

Final Framework 26 Meeting

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Scallop PDT Chair**

**Scallop AP and Cmte
November 13/14, 2014**



New England
Fishery Management Council

Outline of Agenda

1. Review FW26 projection results (Doc. #3)
2. Review PDT analysis of VMS corridor alternatives and recommend final DAS adjustment values (Doc. #8)
3. Review recent PDT input on FW26 measures and potentially take action on several items (Doc. #9)
4. Recommend preferred alternatives for all FW26 measures (Doc. #6)

Framework 26 - Purpose and Need

- Primary objective: set specifications for FY2015 and 2016 (default)
- In addition, the Council added other issues to be addressed.

In September that list was **prioritized**:

1. Revise “flaring bar” provision for turtle deflector dredge
2. Allow fishing in state waters after NGOM hard-TAC is reached
3. Make turtle regulations consistent
4. Develop PROACTIVE AMs for northern WP and YT stocks
5. Allow a limited access vessel to declare out of fishery on return to port
6. Develop REACTIVE AMs for northern WP and revise AMs for YT

Section 2.2 - Specification Alternatives

- All GB access areas will be closed, 3 MA trips
- Similar DAS to 2014 (30 or 31 DAS)
- Total catch about 45-46 million pounds (about 10 million lb. increase from 2014)

- **Alternative 1 – No Action**

- Default from FW25 - 75% of projected DAS (26/27 DAS), no AA trips

- **Alternative 2 – Basic Run**

- No changes to AA boundaries

- **Alternative 3 – Modify access areas to reduce impacts on small scallops (3 options: CA2, NL, and ETA)**

- **Alternative 4 – No modifications to AA and reduce F in MA AA to reduce impacts on small scallops**

Explanation of possession limits

- Section 2.3.3 of Document #1
- For Alt 2 and 3 total landings = 19.2 mil. Lbs. from AA
- That includes an assumption of 5.5% for LAGC (about 1 mil lbs.) and 3% for set-asides (about 0.6 mil lbs.)
- PDT discussed that assumption for RSA set-aside is low, may be closer to 1.0 instead of 0.4 million pounds
- Other reasons to be precautionary:
 - F values relatively high already (0.5);
 - megatron potentially adds risk; and
 - access may not begin until late May/June, so if fishing in summer increase discard mortality

Possession limit (Table 17 – Doc#1)

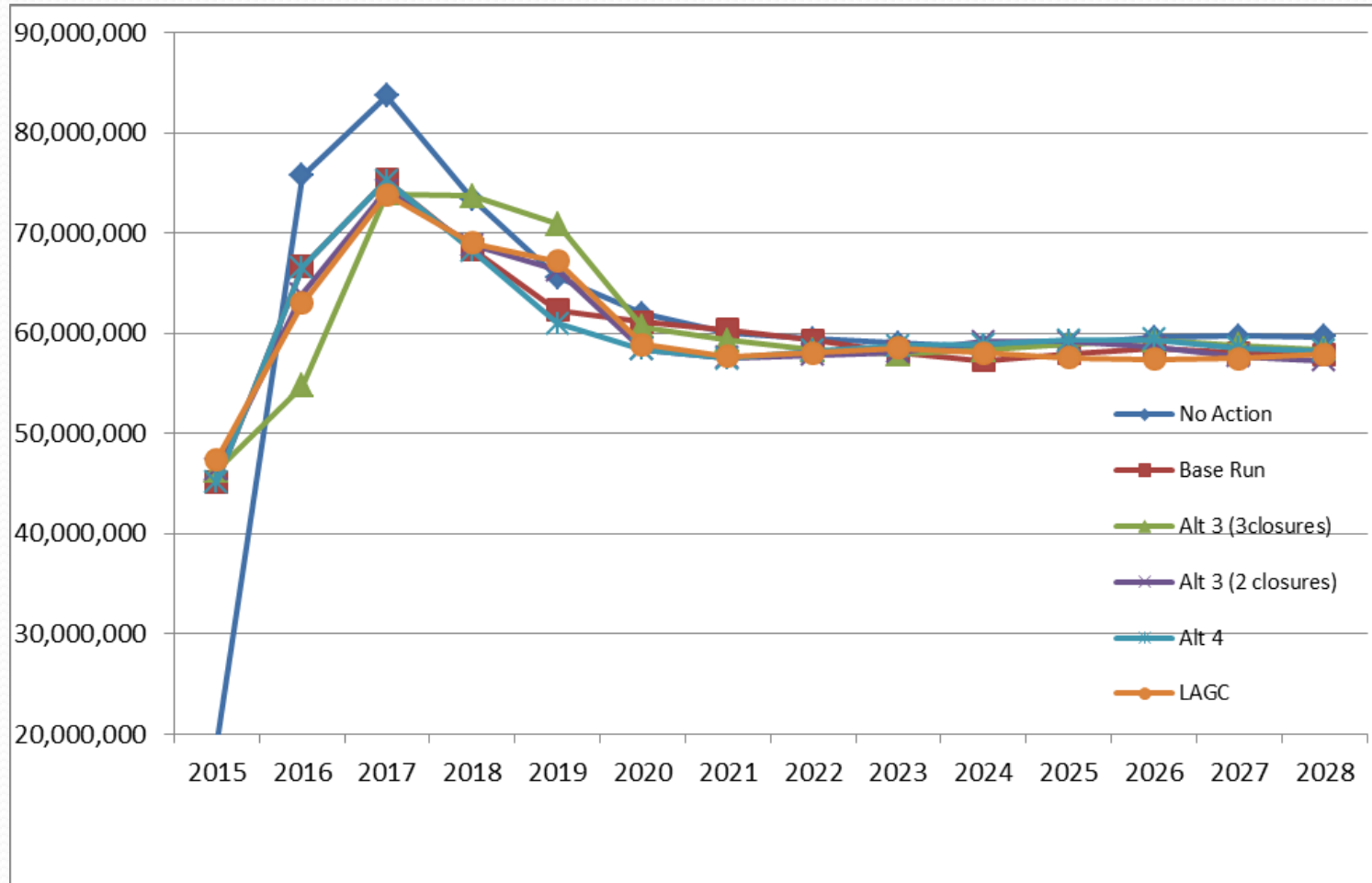
	Model Assumptions	PDT Estimates
Total AA Landings	19,180,220	19,180,220
Set Asides for RSA +OBS (3%)	575,407	1,191,802
LAGC (5.5%)	1,054,912	1,054,912
LA Landings	17,549,901	16,933,506
Per FT vessel	53,669	51,784
Per trip allocation	17,890	17,261

