

Scallop AP and Committee

Jonathon Peros & Sam Asci

Council Staff

**Scallop AP and Committee
June 18 & 19, 2020
Webinar**



New England
Fishery Management Council

Today's Meeting:

- **Amendment 21**
- **Impacts of COVID-19 on work, RSA**
- **President Trump's Executive Order**

AP and Committee action anticipated on Amendment 21

- *Select preliminary preferred alternatives*
- *Approve draft A21 EA for public hearings*
- *Input on how the Council might conduct public hearings*

Modifying the range of alternatives may push out the timeline for completing this action.

Impacts of COVID-19

- Continuing to adjust work plans in response to COVID-19 pandemic.
 - Amendment 21
 - Next Specs Action or Framework Adjustment (33)
- Anticipating January 2020 final action for 2021/2022 scallop specifications.
 - 8+ week delays for some surveys, scallop assessment
 - Survey situation is evolving. Some groups planning to proceed, others will not sail.
- Small window to complete Amendment 21 by September 2020



Amendment 2 | Timelines

Outlook

Uncertainty around the timing of 2020 scallop surveys.

Scallop assessment planned for September 2020 (Level 3).

Almost certainly taking final action on specs in January 2021.

- Officially started work in January of 2019. Issues discussed over several years and FW actions.
- Council approved range of alternatives in April 2020
- **June Council → Council approve document and select preferred alternatives for public hearings.**
- Two timelines to consider

1

Public hearings: Summer 2020

Final Action: September 2020

2

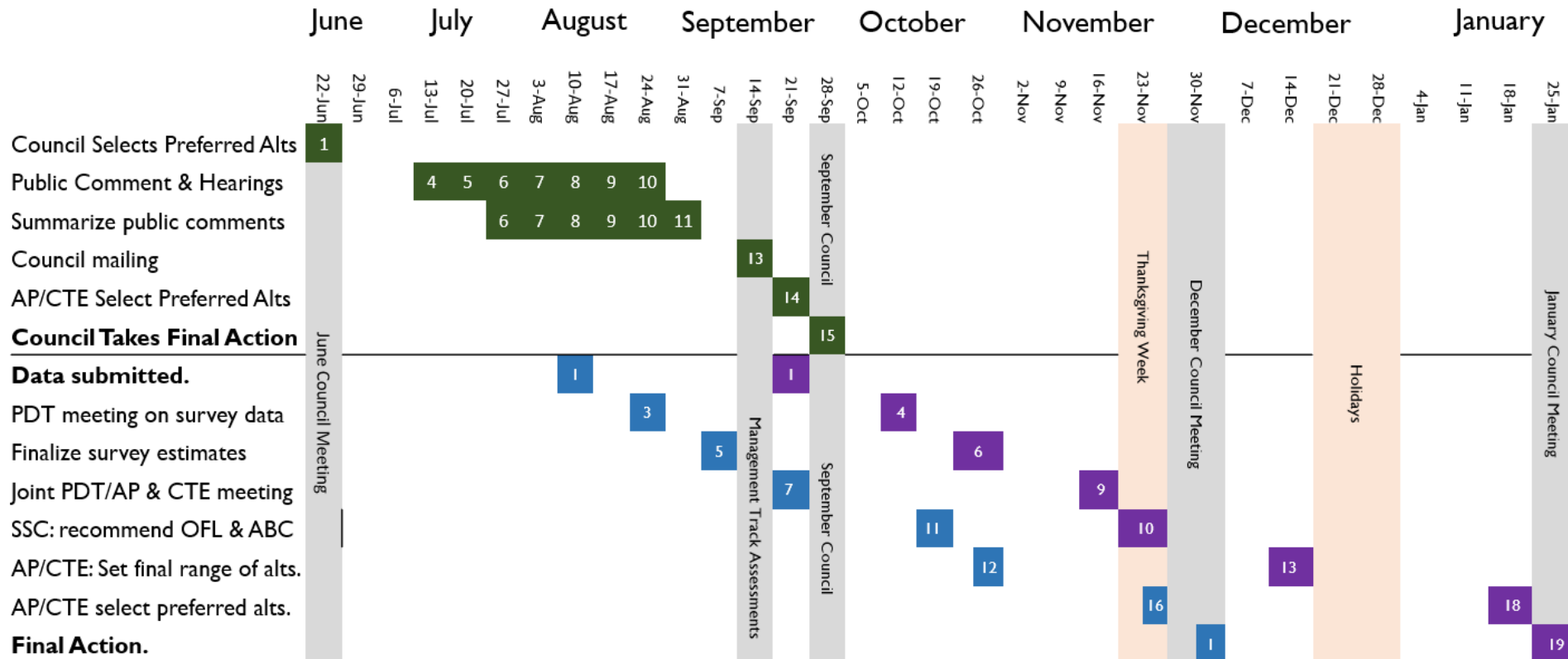
Public hearings: 2020 → 2021

Final Action: April 2021

Amendment 21
September Final Action

“6 Week Data Delay”
January Final Action

No Data or No Delay
December Final Action



Amendment 2 I

Vision, Goals and Objectives

LAGC Vision: Relatively small vessels, possession limits to maintain the historical character, provide opportunities to various participants including vessels from smaller coastal communities.

