

1.0 DEVELOPING STANDARD DEFAULT MEASURES

The following information was provided to the Council in Document #2 at the April Council meetings. The Council added developing standard default measures to the 2018 priorities list at the April Council meeting. The Scallop PDT discussed this topic in detail at its meeting on May 8, 2018 at the Mariners House in Boston, MA; key discussion points and recommendations from the PDT are included in this document.

2.0 BACKGROUND:

There are a wide range of decisions that the Council makes on an annual basis during the scallop specification setting process. Some of the decisions have become fairly routine, and mostly consistent year to year, such as setting default measures for the following fishing year, or how many total access area trips the LAGC IFQ component is allocated. There may be some opportunity to streamline the specifications process such as prescribing a formula to follow for setting default measures, the total number of LAGC IFQ access area trips, and part-time allocations for access areas.

At the November 2017 meetings, members of the Scallop AP and Committee expressed interest in reducing the number of decisions made on issues that are addressed every year. Are we over-specifying to the point where there is only marginal benefit for the effort that is put in for analysis and decision making?

3.0 DISCUSSION POINTS & DRAFT ALTERNATIVES:

There are multiple areas where the Council could opt to be more formulaic on during the specification setting process, such that alternatives would not need to be developed in every action. These include:

3.1 Default Specifications

The Scallop FMP allocates fishery specifications on an annual basis including open-area DAS and access area trips for the limited access component, IFQ to qualifying LAGC IFQ vessels, and access area trips to the LAGC IFQ fleet. Default specifications have been developed in this annual process so that the fishery may continue to operate at a conservative level if updated specifications are not in place by April 1 (start of the fishing year). For example, Framework 28 to the Scallop FMP allocated 30.41 DAS and 72,000 lbs to access areas for FY2017 for full time limited access vessels, and 21.75 DAS and 18,000 access area lbs under default measures for FY2018. The following action with FY2018 specifications, Framework 29, was not implemented until April 19th, 2018; therefore, between the end of FY2017 (March 31st, 2018) and the implementation of FW29, full time limited access vessels were able to fish under the FY2018 default specifications allocated through FW28.

Though the approach to setting default specifications for both the LA and LAGC components has been relatively consistent in recent years, default measures are developed as a stand-alone alternative in Council actions, meaning the Council must consider, deliberate, and select a preferred alternative. The Council has expressed interest in standardizing default measures to streamline the specifications process and reduce the amount of resources dedicated to developing measures on an annual basis that have fairly predictable outcomes.

3.1.1 Alternative 1 - No Action

Under Alternative 1 (No Action), default specifications for the LA and LAGC components would continue to be specified in the annual specifications process. For the limited access component, default open-area DAS and access area allocations would be specified for full time, part time, and occasional permit types. Default IFQ and fleetwide access area trip allocations would be specified for the LAGC IFQ component.

Rationale: Allocation to the scallop fishery varies from year to year and is dependent on changing resource conditions and areas of the resource that are available to the fishery. The dynamic nature of the resource is a main driver for both the annual specifications process and for developing conservative default measures. Because the resource is surveyed on an annual basis, the Council is able to consider the most recent assessment of the resource and adjust specifications.

Background: Generally speaking, in recent years (i.e. FY2013-FY2018), default specifications have been allocated at a conservative level compared to Fishing Year 1 allocations and have varied based on the overall allocation to the fishery. With the exception of FY2016, default open-area DAS allocations have been 84% or less of Fishing Year 1 specifications for all limited access permit types (Table 1). Default access area allocations have been 33% or less relative to Fishing Year 1 allocations for full time vessels, 50% or less for part time vessels, and up to 100% for occasional vessels (Table 2).

In the LAGC IFQ fishery, default measures were the same or exceeded Fishing Year 1 allocation between FY2013 and FY2016, and have been 75% or less of Fishing Year 1 allocation in FY2017 and FY2018.