LAGC catch may not be 5.5% either (could be higher) Table 18

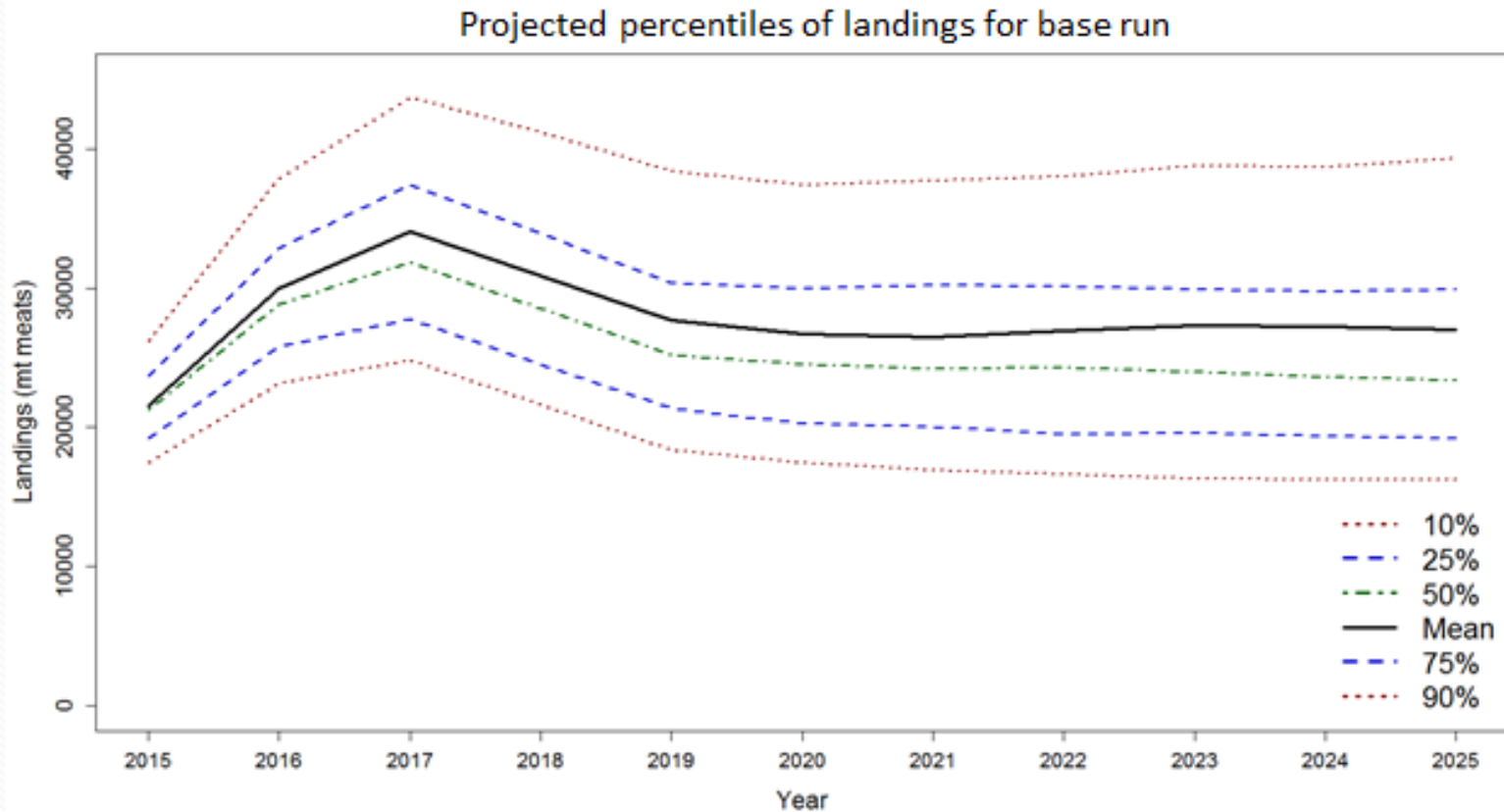
Part I: Projection Results

- Document #3 - 7 separate runs – Table 1, page 3
- Overall the results similar in both short and long term
- 45-46 million pounds in 2015, diff of about 10 million pounds for 