

Groundfish Amendment 18

Draft Environmental Impact Statement

Public Hearings

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2015**



New England
Fishery Management Council

Presentation Outline

- Timeline
- Purpose and Need, Goals
- Background, Alternatives, Draft Impacts
 - 1. Accumulation Limits
 - 2. Handgear A Permit Measures
 - 3. Data Confidentiality
 - 4. Inshore/Offshore Gulf of Maine
 - 5. Redfish Exemption Area
- How to Comment



AI 8 Timeline



2015	
7/17	Public comment period starts
8/3-20	Public hearings
8/31	Public comment period ENDS
9/2	Groundfish Advisory Panel mtg
9/3	Groundfish Committee mtg
9/29 – 10/1	Council mtg – FINAL ACTION
Oct.	FEIS submitted to NMFS
2016	
Jan.	Public comment period
May	Possible implementation of AI 8



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.

Accumulation Limits

Section 6.1

Alternatives & Impacts

- PSC caps
- Permit caps



What is excessive?

AI 8 Goal #4:

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

National Standard 4:

“...allocation shall be...carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.”

NMFS guidance on determining “excessive” (2007):

- Identify a cap that is likely to prevent market power in the fishery, and consider that as an upper bound; then
- Consider the management objectives of the fishery that are social in nature (e.g., current and historical participation, fairness to different states, entry-level fishermen, crew, etc.), balancing NS4 and NS8.

Compass Lexecon analysis

Compass Lexecon was asked to determine if excessive shares exist in the groundfish fishery today and to recommend potential constraints that could prevent excessive shares in the future.

CL conclusions:

- No evidence of market power in fishery today.
- In the final product market (fish), unlikely that MP could exist.
- Caps on sector ACE or on leasing would not prevent it.
- Recommended stock-specific PSC holding caps, 15.5-25 range to address MP in the ACE lease market.

Peer review:

- Agreed with no evidence of market power in the fishery.
- The 15.5 PSC cap recommendation may reduce efficiency unnecessarily. Proposed other approaches.
- Concern about the potential for sector-level coordination.

Provisions

Who would caps apply to? (Sect. 6.1.1.1)

To individuals, permit banks, and other entities.

Future adjustment of a cap (Sect. 6.1.1.2)

May be modified in a framework due to a permit buyout/buyback.

Grandfathering (Sect. 6.1.2.2)

If a PSC cap is selected, holdings as of the control date (April 7, 2011) would be grandfathered if they are above the cap.



PSC Cap Alternatives (6.1.2)

- 1 **No action. No accumulation limit.**
- 2 **Stock-specific PSC cap for all stocks**
 - 2 At highest level held on 4/7/11 (control date)
 - 3 At 15.5 (recommended by Compass Lexecon)
 - 3A - Excess PSC split off & redistributed
 - 4 By stock type (GOM/CC/SNE=15, GB=30, unit=20)
 - 4A - Cap PSC for all stocks
 - 4B - Cap PSC for GB cod, GOM cod, & pollock
 - 5 At same level (20), except GB winter flounder (30)

Collective cap for all PSC holdings

- 6 At 15.5 collectively

Council Preferred



<u>PSC Cap Alternatives:</u>	1	2	3	4A	4B	5	6
GB cod	-	10	15.5	30	30	20	<div>15.5 collectively</div> <div>Council Preferred</div>
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	-	13	15.5	15	-	20	



How would excess PSC be treated?

(Sect. 6.1.2.2)

Current holdings in excess of what is allowed

- | | |
|---|--|
| A | Can hold permits, but not use excess PSC |
| B | Must divest permits with excess PSC |
| C | Can hold permits, but must divest excess PSC |

**Council
Preferred**

Acquisition of future holdings

- | | |
|---|--|
| A | Can hold permits, but not use excess PSC |
| B | Can hold permits, but must divest excess PSC |

**Council
Preferred**



PSC cap impacts

PSC cap alt.	# of individuals with holdings as of the control date over cap (would be grandfathered)	# of individuals with holdings as of FY 2014 > limit (would be constrained)
1	n/a	n/a
2	n/a	4* (15 stocks)
3	1 (1 stock)	1 (3 stocks)
4A	0	1 (1 stock)
4B	0	0
5	0	0
6	0	0

Council Preferred

**Includes a private permit bank.*



PSC cap impacts

For excess PSC, to hold but not use it is more positive for individual than other options.

Each alternative could allow for substantial reduction in the number of permit holders, negative for the size and demographics of the fishery.

Biological, habitat, PR impacts neutral.