Northern Gulf of Maine Management

1. Support a growing directed fishery in federal waters in NGOM.
2. Allow for orderly access to the scallop resource in this area by the LAGC and LA components.
3. Establishing mechanisms to set allowable catches and accurately monitor catch and bycatch from the NGOM.

LAGC IFQ Measures

1. Improve overall economic performance of the LAGC IFQ component.
2. Allow for continued participation in the General Category fishery at varying levels.

Amendment 2 I

Current Range of Alternatives – 10 Actions

- **Northern Gulf of Maine Management**

- | | |
|---------------------|------------------------|
| 1. Catch Accounting | 2. Allocations |
| 3. Monitoring | 4. Supporting Research |
| 5. Fishing Season | 6. Gear |

- **LAGC IFQ Measures**

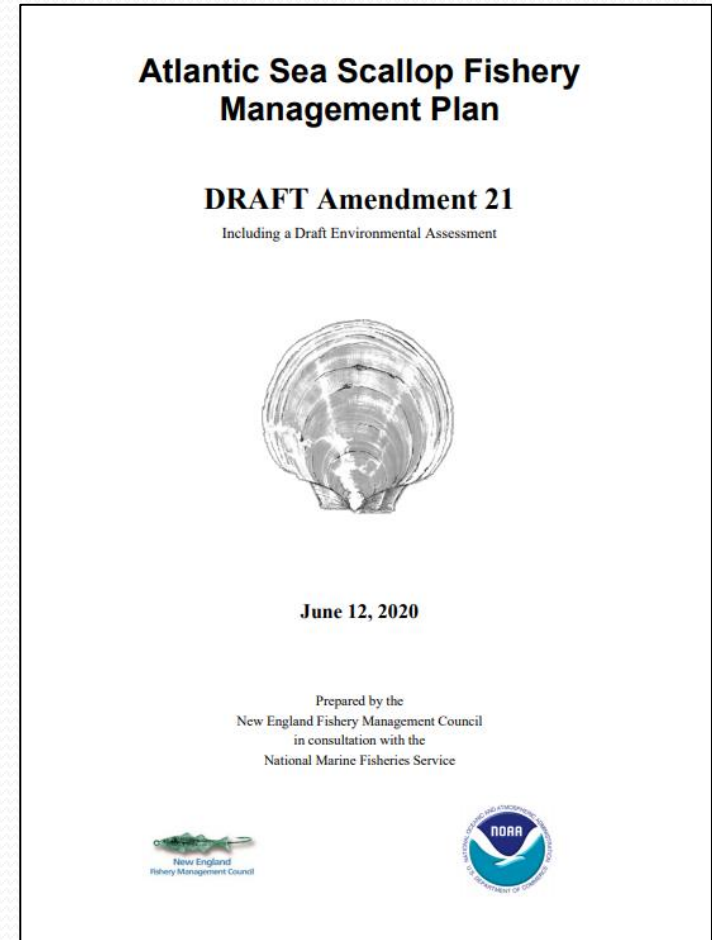
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|--------------------|--------------------------|
| 7. IFQ Trip Limits | 8. Observer Compensation |
| 9. Transfer of IFQ | |

- **General**

- | |
|-----------------------|
| 10. Following Actions |
|-----------------------|

Impacts: Actions I - 10

- See Document 3b:
 - Section 5: Background data
 - Section 6: Draft impacts
- Several actions would establish processes that would be used in management.
 - Impacts may be administrative or negligible in A2I, with the expectation of further analyses when applying process through setting NGOM allocations/TAC and fishery specifications



