication of effort and increase efficiency. Sectors seek to avoid errors by using our data reconciliation process to provide more reliable data (the reconciled data are also used as the final data at the conclusion of the fishing year for purposes of monitoring compliance with ACE limits). Because the reconciled data are more accurate, they result in accurate triggering of increased reporting, and using our reconciled data would be more efficient and reliable than relying solely on sector reports. I believe we have the authority to use our reconciled data for sector in-season monitoring, but prefer to have your input on this.

VMS Catch Reports and Trip-End Hails

Third, last fall we raised the idea of combining VMS catch reports and trip-end hails under Regional Administrator authority, but we were asked by Council staff to delay any changes to allow the Council to participate in the discussion. We would like to modify trip-end hails to accommodate catch reporting for trips not required to report catch daily. This streamlining would eliminate the burden and cost of sending two VMS messages at the end of many trips.

Sector Year-End Reports

Finally, as we are in the fourth year of expanded sector management, the Council may want to consider its information needs for evaluating sectors and discuss whether or not the current annual report requirement is meeting those needs. Each sector must submit an annual year-end report to NMFS and the Council, as required by Amendment 16. The intent of the year-end report is to provide information necessary to evaluate the biological, economic, and social impacts of sectors and their fishing operations. The implementing regulations include some specific requirements for the year-end report, but NMFS annually produces a guidance document

(Preparing the Northeast Multispecies Sector Annual Year-End Report) that supplements the regulatory requirement for "other relevant information required" by specifying additional information the sector must submit as part of its annual report.

Currently, the annual report consists of two parts: Data tables and descriptive text. The data tables are generated by NMFS and provided to the sectors. The sectors are responsible for creating member IDs and using those to attribute ACE trades to individual members, and also for creating a table on internal ACE allocation redistribution within the sector during the fishing year. The descriptive text portion of the report is the sector's opportunity to describe itself, its operations, and its performance during the fishing year.

Parts of the year-end reports are considered confidential because sectors are considered a person and the reports are submitted in compliance with requirements the Magnuson-Stevens Act. Information necessary to make determinations about allocations (e.g., catch, ACE trade amounts) are an exception. Therefore, the complete reports are available only to NMFS staff; Council staff; and others, including state fisheries management staff, in accordance with a confidentiality agreement. This precludes most Council members from seeing the complete reports. However, information from these reports can be released in aggregate form if it maintains the confidentiality of the submitter's identity. For instance, in October 2011 NMFS gave a presentation on the FY 2010 year-end reports at the Council's sector workshop. Since that time, NMFS has primarily disseminated information from the year-end reports by incorporating it in the annual Report on the Performance of the Northeast Multispecies (Groundfish) Fishery. Staff responsible for that report participated in the November meeting with sector managers to discuss possible ways to improve sector input to the report either through their annual reports or other mechanisms. Does the Council want to change the requirements for sector year-end reports?

Thank you for considering this request to improve efficiency of monitoring. Please contact Mark Grant of the Sustainable Fisheries Division with any questions.

Sincerely,



for John K. Bullard
Regional Administrator