Table 1. Open-area DAS allocations (FY1), open-area DAS default measures (FY2), and default measures as a percentage of FY1 allocation for limited access permit types from FY2013 to FY2018.

FY	LA full time			LA part time			LA occasional		
	FY1	FY2 (default)	FY2 % of FY1	FY1	FY2 (default)	FY2 % of FY1	FY1	FY2 (default)	FY2 % of FY1
2013	33.00	23.00	70%	13.00	9.00	69%	3.00	2.00	67%
2014	31.00	17.00	55%	12.00	7.00	58%	3.00	1.00	33%
2015	30.86	26.00	84%	12.94	10.40	80%	2.58	2.17	84%
2016	34.55	34.55	100%	13.82	13.82	100%	2.88	2.88	100%
2017	30.41	21.75	72%	12.16	8.69	71%	2.54	1.91	75%
2018	24.00	18.00	75%	9.60	7.20	75%	2.00	1.50	75%

Table 2. Access area allocations in pounds (FY1), default access area pounds (FY2), and default access area pounds as a percentage of FY1 allocation for limited access permit types from FY2013 to FY2018. Note: there are no active occasional permits in the fishery.

FY	LA full time			LA part time		
	FY1	FY2 (default)	FY2 % of FY1	FY1	FY2 (default)	FY2 % of FY1
2013	26,000	0	0%	10,400	0	0%
2014	24,000	0	0%	9,600	0	0%
2015	51,000	17,000	33%	20,400	10,200	50%
2016	51,000	17,000	33%	20,400	10,200	50%
2017	72,000	18,000	25%	28,800	14,400	50%
2018	108,000	18,000	17%	43,200	14,400	33%

Table 3. Annual quota allocation (FY1), default quota allocation (FY2), and default quota allocation as a percentage of FY1 allocation for vessels with an LAGC IFQ permit only, vessels with an LA and LAGC IFQ permit, and the total LAGC IFQ component from FY2013 to FY2018.

FY	LAGC IFQ			LA/LAGC IFQ			Total LAGC IFQ		
	FY1	FY2 (default)	FY2 % of FY1	FY1	FY2 (default)	FY2 % of FY1	FY1	FY2 (default)	FY2 % of FY1
2013	2,227,142	2,521,026	113%	222,714	252,103	113%	2,449,856	2,773,129	113%
2014	2,202,859	2,552,105	116%	220,286	255,210	116%	2,423,145	2,807,315	116%
2015	2,700,660	3,406,138	126%	271,168	339,511	125%	2,971,828	3,745,649	126%
2016	4,067,524	4,067,524	100%	405,650	405,650	100%	4,473,174	4,473,174	100%
2017	2,261,940	1,695,353	75%	227,076	169,756	75%	2,489,016	1,865,109	75%
2018	2,806,481	2,105,412	75%	279,987	209,439	75%	3,086,468	2,314,851	75%

3.1.2 Alternative 2 – Standardize default open-area DAS for the LA component and LAGC IFQ quota allocation at 75% of the preferred alternative for the previous Fishing Year allocation

Under Alternative 2, each limited access permit type would receive 75% of Fishing Year 1 open-area DAS and the LAGC IFQ component would receive 75% of Fishing Year 1 quota allocation. This alternative would not allocate default access area trips for the LA or LAGC IFQ component. Alternative 2 would establish default specifications as a fixed percentage of the Council's preferred specifications alternative for Fishing Year 1.

Rationale: Embedding standard default measures in the specifications process would reduce the number of decisions made by the Council at Final Action, and workload for PDT and staff to develop default measures on an annual basis that have predictable outcomes. Standardizing this process would also provide predictable outcomes for stakeholders. Further, this alternative does not preclude the Council from adjusting default measures each year.