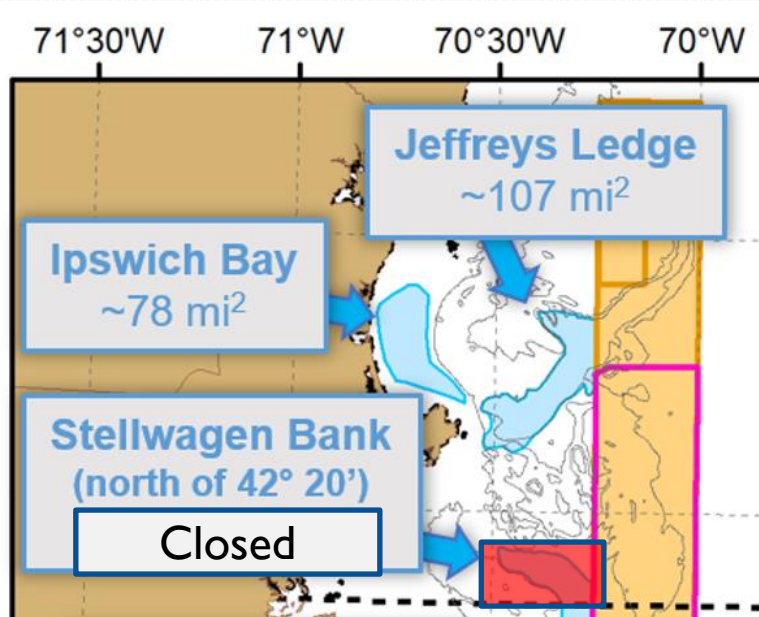
Northern Gulf of Maine: Actions 1 - 6

Underlying Assumptions

- Survey data is available for the NGOM management area.
- The southern boundary of NGOM remains at 42°20' N.
- Trip limits in the NGOM for GC vessels remain at 200 lbs.
- IFQ counts against the NGOM TAC and individual quotas.
- LAGC IFQ vessels would have the flexibility to fish allocations outside the NGOM (like access area allocations).

Fishery Allocations & Setting Legal Limits

Accounting for Scallops in the NGOM

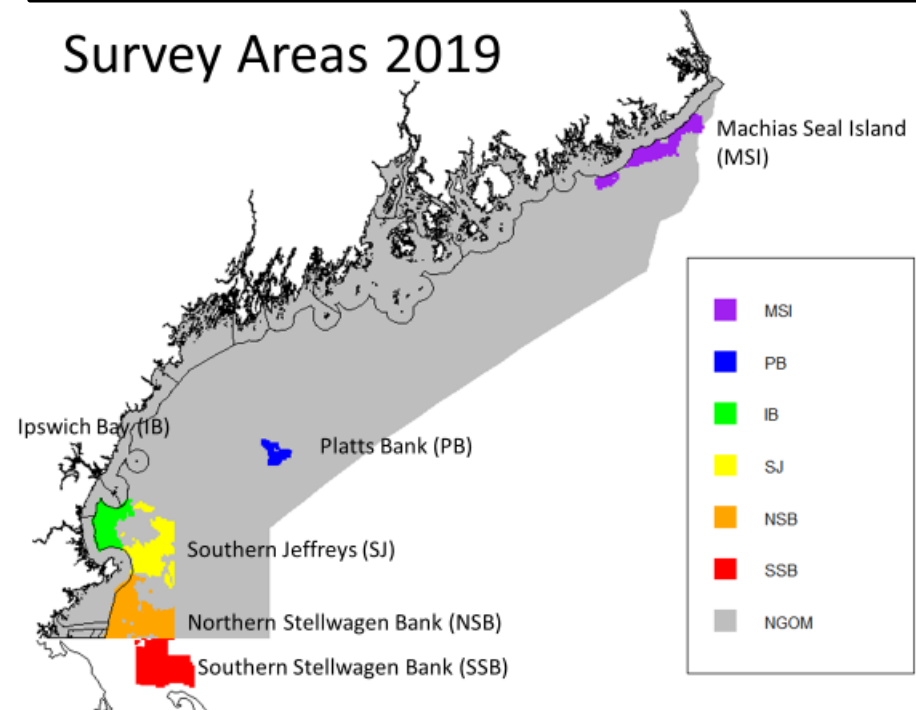


Allocations are based on a sub-set of surveyed areas, Ipswich Bay & Jeffreys Ledge.

This process won't change!

If the NGOM is included in ABC, and ACL, exploitable scallops from surveyed areas in NGOM would count toward fishery-wide legal limits.

Survey Areas 2019



Action 1: NGOM Catch Limits

- 4.1.1 – Alternative 1 – No Action
 - NGOM ACL specified as a TAC (NGOM allocation) that is added to the OFL.
- 4.1.2 – Alternative 2 – Account for the Northern Gulf of Maine as part of the Acceptable Biological Catch and Annual Catch Limits.
 - Exploitable biomass contributes to overall OFL & ABC
 - Legal limits scale with size of the NGOM allocation
 - Interacts with Action 3 – Monitoring NGOM fishery

**Impacts of the range of alternatives
are discussed in
Section 6.0 of the Draft EA**

Action 1: NGOM Catch Limits

- Including in ABC/ACL → improved understanding of resource status, particularly if spatial extent of resource changes.
- No direct impact on non-target, protected species, or EFH → separate process used to set NGOM allocations.
- Low positive impacts for perception of LT management