2015+2016, diff of about 5 million lbs. long term
- Summary of biological projections (Section 1.1.2.1)
- Projected shell height frequencies by area (Section 1.1.2.1.6)
- Economic analyses – page 34

Projected Landings

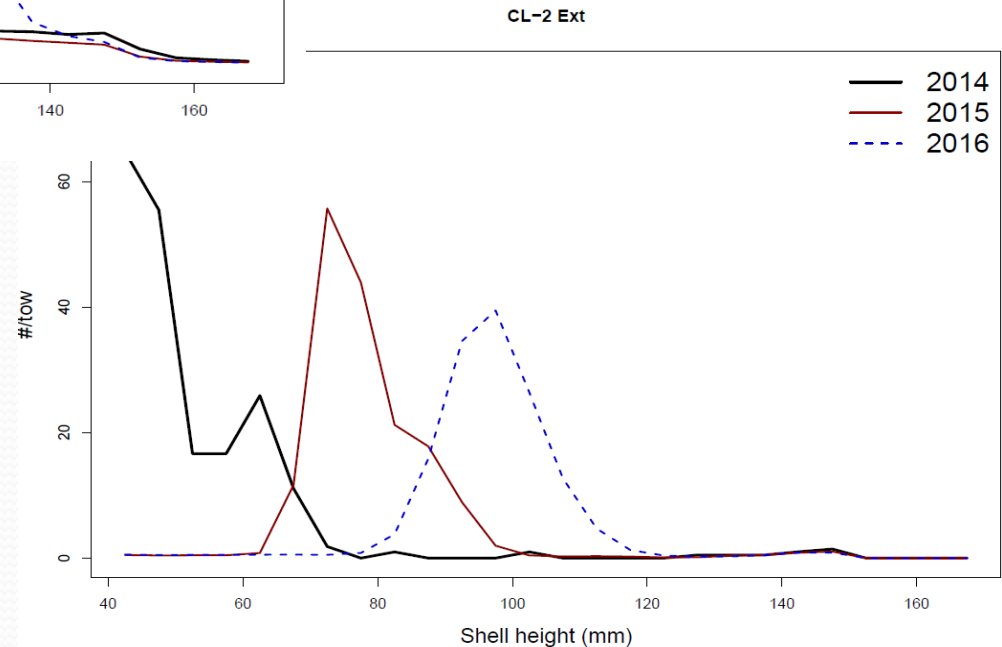
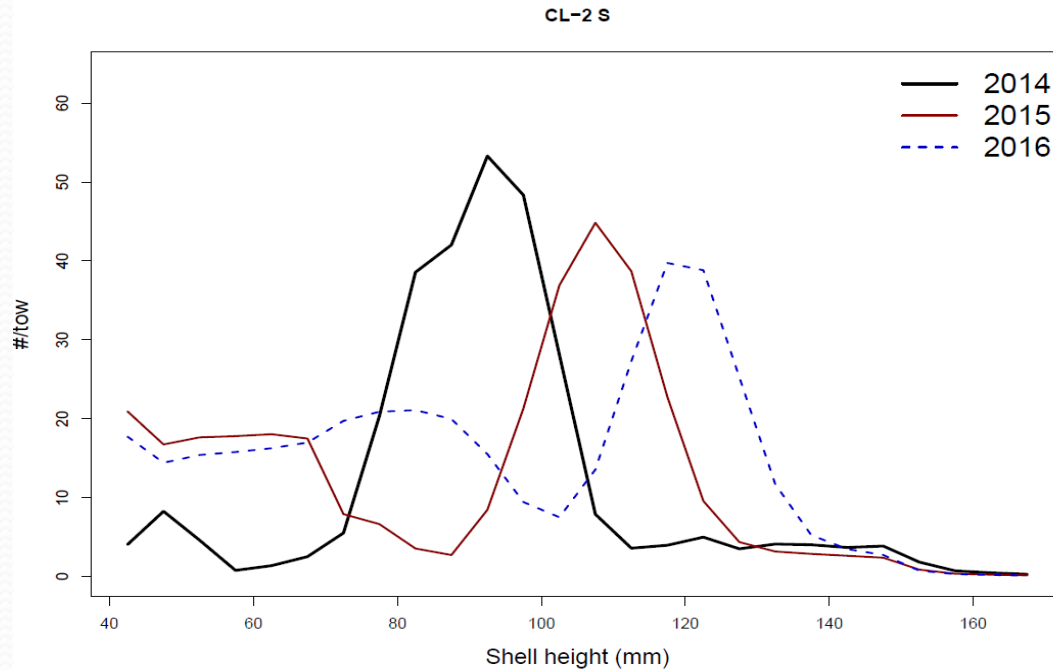