PSC Cap Alts.	Currently limiting?	Reduce fleet efficiency?	Prevent market power?
1	No	No	No
2	Yes	Possibly	Yes
3	Yes	Unlikely	Yes
4A	Yes	Less likely than 2 or 3	Likely
4B	No	Less likely than 2 or 3	Possibly
5	No	Less likely than 2 - 4	Likely
6	No	Less likely than 2 - 5	Possibly



Permit Cap Alternatives (6.1.3) & Impacts

	Alternative 1	Alternative 2
	No Action	No individual, permit bank or entity can hold over 5% (about 70) of the limited access Northeast Multispecies permits.
Currently limiting?	No	No (most held ~49)
Reduce economic efficiency?	No	Unlikely
Prevent market power?	No	Unlikely

Council Preferred

Biological, habitat, PR impacts neutral.



HA Permit Measures

Section 6.2

Alternatives & Impacts

- Establish HA sub-ACL
- March 1-20 HA closure
- Standard Fish Tote
- Sector VMS Exemption



Establish HA sub-ACL Alternatives (6.2.1)

1 No Action

2 Create HA permit sub-ACL
(no trimesters, 10% carryover)

**Council
Preferred**

Discard accounting

Option A – Annually subtract off of sub-ACL

Option B – No discard accounting

In-season AM – Zero possession limit at...

Option A – 100% catch of sub-ACL

Option B – 90% catch of sub-ACL

Reactive AM – Subtract overage in future if...

Option A – HA sub-ACL is exceeded

Option B – HA sub-ACL and total ACL are



March 1-20 HA Closures Alternatives (6.2.2)

- | | |
|---|------------------------------|
| 1 | No Action |
| 2 | Remove March 1-20 HA closure |

Council Preferred

Standard Fish Tote Alternatives (6.2.3)

- | | |
|---|---------------------------------------|
| 1 | No Action |
| 2 | Remove standard fish tote requirement |

Sector VMS Exemption Alternatives (6.2.4)

- | | |
|---|---|
| 1 | No Action |
| 2 | Exempt HA vessels in sectors from VMS use |



Impacts

Handgear A permit use in FY14:

- 132 valid HA permits renewed. 20 in 6 sectors, 112 in common pool.
- 29 HA permits actively fished, mostly in common pool.

HA permits are a small fraction of the total fishery:

Stock	FY15 PSC	Maximum Potential FY15 sub-ACL (mt)	% total GF sub-ACL
GOM Cod	0.0073	1.5	0.73%
GOM haddock	0.0011	1.1	0.11%
GB cod	0.0020	3.0	0.17%
GB haddock	0.0002	3.6	0.02%
Pollock	0.0021	28.9	0.21%

Unknown how many HA permits would enroll in sub-ACL.



Impacts

Create HA sub-ACL

- Increases flexibility and choices for HA permit holders.
- A gear-based sub-ACL could be seen as unfair or set precedent.

Remove March 1-20 closure

- Some target species spawn in March, though total HA effort is small.

Remove standard fish tote requirement

- Tote no longer used for enforcement.

Exempt HA vessels in sectors from VMS

- VMS more accurately accounts for catch than IVR.



Data Confidentiality

Section 6.3

Alternatives & Impacts



Sect	Alternatives		
Data Conf. (6.3.)	1	No Action	<i>Council Preferred</i>
	2	Make price data on leasing/moving ACE non-confidential.	

Impacts

- May make markets more transparent, get more ACE used, and improve public understanding of fishery performance.
- Could incentivize misreporting, be very difficult to enforce, be perceived as an overreach by government into private business affairs, and violate the MSFCMA.
- Neutral biological, habitat and PR impacts.