Action 2 – Northern Gulf of Maine Allocations

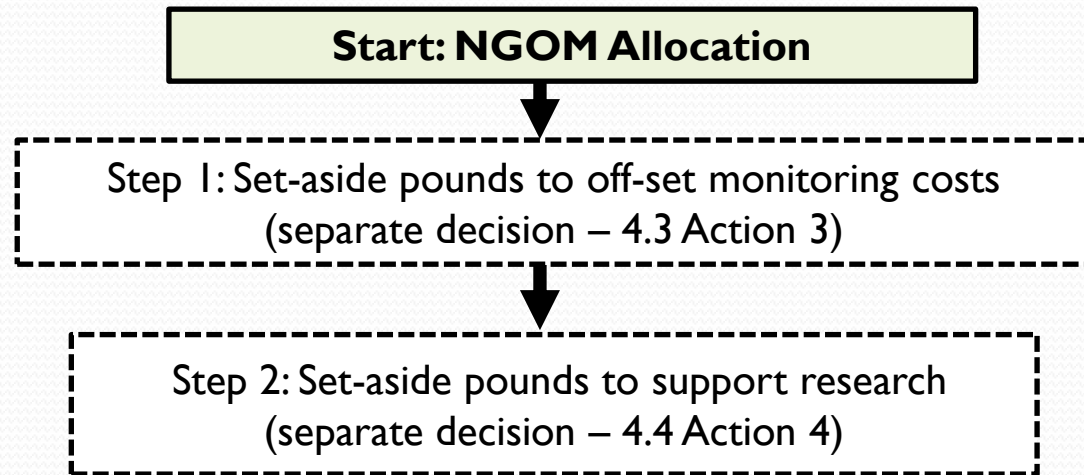
Structure of the Allocation Options

- 4.2.1 - Alternative 1 – No Action (Amendment 11 rules)
- 4.2.2 - Alternative 2 – Create a NGOM set-aside, share additional allocation between set-aside & NGOM APL
 - Four set-aside trigger options, Two ways to distribute allocation over the trigger:

Option	Trigger (lb)	Split (%NGOM set aside vs. %NGOM APL)
1	1,000,000	5/95
2	600,000	25/75 to 3,000,000 lb; 5/95 over 3,000,000 lb
3	500,000	5/95
4	200,000	25/75 to 3,000,000 lb; 5/95 over 3,000,000 lb

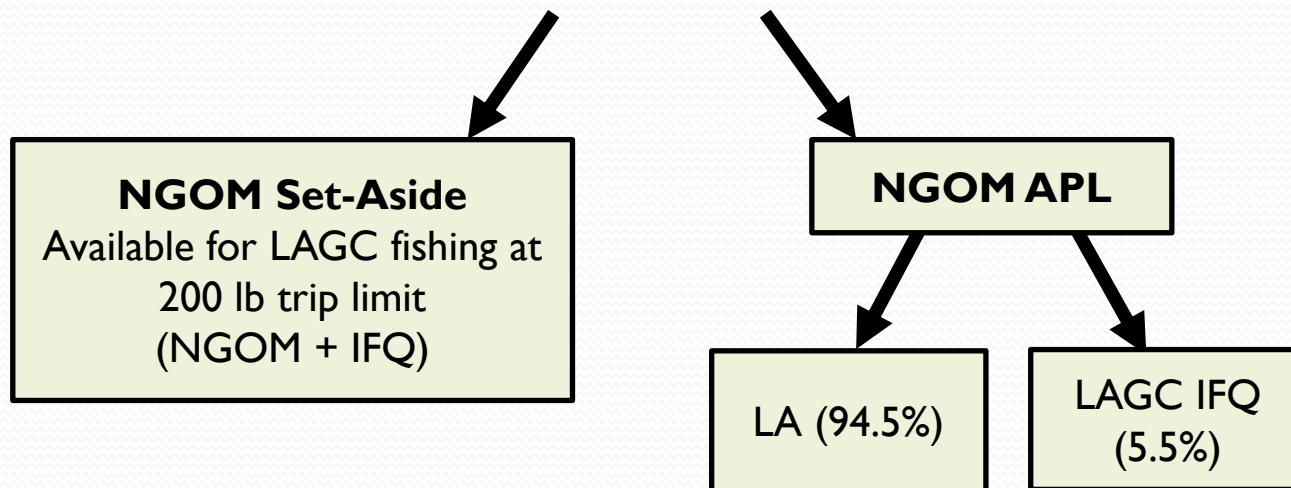
- Comparison of options focuses on goals and objectives, vision, participation at different levels of biomass.