Allocating default DAS and LAGC IFQ quota at 75% of the preferred allocation for Fishing Year 1 would allow the fishery to continue operating at a conservative level if there was a gap between the end of a fishing year and the implementation of updated fishery specifications. The Council changed the start of the fishing year to April 1st, meaning implementation of updated specifications are expected to occur on or close to the beginning of the fishing year; therefore, it is unlikely that the fishery will need to operate under default measures for a sizeable portion of the fishing year. Alternative 2 is also expected to streamline the Council process and therefore increase the likelihood of April 1st implementation.

Additional Considerations: Standardizing default access area trips is challenging because rotational management directs access area effort into different parts of the resource each year. Excluding access area fishing from standard default measures also further ensures that the fishery is operating at a conservative level between the end of Fishing Year 1 and implementation of updated specifications.

3.2 LAGC IFQ allocations to access areas (ex: always 5.5% of the access area allocation)

The LAGC IFQ fishery is allocated a fleetwide total number of access area trips. Individual vessels are not required to take trips in specific areas like access area trips allocated to the limited access fishery. Instead, a maximum number of trips are identified for each area and once that limit is reached, the area closes to all LAGC IFQ vessels for the remainder of the fishing year. The level of allocation can vary and is specified in each framework action. The Council has typically considered a range of access area allocation options for the LAGC IFQ component, as well as several options regarding areas that are open to the scallop fishery in a given year.

3.2.1 Alternative 1 – No Action

Under Alternative 1, the Council would continue to set the overall LAGC IFQ access area allocation in each specifications action. Each year, the Council would consider the total access area allocation for the fishery, and develop measures to allocate a portion of access area allocations to the LAGC IFQ component, and a corresponding number of fleet-wide trips.

Rationale: The Council is able to consider the most recent assessment of the resource and adjust LAGC IFQ access area allocations because the resource is surveyed on an annual basis.

3.2.2 Alternative 2 – Standardize LAGC IFQ access area allocations as 5.5% of the total expected access area harvest

Alternative 2 would standardize overall access area allocations to the LAGC IFQ component by allocating the equivalent to 5.5% of total projected access area harvest. The number of access area trips allocated to the LAGC IFQ fleet would be calculated by dividing 5.5% of total expected access area harvest by the LAGC IFQ possession limit. Table 4 shows examples of how this calculation would be done for different levels of total expected access area harvest. This alternative does not standardize where LAGC IFQ access area trips are allocated to.

Rationale: In recent years (i.e. FY2013-FY2018), the Council has used the same basic approach described in this alternative to determine LAGC IFQ access area allocations. By embedding LAGC IFQ access area allocations in the specifications process, the number of decisions made by the Council at Final Action and number of alternatives analyzed in each action would be reduced. Standardizing this process would also provide predictable outcomes for stakeholders.

Furthermore, by streamlining the decision-making process, it is expected that Alternative 2 may increase the likelihood of specifications being implemented prior to the start of the fishing year. Alternative 2 would not prevent the Council from using an ad hoc approach to adjust LAGC IFQ access area allocations in the future.

Table 4. An example of how LAGC IFQ access area allocations are calculated based on total expected access area harvest.

	a	b	c	d	e	f	g	h
	Example Scenario	FT Access Area Trips	Possession Limit (lbs)	LA FT equivalent	LA AA Landings (lbs)	TOTAL AA Landings (lbs)	LAGC IFQ share (lbs)	LAGC Trips
					$(b*c*d)$	$(e/0.945)$	$(f*0.055)$	$(g/600)$
1	4 AA trips	4	18,000	327	23,544,000	24,914,286	1,370,286	2,284
2	5 AA trips	5	18,000	327	29,430,000	31,142,857	1,712,857	2,855
3	6 AA trips	6	18,000	327	35,316,000	37,371,429	2,055,429	3,426

3.2.3 Alternative 3 - Standardize LAGC IFQ access area allocation as 5.5% of the total expected access area harvest and allocate LAGC IFQ share proportionally to access areas west of 68° 30' W (eastern boundary of Closed Area I Access Area)

Alternative 3 would standardize overall access area allocations to the LAGC IFQ component by allocating the equivalent to 5.5% of total projected access area harvest. The number of access area trips allocated to the LAGC IFQ fleet would be calculated by dividing 5.5% of total expected access area harvest by the LAGC IFQ possession limit.

