

Potential 2018 Work Priorities, EOs, and Research

Scallop PDT: We will be having our second discussion on potential 2018 scallop work priorities on August 30. The Council will make recommendations for 2018 priorities in December.

In September, the Committee will discuss whether there are any regulations in the Scallop FMP that could be eliminated, improved, or streamlined. Several recent Executive Orders have been issued about streamlining current regulations, and NOAA is seeking public input on the efficiency and effectiveness of current regulations and whether they can be improved.

Finally, if there are ideas for potential research tracks that could be included in future Council research priorities or scallop RSA priorities, we will be keeping a running list this year to help seed future conversations.

DRAFT List of Potential Priorities for 2018
Specifications
Amendment - NGOM management
Amendment to create harvester associations
Gear modifications to protect small scallops
OHA2 follow-up: modify access areas
Measures to address DAS and IFQ carryover
Specify allocation review triggers (NMFS allocation review policy)
Adjustments to scallop IFM observer program
RSA program review and modifications
Monitoring and catch accounting provisions
ONGOING: Scallop RSA program support, in-season bycatch tracking
Scallop benchmark assessment in 2018

EAST COAST SCALLOP HARVEST ASSOCIATION

August 15, 2017

Dr. John F. Quinn, Chairman
New England Fishery Management Council
50 Water Street, Mill 2
Newburyport, MA 01950

Re: Atlantic Sea Scallop Fishery Management Plan - Proposed Amendment

Dear Dr. Quinn,

We represent the East Coast Scallop Harvest Association whose initiating members hold 67 Northeast limited access scallop permits.

We are writing to request that the New England Fishery Management Council (“NEFMC”) initiate analysis and development of an amendment to the Atlantic Sea Scallop Fishery Management Plan (the “FMP”) that would authorize harvest associations in the sea scallop fishery (hereinafter “Association or Associations”). The NMFS annually authorized Associations would annually harvest scallops subject to management measures for an Association based on allocating scallop harvest to the Association through annual output controls versus the current annual Days at Sea input controls.

Our request that the NEFMC prioritize an Amendment to the Sea Scallop fishery in 2018 is intended to enhance the sustainability of the sea scallop fishery and promote its compliance with National Standards by allowing groups of scallop fishermen that voluntarily form a qualifying organization to receive annual scallop allocations (and associated constraining bycatch allocations). We have attached an outline of ideas for such a FMP amendment along with a bullet-pointed listing of the needs and benefits of the proposed scallop amendment arising from the basic structure of our proposal.

Scallop (and constraining species) allocations will make Associations and their members fully accountable for their catch and bycatch, which gives the Associations strong incentives to invest in effective self-monitoring and timely, accurate reporting. The combination of hard limits on fishery removals and improved fishery information will enhance the effectiveness of scallop fishery management, without imposing additional burdens on NMFS, more likely reducing the management burden for NMFS.

Anticipating NEFMC continued concern with reducing bycatch, Associations will be responsible for managing their scallop catch within the strict incidental catch limits mandated by the NEFMC for these “Constraining Species”. Therefore, within an Association, Association members will have strong incentives to share real-time Constraining Species bycatch

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information. Further, secure harvest share allocations within the Association will reduce incentives to hoard information that could be used for competitive advantage. One goal is to promote full attainment of scallop allocations while minimizing the take of depressed Constraining Species stocks. Our Association plans to implement bycatch management avoidance measures, if allocated an Association allocation of bycatch.

Output harvest share allocations will also relieve scallop crews from the time pressure to maximize catch per day. This will improve working conditions and safety for the crews. Without the time pressure imposed by crew and days limitations, it is likely employment in the scallop fishery will increase, as crews work less hours per day. The output controls will not only promote crew health and safety in the short run, but also will give Captains time to train new mates to become Captains and assure that scallop fishermen can have a life career.

The current DAS input controls, which limit scallop vessels to about 60 days at sea scalloping, provide little opportunity to invest in building new fishing vessels to replace an aging fleet to meet new safety requirements. Moreover, the current input controls discourage investment in new technologies to improve crew working condition (e.g. conveyors), to reduce fuel consumption, to improve US scallop harvest to be competitive with IQF sea frozen scallops from Canada, and other such benefits of maximizing harvest efficiencies while meeting the biological and environmental goals of the scallop management plan.