NGOM Set-Aside Scenario: More than the Trigger



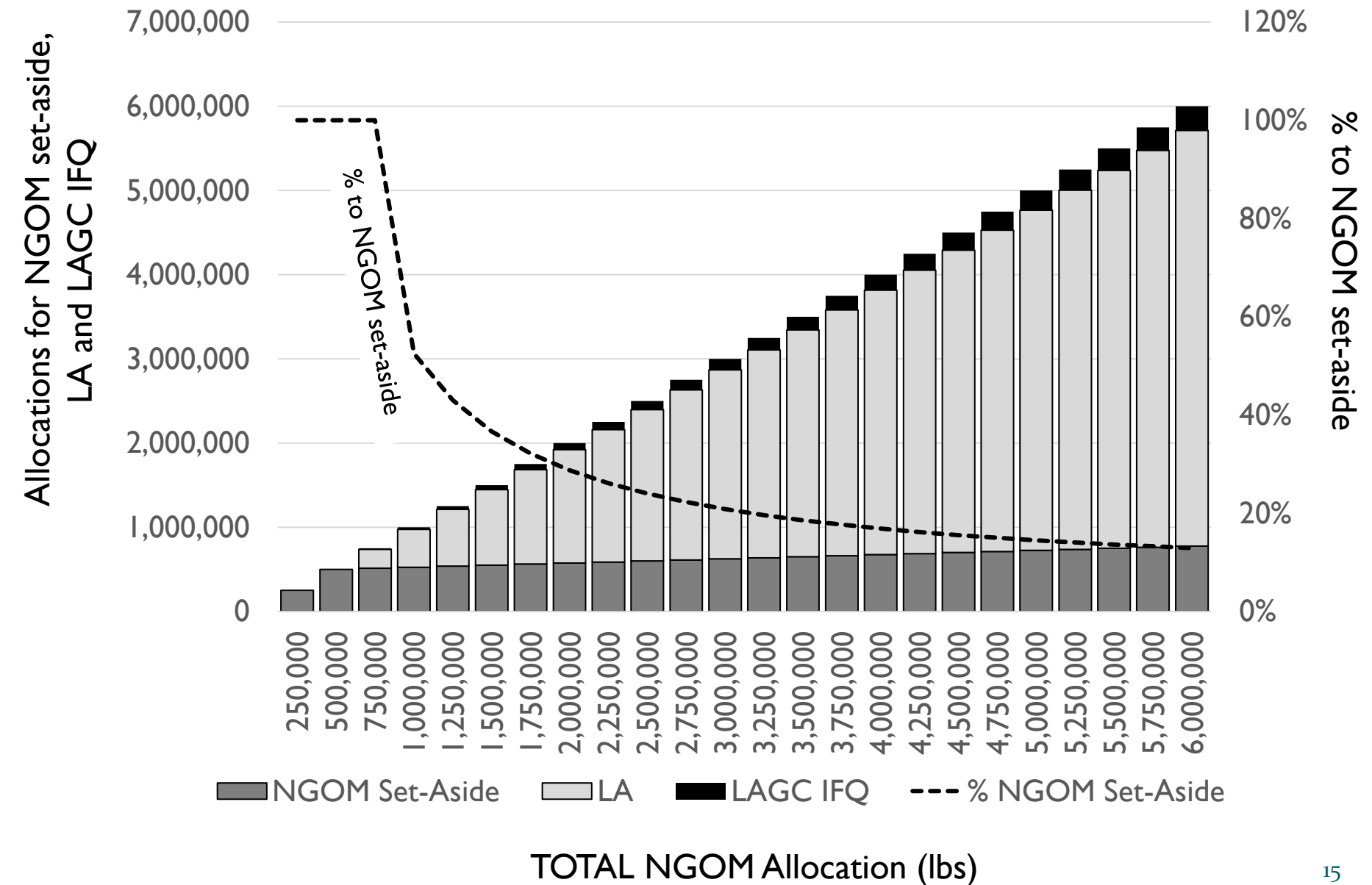
Step 3: Is the NGOM Allocation less than the NGOM set-aside trigger?

NO → Allocate pounds to NGOM Set-Aside up to the trigger, then allocate pounds above the trigger to the NGOM Set-Aside and the NGOM APL