Inshore/Offshore GOM

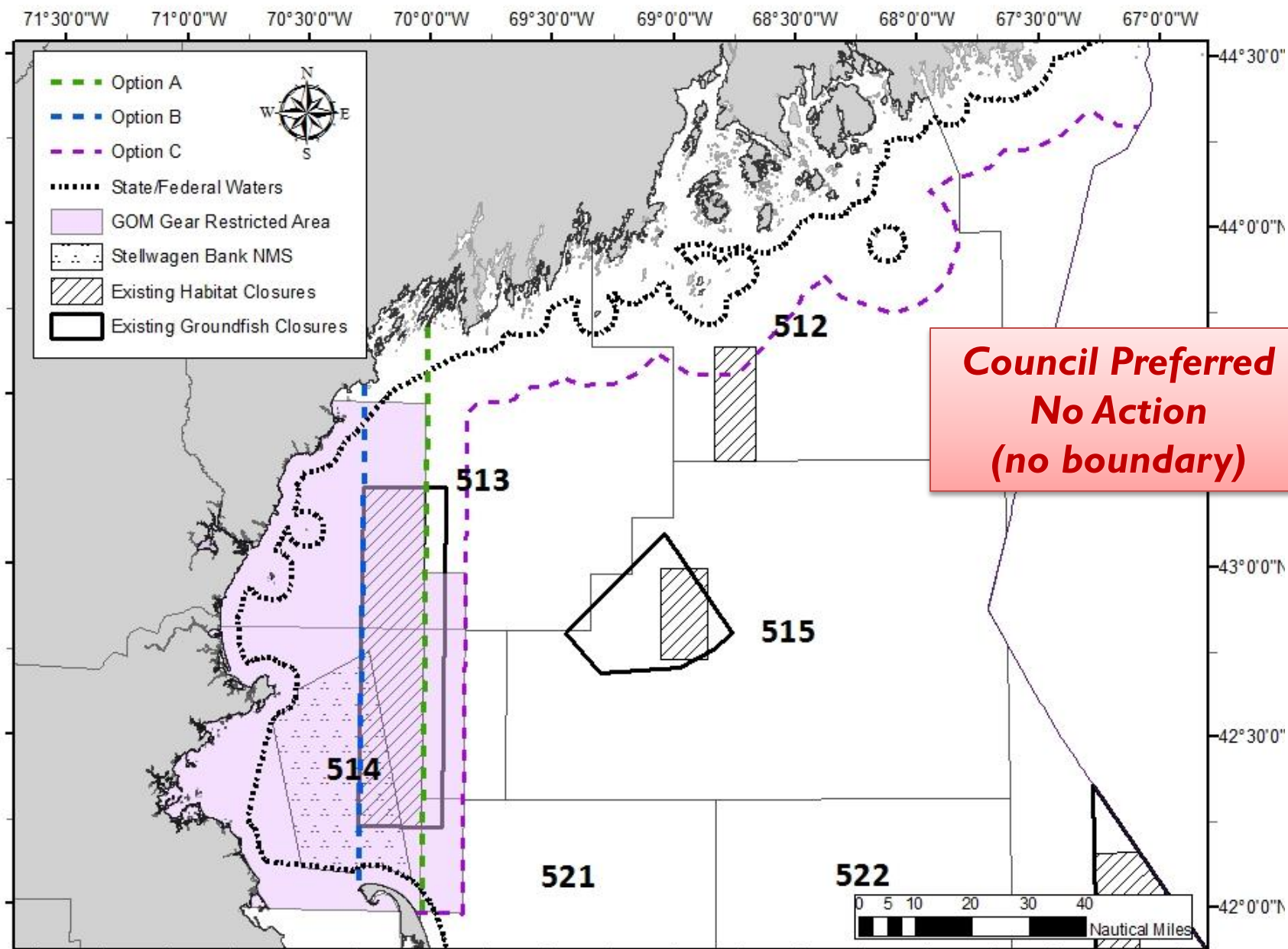
Section 6.4

Alternatives & Impacts

- Inshore/Offshore GOM boundary
- GOM cod sub-ACL
- GOM/GB Inshore Restricted Roller Gear Area
- Declaration time periods



Inshore/Offshore GOM boundary alternatives



GOM cod sub-ACLs alternatives

1 No action. No new sub-ACLs.

**Council
Preferred**

2 Create commercial GOM cod sub-ACLs.

Commercial allocation & leasing unchanged.

Catch monitoring:

Observed trips - Vessels may declare into both inshore and offshore GOM areas on a given trip.

Unobserved trips - If vessel declares into more than one BSA, the vessel cannot fish in the inshore GOM area (similar to sector ops plans).



Alternative 2 cont. – determining split

- | | |
|---|---|
| A | <u>No predetermined rule</u> ; set during each specifications process |
| B | Proportional to sub-area <u>catch</u>
sub-Option A – Last 10 years
sub-Option B – Last 20 years |
| C | Proportional to sub-area <u>fish distribution</u>
sub-Option A – Last 10 years
sub-Option B – Last 20 years |