Projected Percentiles of landings for base run



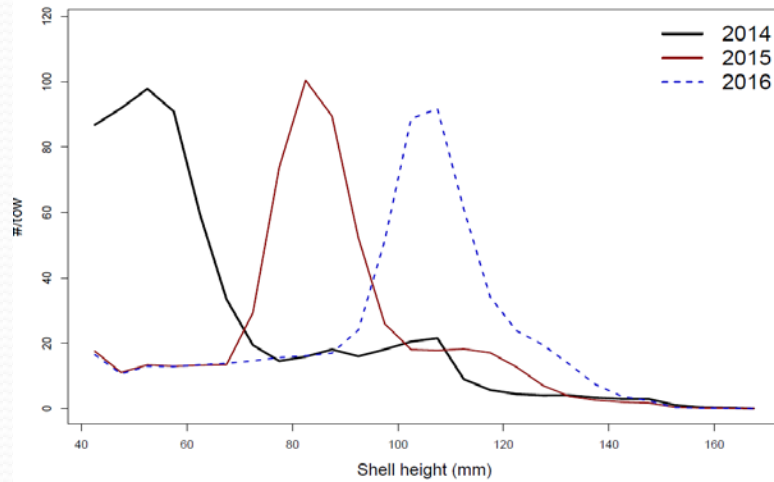
Projections uncertain – Mean of 1,000 runs = 45 mil. lbs.,
but actual catch could reasonably fall between 40-57 mil. lbs.