Example: Distribution of the NGOM allocation

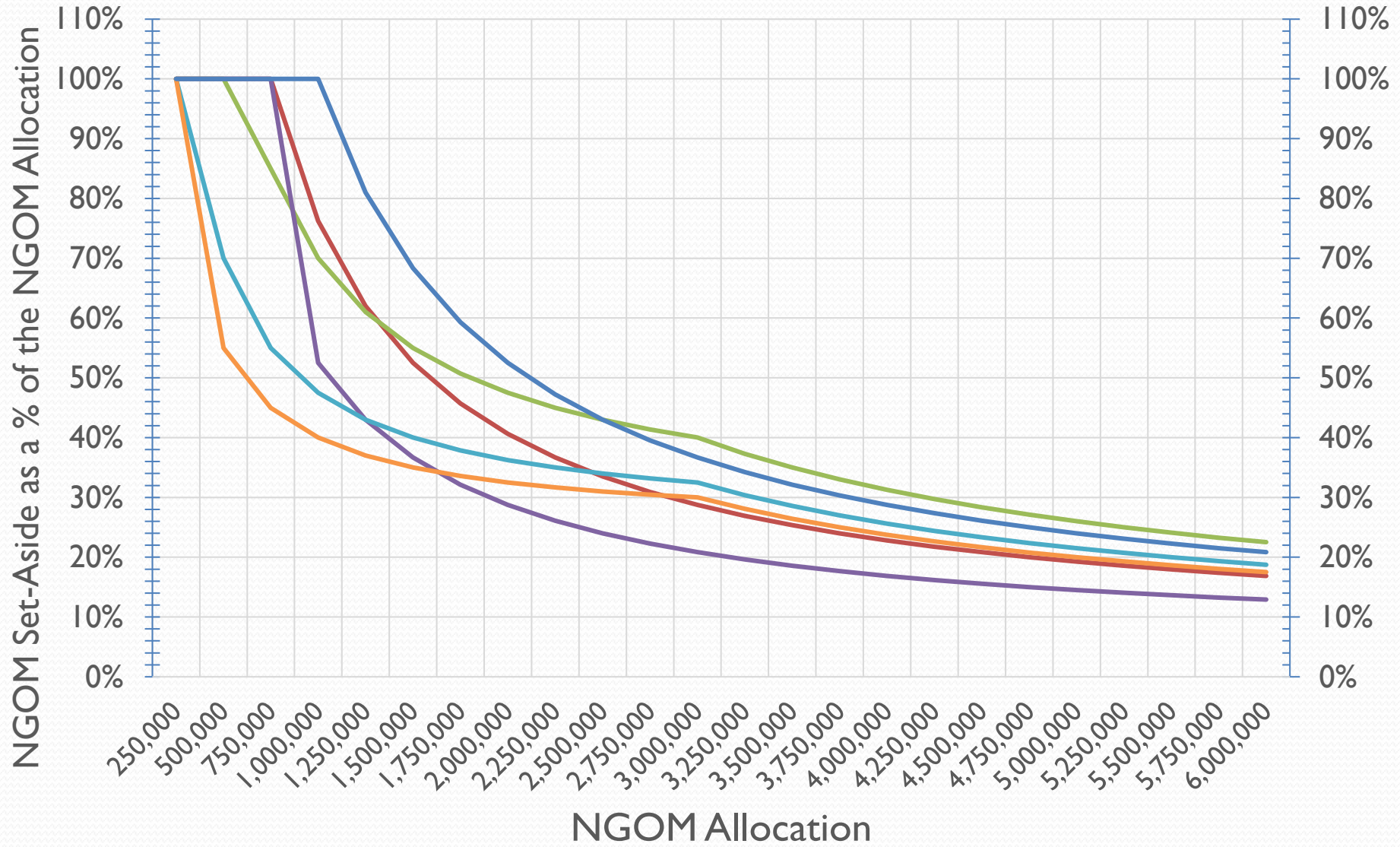
Allocations at 500k lb NGOM set-aside



Action 2: NGOM Allocations

- See Doc. 3b, Section 6.6.1.2
- Alt. 2 directly addresses conservation of the scallop resource in the area, economic benefits for LA and LAGC IFQ when allocation is above the trigger, positive social impacts (ST & LT)
- EFH, non-target, and PR impacts linked to specifications.
- Options 1 – 4 focus on process for allocation.
- Economic and social impacts scale differently for each group with the size of the trigger and allocation split options, and the NGOM allocation.
- Consideration of number of participants (40 – 110 – 425).

NGOM Set-Aside as a % of NGOM Allocations



EX - 750k 95/5 Opt. 2 - 600k Opt. 3 - 500k
EX - 300k Two Tier Opt. 4 - 200k Opt. 1 - 1mil

Action 3 – Monitoring NGOM fishery

Measures address lack of monitoring

- Observer call-in requirement for all directed scallop trips in the NGOM management area (all vessels/permit cat.)
- 4.3.2 – Alternative 2 – Expand IFO program
 - Expand current scallop industry funded observer program.
 - Process is linked to Action 1 (accounting in flowchart).
 - Higher trip limits to offset the cost of the observer.
- 4.3.3 – Alternative 3 – Use NEFOP program to monitor trips in the NGOM.
 - Existing observer program. No set-aside needed to offset the cost of observers in the NGOM area.
- Monitoring can be modified in a subsequent action.

Action 4 – Support Scallop Research (RSA)

- Several similarities between Alternatives 2 & 3.
 - Opportunity to comp fish in the NGOM, up to set-aside.
 - Projects funded to do research in the NGOM would have preference to use these pounds.
 - Research TAC would not have to be fished (pounds not assigned to specific projects). Administered by NMFS.
- 4.4.2 – Alternative 2 – Adds pounds to RSA
- Four sub-options for Alternatives 2.
- RSA measures can be modified in a subsequent action.