Finally, and most importantly, our proposal is voluntary and assures that the Associations will not increase their share of the annual harvest:

- Voluntary allows vessel owners to choose to join an Association or to fish under the current DAS management system, giving everyone flexibility and choices; and
- Since Association harvests will be limited to the hard allocation output controls, as determined by the NEFMC annually (through its PDT and NEFSC) of the projected per Days at Sea Landings per Unit of Effort (“Projected DAS LPUE”) multiplied by the DAS allocated annually per permit plus managed area allocations, the non-participating owners will be assured the Associations will not increase their share of the fishery.

The NEFMC in the past 20 years has fostered the scallop fishery to be one of the most well managed and respected fisheries in the US. To respond to the changing needs we see around us, we believe the changes we are proposing to the Sea Scallop Plan will help the NEFMC prepare the scallop industry for the next 20 years.

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We appreciate the opportunity to provide the Council with this request and sincerely hope the NEFMC will prioritize the initiation of a scallop amendment in 2018 to allow these ideas to have full public input and vetting.

Sincerely,

/s/ Stephen M. Ouellette
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Cc Thomas Nies, Executive Director

Vessel Name:

NMFS Permit Number:

MISS SUE ANN	320306
ADRIANNA	320416
NORREEN MARIE	320422
TRAVIS & NATALIE	320657
EXPECTATION	330301
BLUE HARBOR	330378
LADY ROSLYN	330399
BLUE LAGOON	330543
BLUE STREAM	330578
BLUE COVE	330663
BLUE EASTERN	330720
ATLANTIC BOUNTY	330778
LADY EVELYN	330816
ADVENTURESS	330818
NASHIRA	410095
BLUE PACIFIC	410145
BARBARA ANNE	410147
BLUE OCEAN	410151

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PONTOS	410154
BLUE CANYON	410177
FRANCIS M LEE SR	410179
ARAHO	410192
BLUE HARVEST	410219
BLUE WAVE	410238
FRONTIER	410247
MAELSTROM	410248
REFLECTION	410266
GENERATION	410268
FRIENDSHIP	410269
AMBITION	410280
SILVER SEA	410285
JERSEY GIRL	410289
BLUE NORTH	410343
BLUE WESTERN	410346
PERCEPTION	410357
THUNDER BAY	410384
DELTA BLUE	410393
NORDIC PRIDE	410416
TRADITION	410422
ANTICIPATION	410469
BLUE SEA	410508
BLUE SOUTH	410541
FJORD	410550
RANGER	410551
RESOLUTION	410553
WEATHERLY	410558
NEKONE	410572
POLARIS	410595
WISDOM	410599
HORIZON	410601
ARCTURUS	410603
ROST	410614
PYXIS	410615

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NORSEMAN	410616
RELIANCE	410617
MONOMOY	410620
ORION	410622
MISS.SHAUNA	321122
COURAGEOUS	330703
FLAVIAN S.	330799
KELLY S	330913
AVENGER	410229
K.A.T.E.	410554
K.A.T.E. 2	410561

Draft Amendment Outline _____
to the
Atlantic Sea Scallop Fishery Management Plan

This amendment allows holders of limited access sea scallop permits to form cooperative harvesting associations to which the National Marine Fisheries Service (“NMFS”) would, prior to the beginning of each scallop fishing year, allocate output control scallop pounds for harvest by association members and, if appropriate, the proportionate amounts of bycatch species for which there is an incidental catch limit in the Atlantic sea scallop fishery.

1. Sea Scallop Harvest Association. A sea scallop harvest association is an association comprised of at least three NE Region NMFS sea scallop limited access permits issued to at least three different persons, none of whom have any common ownership interests in the permits or vessels associated with the permits issued to the other two or more persons in that association. A harvest association may apply for and receive annual open area and managed access area scallop allocations and proportionate bycatch allocations of bycatch species with controlling incidental catch limits (“Constraining Species”). Each harvest association must identify its members and the Permits and vessels that are committed to the association for the year in its annual application to NMFS, prior to the start of that fishing year (hereinafter “Association” or “Associations”).