Projected SH Frequencies – CA2

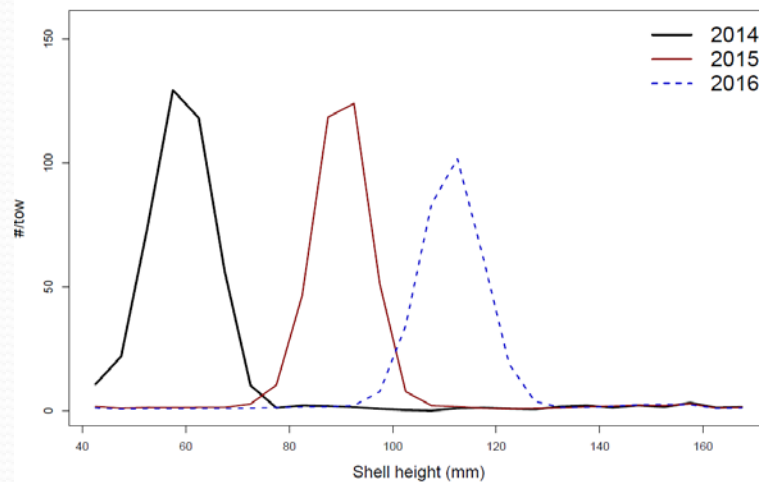


Projected SH Frequencies – NL

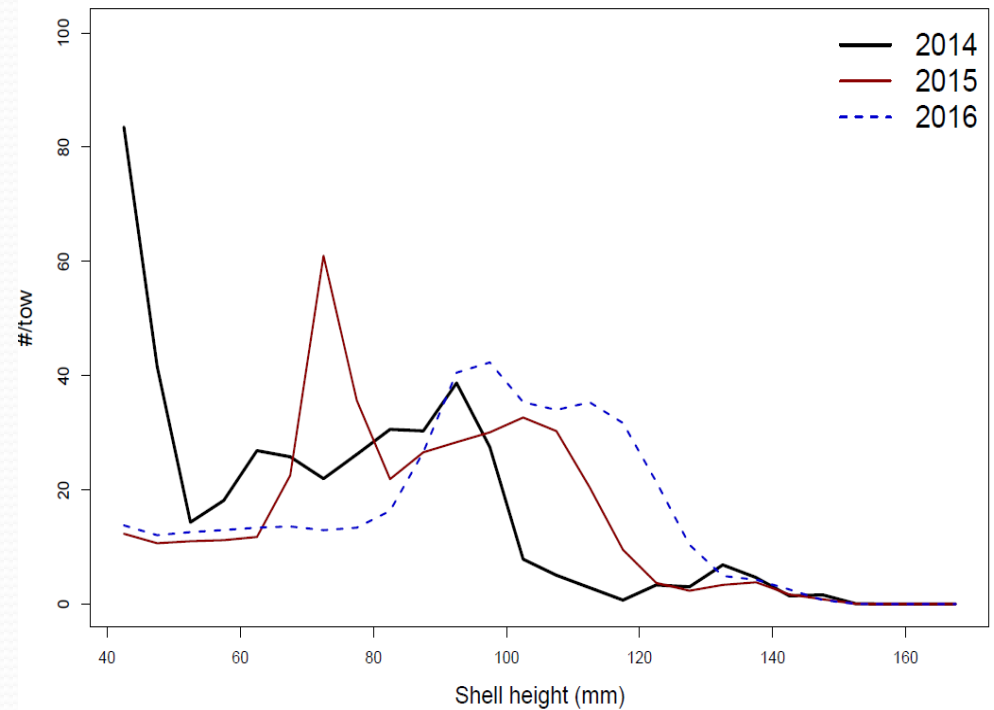
NLS Acc



NLS NA

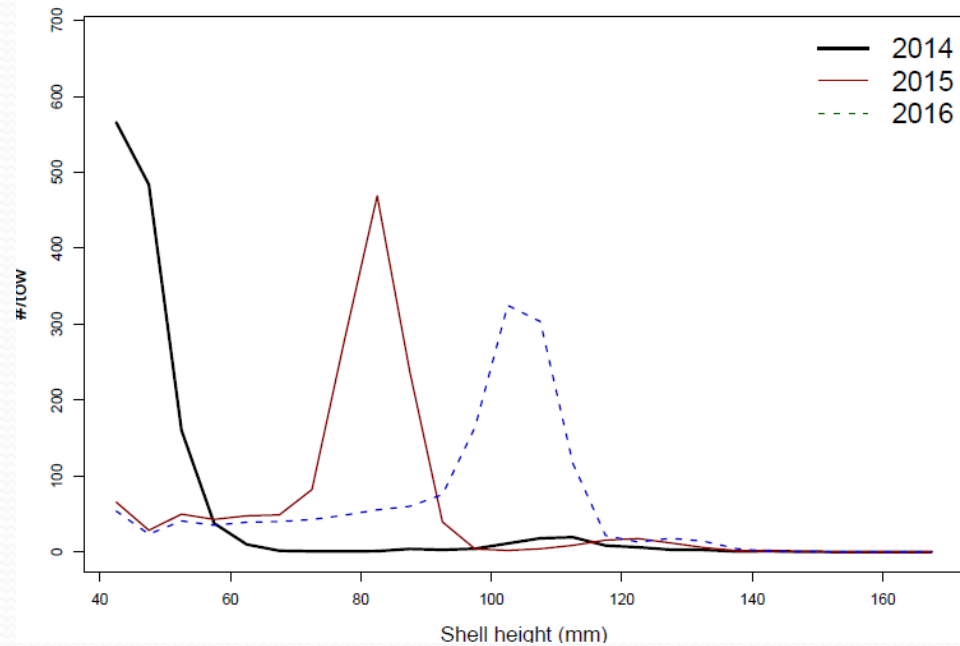


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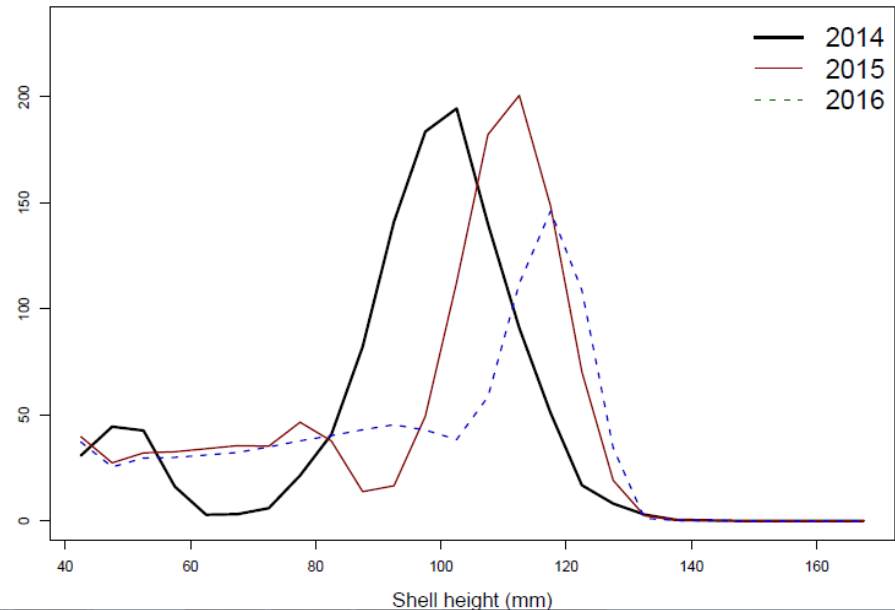


Projected SH Frequencies - ET

Elephant Trunk Closed



Elephant Trunk Open



Projected Landings

Fishing year	1. No Action	2. Basic Run	3. 3 new closures	3. 2 closures	4. Reduced F
2015	19.3	45.2	46.3	46.4	45.2
2016	75.7	66.7	54.8	63.9	66.6
2015-2016 Total	95.0	111.8	101.1	110.4	111.7
2017-2019 Total	222.7	206.0	218.6	209.4	204.5
2020-2028 Total	537.2	528.6	530.1	523.9	527.2
Grand Total	854.9	846.5	849.8	843.6	843.4

Projected ST Revenues and Economic Benefits (2015) (Table 5)

Values	1. No Action	2. Basic Run	3. 3 new closures	3. 2 closures	4. Reduced F
FT LA Open area DAS	17	31	30	30	31
Total landings (Mill. lb.)	19.3	45.2	46.3	46.4	45.2
Total revenue (Mill. \$)	263.0	557.8	567.1	570.3	557.6
Producer Surplus (Mill. \$)	245.3	516.0	524.7	527.4	515.9
Total Economic Benefits (Mill.\$)	248.5	542.0	551.7	554.8	541.8