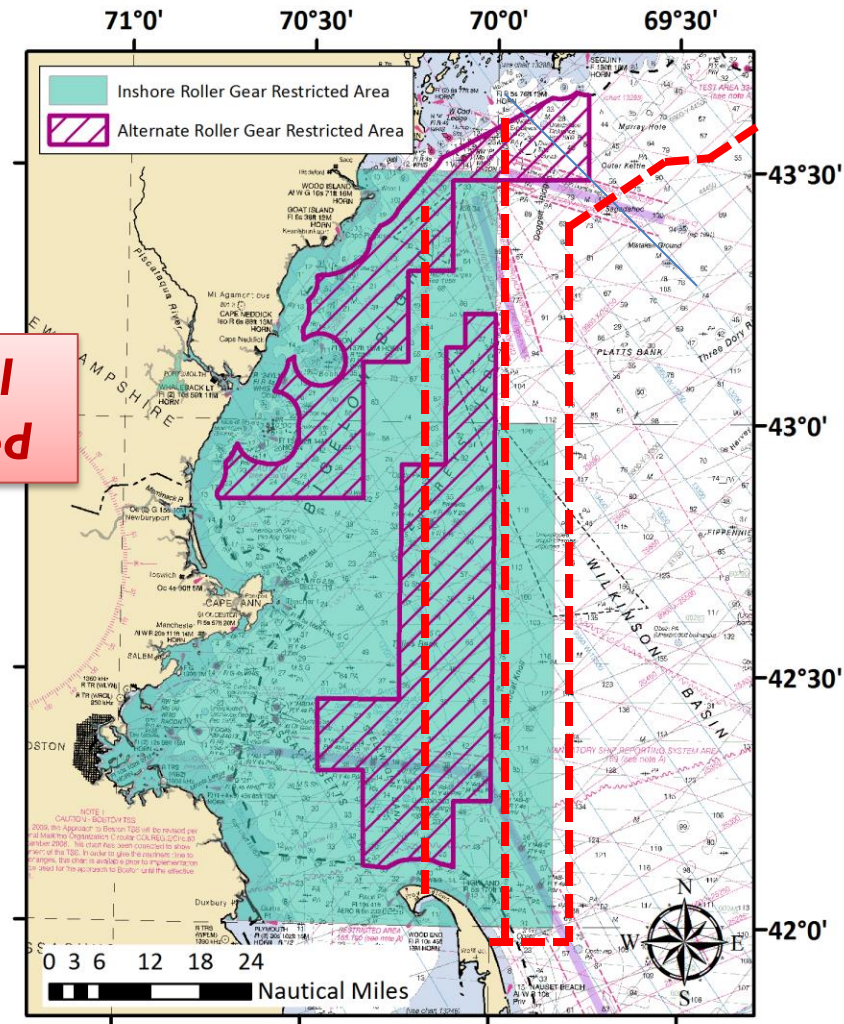
GOM/GB Inshore Restricted Roller Gear Area alternatives

1 **No Action.** Area in **aqua**.
12" max for trawl roller gear
for all trawls fishing under
groundfish FMP.

**Council
Preferred**

Potential No Action.
Include all trawls. Change the
area to that in **pink**.

2 Align boundary with
inshore/offshore GOM line
(**red**).



Declaration Time Period Alternatives

1 No action. Do not specify time periods.

***Council
Preferred***

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

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

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



Impacts

Establish boundary

- A boundary with no measures has no impact, apart from uncertainty for the future.
- Uncertain how Lines B and C create a “distinction between day- and trip-boat fleets” as rationale indicates.

Establish GOM cod sub-ACLs

- Inshore vessels would become more dependent on the lease market or may fish offshore unsafely.
- Offshore vessels would have less flexibility to fish throughout GOM as markets and fish availability determine.
- Cod and effort data difficult to match with boundaries, so biological impacts are uncertain.



Impacts

Align GOM/GB Gear Restricted Roller Gear Area

- No NMFS data on rockhopper size, so analysis difficult.
- Most offshore vessels may already be using 12” in GOM.
- Lines A and B decrease area; Line C increases area.

Declaration Time Periods

- Would aid catch attribution to inshore or offshore areas.
- Reduce flexibility of vessels capable of fishing in both areas.
- For safety, vessels may declare inshore more.
- Trip declaration would provide more flexibility than annual or trimester.