1.1. Member Eligibility. An individual or entity (together, “person”) that holds a limited access scallop permit (“Permit”) as of the annual Association application date is eligible to be a member of a harvesting association (“Member”).

1.2. There may be multiple Associations formed in any fishing year.

1.3. Association memberships and allocations are annual in term. Association committed Permits (“Members” or “Permits”) and Association committed harvest vessels (“Harvest Vessels”) may not be withdrawn from an Association during a scallop fishing year. Association Member agreements may specify that obligations accrued during membership survive withdrawal.

1.4. Association membership is voluntary. Permit holders are not required to join Associations, and Associations are not required to accept a Permit holder as a Member.

1.5. Permits committed to an Association may be sold or transferred during the scallop fishing year, but the Permit remains subject to Association rules as set forth in Paragraph 1.3 above, until withdrawn at the end of the fishing year or the new Permit holder, prior to the end of the fishing year in which the Permit is transferred, applies for membership for the following year, in accordance with Association Rules and regulations. Permit transferees do not become Association Members unless admitted by the Association.

2. Association Allocations. Open area allocations are to be based on average projected Landings Per Unit of Effort (“Projected LPUE”) by three limited access permit categories (Full Time, Full Time Small Dredge, and Part Time Small Dredge) annually projected by the NEFMC (and its PDT and SSC

in consultation with the NEFSC) prior to the beginning of the scallop fishing year and then multiplied by the Days at Sea (“DAS”) annually allocated to each of the three limited access scallop categories; plus the total of Managed Area allocations annually allocated to each Permit.

2.1. NMFS, NEFSC, and NEFMC along with its PDT and SSC will continue to annually project and estimate, prior to the beginning of the fishing year, using currently employed best available science, the projected sea scallop landings for the next scallop fishing year (sub-ACL for harvest) for harvest in managed areas and open areas and thereafter the Projected LPUE and DAS for open areas and the allocated trips in managed areas after setting aside the appropriate allocation for general category scallop harvest and the appropriate allocation for research set-aside harvest during the annual scallop harvest allocation process, all as is currently done.

2.2. NMFS will allocate scallop pounds for the open area and each managed area to each Association that has made a timely application based on the number of Permits and category of Permits committed to that Association for the year.

2.3. For those Permits choosing not to participate in an Association, those vessels will be allocated DAS and Managed Area Trips as currently allocated. Those Permits choosing to not participate in any Association may harvest individually more (or less) pounds per DAS on average than the Projected LPUE used by the NEFMC to calculate the allocation of DAS to the Associations, while Association harvest will be fixed and will be limited to the total harvest of the Projected LPUE times the allocated DAS plus Managed area allocations.

2.4. NMFS will allocate incidental catch allowances to each Association in the proportion that its scallop allocation bears to the overall limited access scallop allocations.

2.5. An Association may transfer some or all of its annual scallop allocations and Constraining Species catch allowances to one or more other Associations. An Association may not transfer allocations or allowances to any party other than another Association. All inter-Association transfers will be made through NMFS.

3. Allocation Usage.

3.1. Association allocations may be harvested by any combination of the Association’s Harvest Vessels.

3.2. An Association Harvest Vessel may only harvest scallops from its Association’s Allocation (as adjusted by inter-Association transfers), and all scallop and related Constraining Species catch of an Association vessel will be charged to the Association’s annual allocation.

3.3. Each Association shall be responsible for ensuring that the scallop harvest and the bycatch of Constraining Species of its Harvest Vessels do not exceed the Association’s annual allocations, as adjusted by inter-Association transfers. Associations and their Members will be jointly liable for any overharvest that is not covered before the scallop fishing year ends.

3.4. Each Association is required to develop Constraining Species bycatch mitigation for Constraining Species, which may include measures such as requiring its Harvest Vessels to share

incidental Constraining Species bycatch information on a timely basis, to adopt fishing methods and means that reduce incidental Constraining Species bycatch, and to move fishing effort as appropriate to avoid incidental Constraining Species bycatch. Associations may implement enforcement measures to ensure compliance with Constraining Species bycatch reduction measures. Each Association is required to present an annual report to the Council regarding its incidental Constraining Species bycatch measures and performance.