Total Scallop Revenue in Million \$ (3% discount rate) Table 11

Sub period	1. No Action	2. Basic Run	3. 3 new closures	3. 2 closures	4. Reduced F
2015-2016	1063.5	1285.4	1191.0	1275.1	1284.5
2017-2019	2221.7	2100.0	2196.8	2129.7	2086.8
2020-2028	4792.4	4733.0	4736.0	4693.5	4717.4
Grand Total	8077.6	8118.4	8123.9	8098.4	8088.7

Total Economic Benefits in Million \$ (3% discount rate) Table 31

Sub period	1. No Action	2. Basic Run	3. 3 new closures	3. 2 closures	4. Reduced F
2015-2016	1053.3	1266.2	1165.0	1254.4	1265.2
2017-2019	2234.0	2097.5	2204.0	2129.8	2083.5
2020-2028	4737.4	4673.8	4676.6	4631.1	4656.6
Grand Total	8024.7	8037.5	8045.7	8015.3	8005.3

To close ETA or not to close ETA

- When total catch from 2015-2019 added together very little difference from closing inshore ETA
- Model may be underestimating benefits
 - the area is relatively small
 - the model is aware of size selectivity of gear – providing benefit to small scallops inshore when area open
 - the model assumes effort within ETA will be evenly distributed but we know that is not the case – more effort probably in inshore areas – benefits of a closure greater if discards higher inshore
 - some benefits masked by other assumptions (F levels set in 2016 for other areas)
 - more risk averse to close area – other allocations more aggressive and uncertain (megatons) so precaution warranted

To close ETA or not to close ETA

		BIOMASS		LANDINGS	
Year	F for Base Run	ETA Offshore	ETA Inshore	ETA Offshore	ETA Inshore
2014	0.00	21,344	3,784	0	0
2015	0.35	24,581	11,800	4,256	1,285
2016	0.50	21,478	18,409	4,609	4,313
2017	0.60	17,521	18,806	4,263	5,521
2018	0.60	14,207	15,583	2,950	4,141

Biomass relatively low in inshore ETA in 2014 – but ramps up quickly as scallops grow
 If fishing is prohibited in inshore ETA the biomass and landings increase would likely be higher

Summary of projection results

- Overall the results similar in ST and LT
- Closing NL extension has essentially no effect in ST
- Closing CA2 extension costs about 1 DAS in ST
- Closing both increases landings about 3mil in midterm
- Closing inshore ETA costs 9 mill in ST (2015+2016)
- But gain 10 million in mid term (net of +1 million compared to leaving area open) and net of +6 mill in the long term
- ALT3 with 3 closures result in either largest or second largest long-term revenues and benefits over the long-term depending on the weight given to the future benefits (3% or 7% discount rate).
- Alt 4 – same impacts as base run, 1 mil less in 2015, higher catch in 2016 when F levels increased, and lowest catch in mid years because it does not close ETA subarea