Alternative 3 also standardizes how allocations are distributed among available access areas to account for allocations to offshore access areas (ex: Closed Area II). Under this alternative, the distribution of LAGC IFQ allocation to a specific access area would be proportional to the total expected harvest from that area by the limited access component. In a scenario that limited access trips are allocated to an area east of 68° 30' W (i.e. the eastern boundary of Closed Area I AA, see Figure 1), the proportional share that would have been allocated to the LAGC IFQ fleet in this area would instead be distributed evenly among available access areas west of 68° 30' W. Table 5 and Figure 1 show an example of how trip distribution would be calculated under Alternative 3 in a scenario where Closed Area II is allocated to and there are three available access areas west of 68° 30' W.

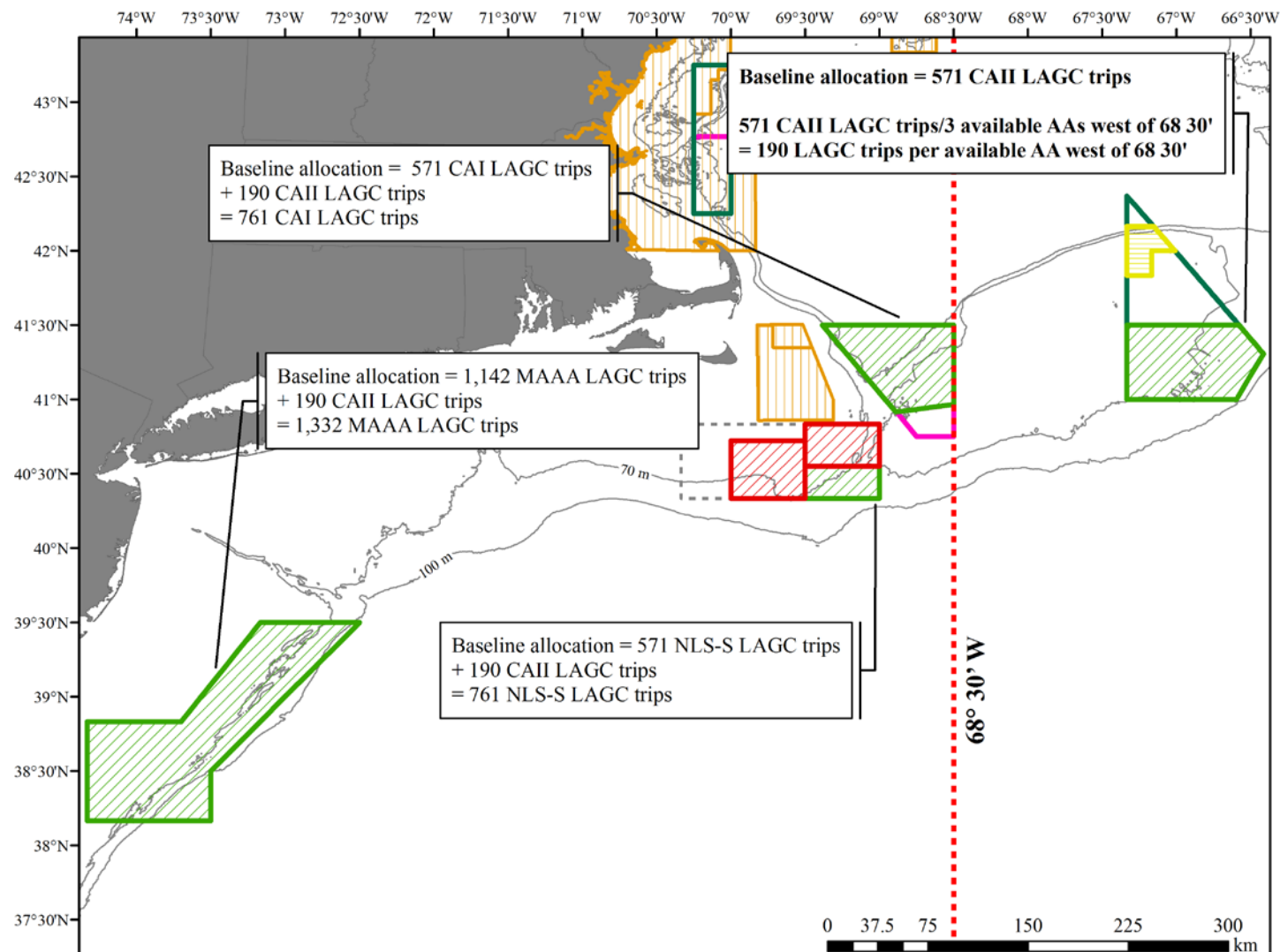
Rationale: The rationale for standardizing LAGC IFQ access area allocations under Alternative 3 is the same as the rationale for Alternative 2 (see Section 3.2.2). Distributing LAGC IFQ trips to available areas proportional to the total expected harvest from those areas by the limited access component is consistent with the approach used by the Council when developing specifications in the past. Redistributing LAGC IFQ trips that would have been allocated to areas east of 68° 30' W among available areas west of 68° 30' W follows a precedent set by the Council when considering specification alternatives that allocate limited access trips to Closed Area II Access Area. The Council's rationale for not allocating LAGC IFQ trips to Closed Area