Actions 3 & 4 – Accounting for monitoring and RSA in NGOM Allocation

- As currently written, if the Council selects Alternative 2 in Action 1:
 - The RSA would be deducted from the NGOM Allocation
 - Monitoring set-aside would not be.
- In current administration of the ABC and APL for the rest of the fishery, the RSA AND the monitoring set-aside (1% of OFL) are deducted from APL before allocating to LA and LAGC IFQ.
- Catch accounting issue.
- Do you want to change Alt. 2 in Action 3, or leave it as is?
 - This change would require a motion, updating of some impacts.
 - Or, address in a future FW action

75% FMSY of exploitable biomass in NGOM	Set-aside contribution, deduction from NGOM Allocation (1%)
10,000,000	100,000
6,000,000	60,000
3,000,000	30,000
1,000,000	10,000
500,000	5,000
250,000	2,500

Action 3: Monitoring NGOM fishery

- Observer coverage expected to have positive impacts on scallop resource and non-target species through data collection. Information feeds into catch accounting & scallop assessments/projections.
- Alt. 2 & 3 to cover/offset costs → positive social & econ impact

Action 4: Support Scallop Research (RSA)

- Increase to RSA, within NGOM allocation expected to have positive economic, social, and biological impacts.
- EFH, non-target, and PR impacts linked to specifications.
- Options 1 – 4: Distributional impacts vary with size of NGOM allocation. (15% of 6mil lb. = 900k lb vs. fixed at 50k lb.)

Action 5: NGOM Fishing Season

Alternatives address how and when the area can be fished. Alternatives 2 & 3 apply to NGOM set-aside only. Seasons would apply to all components.

- 4.5.1 - No Action
- 4.5.2 - Limit the number of landings per week to 5
- 4.5.3 - Limit vessels to one sailing per day
- 4.5.4 - Establish a seasonal closure of the NGOM management area from September 1 – November 31 annually

Action 6 - NGOM Gear Restricted Area

Three Alternatives, focus max dredge width

- LAGC NGOM, IFQ, and LA vessels in small dredge program can fish a maximum of 10.5 ft.
- Summary of three gear options for FT LA vessels:
 - 4.6.1 - No Action (FT vessels can fish 31' dredge width)
 - 4.6.2 - 10.5' cumulative max dredge width for FT LA vessels
 - 4.6.3 - 15.5' cumulative max dredge width for FT LA vessels
- Updated rationale focuses on slowing the rate of harvest.

Action 5: NGOM fishery seasons

- Magnitude of impacts vary depending on combination of choices, size of NGOM allocation, number of fishery participants.
- Reduced flexibility in Alt. 2 - 4; No Action viewed as positive.
- Impacts mixed for scallop resource, non-target species, PR, EFH.

Action 6: Maximum dredge width

- Alt. 2 & 3 reduce efficiency of FT LA component, but only when the NGOM allocation is above the NGOM set-aside trigger (below that, only LAGC fishing using 10.5' dredge). Issue at higher levels of biomass.
- How LA can assess the area important (DAS vs. allocations). Area swept could increase or decrease depending on this choice. Increased tow-time and area swept could have negative impacts on non-target, PR, and EFH.
- Negative impacts associated with increased cost of purchasing a dredge (Alt. 2)

Action 7: LAGC IFQ Possession Limit

- 4.7.1 – Alternative 1 - No Action (600 pounds)
- 4.7.2 – Alternative 2 - 800 pounds
- 4.7.3 – Alternative 3 - 1,200 pounds
- Options for each alternative:
 - Increase for all areas (open and access areas)
 - Increase for access areas only

Bio, Non-Target, Protected Species, EFH Impacts

- Increasing limit will reduce number of trips needed to land quota, improve flexibility
 - would not change in allocation/landings/rotational management.
- range of LAGC fleet wouldn't expand beyond areas already fished by LA component.
- Vessels will continue fishing high-LPUE areas → area swept not expected to increase
- Overall, direct impacts of increasing the trip limit to these VECs are minimal (if at all) and negligible in comparison

LAGC is 5.5% of fishery—any impacts of higher trip limit to the scallop resource, non-target species, protected species, EFH expected to be minimal relative to entire fishery.

Social Impacts

- Increasing the possession limit expected to improve flexibility in the LAGC IFQ fishery—fewer trips to harvest allocation means vessels can pick and choose when to take trips (potential to improve safety at sea)
- Savings in time from fewer trips could lead to increased participation in other fisheries
 - Could be a positive impact to LAGC IFQ vessels that are diversifying, but potentially negative to vessels already in other fisheries depending on how they are managed (e.g., constrained by a fleetwide TAC?)

High Level Economic Impacts

- For both Alternative 2 & 3:
 - Higher possession limit would allow vessels to harvest IFQ in fewer trips
 - Trips will be longer, but total trip time will be less across fishing year
 - Reduced trip time equates to lower trip costs (i.e. fuel, ice, food, etc.), maintenance costs, etc.
 - Decrease in overall operating expenses means net revenue and vessel profit will increase
- These benefits are expected for both Option 1 and Option 2

Option 1 vs. Option 2

- The composition of trip time differs between open and access area trips
 - Open area trips generally longer than access area trips
 - More time is spent steaming than fishing on access area trips
 - More time spent fishing than steaming on open area trips
- Considering that benefits of higher trip limit are as a result of reduced combined steam time, greatest benefits of higher trip limit are expected in access areas (i.e. Option 2).