Part II: Updated VMS Corridor Analysis

1. No Action
2. VMS Corridor
3. DOF from Anywhere
4. DOF from Cape May Only

In Oct Committee recommended VMS Corridor be considered but rejected

PDT focused analyses on two DOF alternatives

Both would require some DAS adjustment

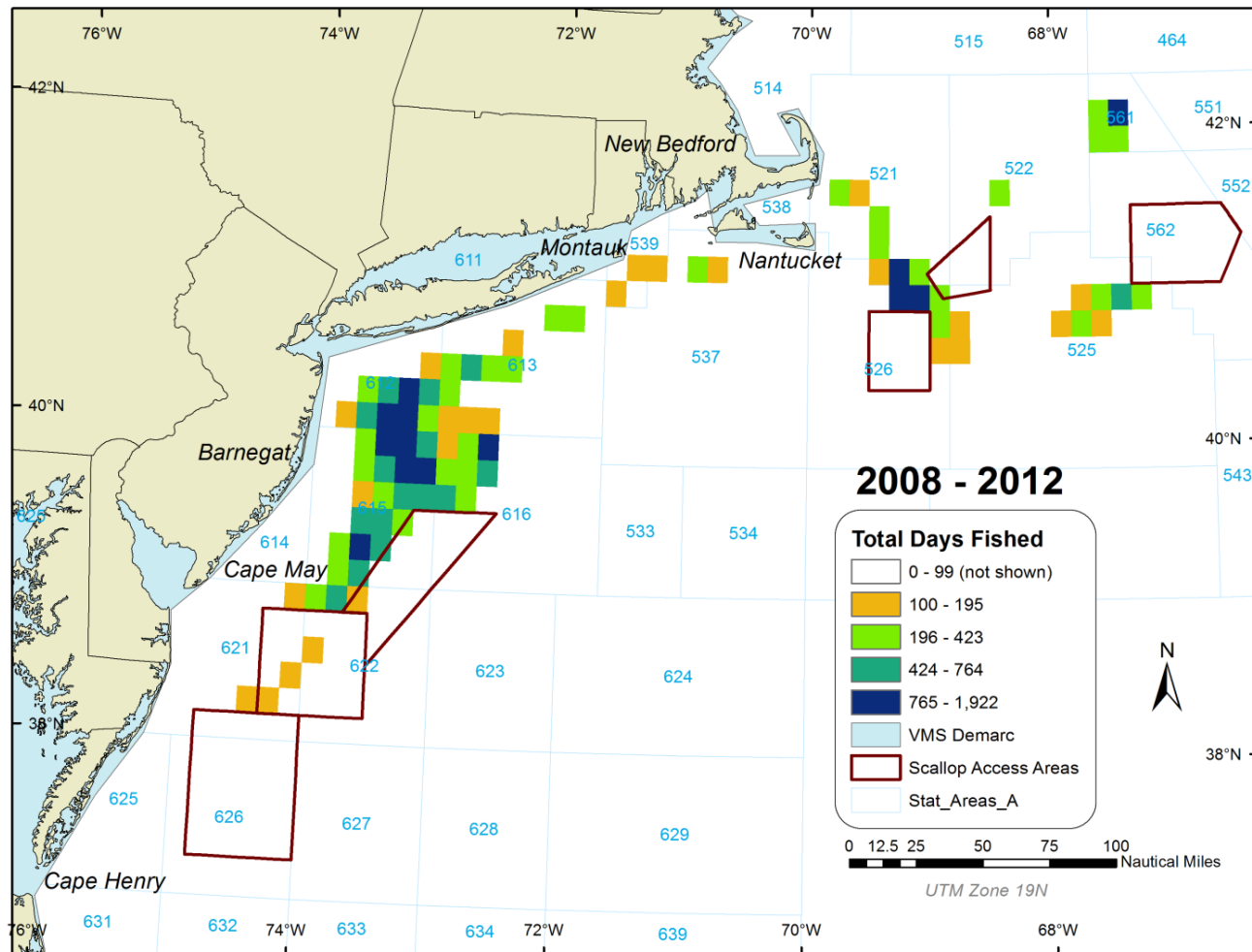
Document #8

Part II: Updated VMS Corridor Analysis

Methods

- VMS data summarized by TMS for all LA open area trips
- Open Area hot spots identified as well as major port areas and locations vessels get off the clock
- Vessels separated into 3 homeport groups: Mass, NJ, and VA (MA = 160 vessels; NJ = 97 vessels; and VA = 70 vessels)
- Distances from hot spots to primary landing ports and demarcation line entry points calculated and “DAS savings” calculated
- A worse case and a realistic case were developed for both DOF alternatives

Total Days fished by TMS (2008-2012)



Part II: Updated VMS Corridor Analysis

Assumptions

- 327 FT equivalent vessels divided into
- Cruising speed = 8.5 knots
- DAS savings from GB areas for Mass vessels ignored
- DAS savings for Mass vessels from MA open areas used for worst case, but ignored for realistic scenarios (assumed that vessels get inside demark on return to port)

Scenarios – Table 4

DOF Everywhere	Region	# vessels	Trip Assumptions
Worse case	NE Region	160	3/3 in MA region
	NJ	97	1/3 GB; 2/3 MA
	VA/NC	70	1/3 GB; 2/3 MA
Realistic	NE Region	160	2/3 MA; 1/3 GB
	NJ	97	3/3 MA
	VA/NC	70	3/3 MA
DOF Cape May only	Region	# vessels	Trip Assumptions
Worse case	NE Region	160	N/A
	NJ	97	N/A
	VA/NC	70	3/3 trips in MA
Realistic	NE Region	178	N/A
	NJ	114	N/A
	VA/NC	35	3/3 trips in MA

Results – Table 31

DOF Anywhere	Region	# vessels	Total DAS	DAS gain per vessel	DAS cost per vessel	Net gain/loss in DAS
Worse case	Mass	160	242	1.51	2.24	-0.73
	NJ	97	213	2.20	2.24	-0.05
	VA/NC	70	279	3.99	2.24	1.74
	All vessels	327	734			
Realistic	Mass	160	0	0	0.70	-0.70
	NJ	97	0	0	0.70	-0.70
	VA/NC	70	229	3.27	0.70	2.6
	All vessels	327	229			
DOF Cape May	Region	# vessels	Total DAS	DAS gain	DAS cost	Net gain/loss
Worse case	Mass	160	0	0	0.40	-0.40
	NJ	97	0	0	0.40	-0.40
	VA/NC	70	131	1.9	0.40	1.5
	All vessels	327	131			
Realistic	Mass	178	0	0	0.20	-0.20
	NJ	114	0	0	0.20	-0.20
	VA/NC	35	65	1.9	0.20	1.66
	All vessels	327	65			