Redfish Exemption Area

Section 6.5

Alternatives & Impacts



Sector Redfish Exemption for FY 2015-16

Stipulations:

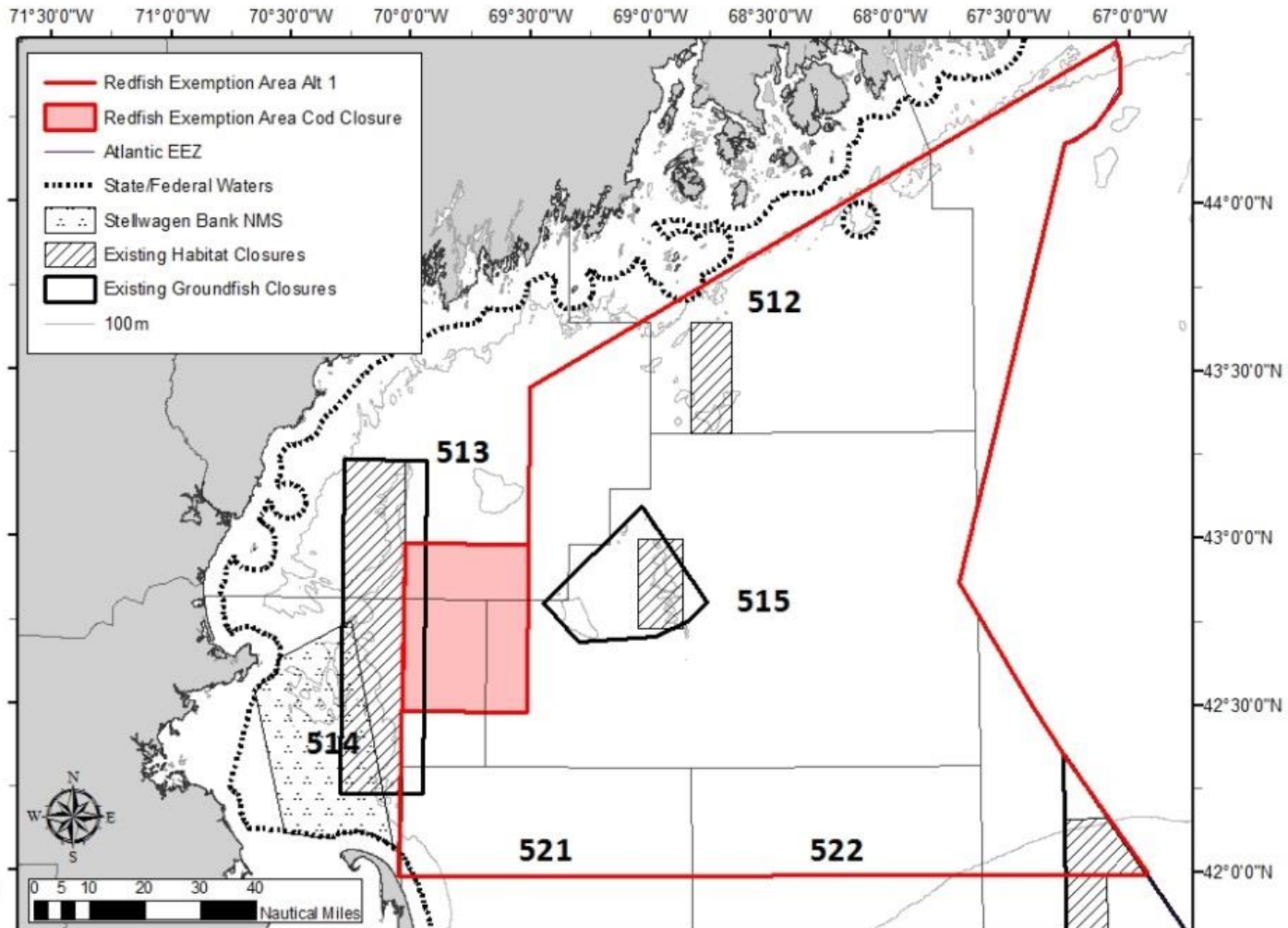
1. Prior to leaving the dock, vessel operators would be required to declare their intent to fish in the Redfish Exemption Area through the VMS by checking the box next to "Redfish Trip";
2. In the first part of the trip, vessel operators would fish with conventional groundfish codends (6.5") in the GOM 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 or each codend.



Alternatives

- 1 No action. FY15-16 exemption. Annual approval.
- 2 Establish in FMP. 100% monitoring option.

**Council
Preferred**



Impacts

Biological - Fishing within ACLs, but there may be catch of juvenile fish.

Habitat - Encourages effort offshore, away from sensitive juvenile habitat, so positive.

PR - Trawl gear interaction in area is low.

Human Communities - Greater opportunity to use redfish ACE. Incentive to invest in the redfish fishery. Establishing exemption in FMP reduces administrative burden, but decreases flexibility to adjust.



How to Comment

- Oral comments at hearing
 - Name and affiliation
 - Concise rationale
- Written comments due **5:00 PM August 31**.

See hearing document for details.