3.5. Associations will develop measures to reduce and minimize sea scallop discard mortality.

4. Vessel Retirement and Replacement. Permits may be removed from vessels using the confirmation of permit history (“CPH”) procedure with scallop Permits in CPH being assigned allocation by NMFS on an annual basis for harvest by the Association. Permits not assigned to a vessel and in CPH may be committed to an Association and generate an Association allocation from NMFS. Vessels may be retired and not replaced or may be replaced as their Permit holders elect.

5. Association Harvest Vessel controls:

- a. All sea scallop biological and bycatch input controls (e.g. dredge ring size 4”, twine top size, and turtle gear management measures) will apply to all Association Harvest Vessels.
- b. Crew size restrictions may be altered by Association rules (removes crew limitations for Associations).
- c. Harvest Vessel size limitations may be altered by an Association for harvest of Association allocation, without baseline specifications (like general category).
- d. If at the end of a fishing year a Permit leaves the Association and chooses to resume fishing under input controls of DAS; the crew limitations and Baseline Specifications of the originating limited access scallop permit would apply to the Replacement Vessel for the Permit.
- e. Implement measures to prevent activation of latent effort in other fisheries. A Harvest Vessel may be used to harvest other Greater Atlantic Region limited access species also, if it has those permits associated with a Permit, provided that the Harvest Vessel must comply with the Baseline regulations and harvest regulations of those other species. Vessels, previously associated with a Permit, which have had scallop allocation removed to be harvested by other Harvest Vessels, cannot be used to harvest other GARFO limited access species from that Permit, unless they are for allocated species under an output control system.

Rationale and Needs for the Draft Amendment _____
to the
Atlantic Sea Scallop Fishery Management Plan

- Current input controls do not encourage individual responsibility in the sea scallop fishery. With DAS input controls, the crew priority is to maximize harvest in a limited Olympic style fishery taxing crews, safety, and the scallop resource.
- Output controls will provide time to minimize bycatch in the sea scallop fishery. Association Harvest Vessels will not be constrained by the time clock days at sea and will be able to move from areas with higher bycatch rates.
- Voluntary Harvest Associations promote both accountability and flexibility. Permit owners can decide to join or not. The Associations are not imposed on the fleet at large; fishermen who prefer to fish under the current DAS system can continue to operate under days-at-sea management with the knowledge that Association harvests are fixed and will not reduce their DAS allocations. In addition to improving fishery management, both accountability and flexibility are important benefits of this voluntary program.
- Because Association membership is annual in term and voluntary, this approach does not create a new governmental quota share.
- Because multiple Associations can be formed, fishermen can choose to voluntarily associate with people they know and trust.
- Annual harvest output allocations enable fishermen to end the “race for fish”, improving efficiency, enhancing crew health and safety, and reducing pressure on sensitive habitat.
- Annual harvest output allocations reduce the incentive to hoard information. Constraining Species limits provide incentives to share bycatch avoidance information. Association rules will create individual accountability to the Association. Bycatch management, like target species accountability, is becoming an important management factor.
- Basing Association allocations on Permits, rather than vessels, facilitates retirement of excess harvesting capacity and allows investment in new safer vessels; with newer advanced processing, cleaning, and storing technologies to improve quality and better new fuel efficiency; and reduces pressure on shore-side facilities to moor vessels for 300 days per year.

- Reducing the number of scallop vessels and increasing the total pounds harvested by a harvest vessel will make it feasible to replace aging hulls with safer vessels complying with new Fishing Vessel Safety Act class and new load-line requirements. Crews will no longer have to work on two or more vessels in one year. Overall crew employment will likely increase as crews return to “six on / six off” watches.
- Without the pressure of time management Captains will be able to train mates to become captains.
- Third party certifiers concerned with the social impact of crews working longer days under the pressure of an input control system will be able to “high score” the scallop fishery for social concerns for workers by going to output controls which will allow the work to be spread over a longer period and with a larger crew.
- Fishery managers may continue to advocate for increased observer coverage and electronic monitoring to increase the amount and quality of fishery data from the scallop fleet. The efficiencies gained through Association allocations will help offset that cost.