DOF Anywhere	Region	# vessels	Change in revenue per vessel	Change in costs per vessel	Change in net revenue per vessel	Total change in revenue	Total Change in net revenue
Worse case	Mass	160	(22,514)	-1736	(20,778)	(3,602,170)	(3,324,422)
	NJ	97	(1,500)	-116	(1,384)	(145,475)	(134,258)
	VA/NC	70	53,538	4128	49,410	3,747,644	3,458,680
	All vessels	327				-	-
Realistic	Mass	160	(21,534)	-1660	(19,874)	(3,445,505)	(3,179,837)
	NJ	97	(21,534)	-1660	(19,874)	(2,088,837)	(1,927,776)
	VA/NC	70	79,062	6096	72,966	5,534,342	5,107,612
	All vessels	327				-	-
DOF Cape May only	Region	# vessels	Change in revenue per vessel	Change in costs per vessel	Change in net revenue per vessel	Total change in revenue	Total Change in net revenue
Worse case	Mass	160	(12,319)	-950	(11,369)	(1,971,009)	(1,819,033)
	NJ	97	(12,319)	-950	(11,369)	(1,194,924)	(1,102,789)
	VA/NC	70	45,228	3487	41,740	3,165,933	2,921,822
	All vessels	327				-	
Realistic	Mass	178	(6,112)	-471	(5,641)	(1,088,005)	(1,004,113)
	NJ	114	(6,112)	-471	(5,641)	(696,812)	(643,084)
	VA/NC	35	50,995	3932	47,063	1,784,817	1,647,197
	All vessels	327				-	-

Questions for AP – page 19

1. What is your recommendation for the final DAS adjustment that should be used for both DOF alternatives?
2. Should it be the “worse case”, “realistic” example, something in the middle, or based on a different scenario assuming different vessel behavior dynamics?
3. Are there any potential benefits to vessels NOT from southern ports from the DOF Cape May alternative that have not been described? For example, are there potential benefits to vessels from other ports if more product is landed in southern ports? Specifically, if less scallop product is landed in NJ and northern ports would that potentially increase prices in those ports if supply is lower? Could prices increase as a result in those ports, having beneficial impacts for those vessels, or is that potential affect unlikely?
4. Impacts on shoreside businesses have not been fully assessed. A benefit for one would be a loss for another correct? Any further detail about these potential effects?

Part III: Recent PDT input on measures

- As PDT reviewed final measures – Several issues to Clarify
 1. Possession limit for part-time vessels
 2. Monitoring provisions for megatron
 3. Increased polling for DOF alternatives

Reactive AMs not complete – motion to consider and reject for FW26

- PDT Consensus Statements – Document #9 – from PDT call on 11/10 (Issues to clarify, preferred alternatives, and VMS alternatives)

PDT Consensus Statements (paraphrased)

- *Issues to clarify*

1. *PDT recommends possession limits for PT vessels as described in Table 16 on page 44. Equivalent to 40% of FT allocation.*

2. *PDT does not recommend any specific/new monitoring requirements for the flexible allocation alternative. NMFS will not be able to track catch by current access area if this is selected. Even if additions were considered to report catch by area per day through VMS for example, funding constraints currently prevent any changes to VMS that are not directly supporting enforcement.*

3. *Based on input from Regional Office, the PDT does not recommend that increased polling be added to either DOF alternative; it is not currently feasible.*

Other – The PDT is not supportive of adding access area allocations as default measures for 2016.

PDT Consensus Statements (paraphrased)

- *Preferred Alternatives*

1. *PDT only supports flexible allocation (megatron) if ETA closure adopted. If the area is left open, megatron should not be adopted. There are risks associated with megatron approach.*
2. *The PDT recommends Alternative 3 – all 3 closure areas (CA2, NL and ETA inshore) as preferred.*
3. *The PDT does not believe the trip limit should exceed 17,000 pounds per access area trip. The model output is the best information available for setting possession limits, but there are several issues that are not incorporated in the model. Overall the PDT would not oppose a lower possession limit, and lower total catch from the access areas; however, the PDT did not recommend one.*
4. *If ETA is not closed than the possession limit should be lower to protect small scallops in the access areas (i.e. 16,000 pounds as in reduced F option).*

PDT Consensus Statements (paraphrased)

- *DOF Alternatives*

1. *PDT developed a method to identify a potential DAS adjustment for both DOF alternatives. The PDT did not identify a final recommendation because it is very dependent on changes in fishing behavior; therefore, the AP may be better suited to identify the final adjustment value for each alternative.*
2. *The PDT noted that since the adjustments may be a fraction of a DAS (i.e. 0.2 DAS), future allocations should be to the tenth decimal place, and not rounded to the nearest DAS.*
3. *The PDT recommends that the adjustment be applied to part time vessels the same way total DAS are calculated; the adjustment would be 40% of FT adjustment.*
4. *The PDT recommends the adjustment be applied for at least two years.*

Part IV: Preferred Alternatives

- *Document #6 – Decision Document*
- *12 Decisions*
 - *OFL/ABC*
 - *Specification Alternative*
 - *LAGC trips in AA*
 - *Crew limit in AA*
 - *Allocation method for AA*
 - *Adjustment to broken trip and preland requirements (2 measures)*
 - *NGOM state water issue*
 - *Turtle regulations consistent*
 - *AMs*
 - *Measures to allow vessel to declare out of fishery on return to port*
 - *Flaring bar provision*