II Access Area is that LAGC vessels are typically smaller and not designed to fish so far offshore. Considering this, Alternative 3 limits LAGC IFQ trip allocation to areas west of 68° 30' W, as it is the eastern boundary of Closed Area I Access Area and the farthest-reaching access area that the Council has allocated LAGC IFQ trips to in the past.

Table 5. An example of how LAGC IFQ trips would be distributed under Alternative 3 in a scenario where CAII is allocated to and there are three available access areas west of 68° 30' W.

	a	b	c	d	e	f
		total LAGC IFQ trips	CAII	NLS-S	MAAA	CAI
1	Baseline allocation	2855	571	571	1142	571
Alt. 3 - Dist. CAII trips to the 3 available areas west of 68° 30' W						
2	Calculation			$d1+(c1/3)$	$e1+(c1/3)$	$f1+(c1/3)$
3	Trips	2855	0	761	1332	761

Figure 1. An example of how LAGC access area trips would be proportionally distributed to available areas west of 68° 30' W longitude (red line). Available rotational areas are shown in green and unavailable rotational areas are shown in red.



3.3 Part-time access area allocations

Part-time limited access vessels are allocated 40% of open-area DAS and access area pounds allocated to full time limited access vessels. The 40% rate has been in place since the implementation of Amendment 4 which established DAS management and limited access permit categories in the scallop fishery. Table 6 compares full time and part time allocations of open-area DAS and access area pounds from FY2013 to FY2018. Though the level of allocation of open-area DAS and overall access area pounds to part time vessels is fixed, the Council must specify the area(s) where part time vessels may fish access area pounds and an associated possession limit in each specifications action. The Council has expressed interest in streamlining the specifications process and has identified part time access area allocations as a potential avenue to do so.

Table 6. Open-area DAS (DAS) and access area allocations (AA) to full time and part time limited access vessels from FY2013 to FY2018. Part time allocations are also shown as a percentage of full time allocations.

FY	LA full time		LA part time			
	DAS	AA	DAS	AA	% of FT DAS	% of FT AA
2013	33.00	26,000	13.00	10,400	39%	40%
2014	31.00	24,000	12.00	9,600	39%	40%
2015	30.86	51,000	12.94	20,400	42%	40%
2016	34.55	51,000	13.82	20,400	40%	40%
2017	30.41	72,000	12.16	28,800	40%	40%
2018	24.00	108,000	9.60	43,200	40%	40%

PDT Input from May 8th, 2018:

- It may be difficult to standardize where part time access area trips go and the possession limit because these aspects of rotational management change each year.
- **RECOMMENDATION:** The PDT recommends that a tasking statement from the Committee on an appropriate range of trip limits or number of trips could be a good way to streamline the decision-making process. For example, the Committee could task the PDT with establishing part-time access area allocations based on a preference for higher possession limits and fewer trips, or lower possession limits and more trips.

FOR AP/Committee: Are measures necessary, or would a tasking statement from the Committee be enough to streamline how we go about setting PT access area allocations?

3.4 Clarifying access area allocation timeline (12 months vs. 12 months + 60 days to finish AA trips)

Area rotation has evolved considerably over time and in recent years access area boundaries have changed on a fine scale, which has complicated management and administration of access area fishing. Fishery specifications do not ‘open’ or ‘close’ scallop rotational areas; rather, rotational access areas are always available, but may only be fished if allocated to in a given fishing year. Limited access vessels have a 14-month window from the beginning of the fishing year (i.e. April 1st) to fish access area allocations unless otherwise specified in the framework process.

Background on 60-day window to complete access area trips:

This timeline was originally established in Framework 18 as part of the broken trip exemption program with the rationale that a 60-day carry forward provision would reduce safety and business risks for trips being taken at the end of the fishing year (i.e. if a trip could not be taken before the end of the same fishing year due to weather or other factors). The regulations initially limited fishing in the carry forward period to access areas that were open in the following year; however, recent changes have expanded fishing in the 60-day carry forward period to access areas that were allocated to regardless of what areas are available in the following fishing year. This timeline can be challenging to manage and administrate in situations where access area boundaries are modified before the end of the 14 months (i.e. if one area is split into several new areas, an area is absorbed into a larger area, or an access area is turned into open bottom). The Council may wish to clarify that when access area allocations are specified, they can be fished in the first 60-days of the following fishing year, even if the area is not allocated to in the following fishing year.

PDT Input from May 8th, 2018:

At their meeting on May 8th, 2018 and through correspondence, the PDT discussed the 60-day carry forward provision and cited several reasons why this timeline could be problematic. Since the carry forward provision was implemented, the start of the fishing year has shifted from March 1st to April 1st; in other words, the 60-day window has shifted from March and April, when meat yields are beginning to improve, to April and May, when fishing conditions are quickly moving towards the best of the year. In light of this, it was suggested that there may be some unintended consequences of the 60-day window (i.e. vessels shifting access area trips to the next fishing year) that could have implications on management uncertainty and potentially negative biological impacts on the resource. The PDT noted this concern could be further exacerbated by the trend seen in recent years, in that the proportion of landings from access areas (vs. DAS fishing) has increased.

The PDT also discussed several ideas that could alleviate these concerns, including capping the amount of access area pounds that can be fished in the 60-day window, taxing vessels that fish in the 60-day window (i.e. reduce access area pounds that can be fished) to motivate vessels to complete trips before the end of the fishing year and still provide the opportunity to fish outstanding pounds if an unforeseen complication occurred during the fishing year (i.e. breakdown), and eliminating the additional 60-day window or reducing it to 30 days to lessen management uncertainty and make access area fishing easier to administer on an annual basis.

Input from the AP/CTE needed:

- **Is the 60-day carry forward provision necessary now that the start of the fishing year has shifted to April 1st?**
- **Should the Council continue to specify that vessels have 60-days to finish their access area trips?**
- **If the Council wishes to address the administration of access area fishing (i.e. 12 months vs. 12 months + 60 days), it may wish to consider the biological implications of shifting the start of the fishing year to April 1st.**