Table 107/111. Change in economic characteristics of different trip possession limits for an LAGC IFQ vessel (n=1) in open, access, and ALL areas, relative to the 600-pound trip limit (trip costs and lease prices in 2019 dollars)

Area	Poss. limit	Trip length (hrs.)	Trip costs per lb	Lease price per lb	LPUE (per DAS)
Open	800	25.79%	-5.66%	4.45%	6.68%
Access	800	19.12%	-10.66%	7.22%	11.93%
ALL	800	23.29%	-7.53%	5.60%	8.69%
Open	1200	77.36%	-11.32%	9.11%	14.21%
Access	1200	57.36%	-21.32%	14.96%	27.09%
ALL	1200	69.87%	-15.07%	11.53%	19.27%

Considering Lease Price

- Lease price is expected to increase with increasing trip limit
- Net revenue, crew share, owner profit are influenced by the proportion of quota leased-in → greater lease costs = lower profit
- Depending on the proportion leased in, the benefits of a higher trip limit (i.e. reduced operating expenses) could be offset by increase in lease costs
- Net revenue expected to increase marginally for vessels that lease in <37.5%, decrease for vessels leasing in 37.5% or more

Table 128. Percent change (compared to 600 pounds limit) in financial impact (in 2019\$) of leased IFQ quotas to an IFQ vessel (n=1) under different leased to landing ratios by area and possession limits

Poss. limit	lease/land	% Change in net revenue net of lease cost		
		Open	Access	All
600 Alt 1	0.00%	0%	0%	0%
	12.50%	0%	0%	0%
	37.50%	0%	0%	0%
	50.00%	0%	0%	0%
	62.50%	0%	0%	0%
	87.50%	0%	0%	0%
800 Alt 2.1	0.00%	0.60%	0.96%	0.75%
	12.50%	0.34%	0.72%	0.49%
	37.50%	-0.28%	0.16%	-0.10%
	50.00%	-0.64%	-0.17%	-0.44%
	62.50%	-1.05%	-0.54%	-0.84%
	87.50%	-2.04%	-1.44%	-1.80%
1200 Alt 3.1	0.00%	1.20%	1.91%	1.49%
	12.50%	0.66%	1.42%	0.97%
	37.50%	-0.61%	0.26%	-0.25%
	50.00%	-1.36%	-0.42%	-0.97%
	62.50%	-2.20%	-1.19%	-1.78%
	87.50%	-4.27%	-3.06%	-3.77%

Action 8: Increase the amount of observer compensation available for LAGC IFQ Vessels

- 4.8.1 - Alternative 1 - Compensation for one day (No Action)
- 4.8.2 – Alternative 2 - Prorate daily compensation rate in 12-hour increments
- 4.8.3 - Alternative 3 - Allow a second day of compensation
 - Alt 2/Alt 3—total compensation capped at two days
 - Intent is to account for potentially longer trips if LAGC IFQ trip limit is increased (see Action 7)

Action 8: Summary of Impacts

- Alternatives that increase available compensation:
 - Offset additional costs of carrying an observer if trips are longer → positive economic impact
 - Reduce likelihood of observer bias → indirect positive impact to resource, non-target, PR, EFH
- Utilization of observer set-aside under Alt. 2 could be slightly less than Alt. 3, but not expected to significantly impact amount of compensation available to whole scallop fishery

Action 9 – One-Way Transfer of Quota from LA with IFQ to LAGC IFQ-Only

- 4.9.1 – Alternative 1 – No Action
- 4.9.2 – Alternative 2 – Allow temporary transfers only
- 4.9.3 – Alternative 3 – Allow permanent and temporary transfers
- Sub-options related to quota accumulation caps, and how much IFQ an entity can hold.
 - Option 1 - No change (5%)
 - Option 2 - apply caps to total IFQ allocation (5.5%)

Action 9: Summary of Impacts

- Action 9 only changes platform that IFQ can be harvested on...not expected to directly affect total fishing mortality, timing or location of effort, bottom area swept
 - → direct impacts to resource, non-target, PR, EFH expected to be negligible between Alt.2 and Alt.3 and overall
- Positive economic impacts expected—boosting income for LA with IFQ vessels that transfer quota and for LAGC IFQ vessels that harvest it.
- Option 2 may have slight positive economic impact relative to Option 1 for LAGC IFQ vessels already at quota caps, but negligible impacts expected under either sub-option for majority of fleet that is not at quota cap.

Action 10 - Specifications and FW process

- List of measures that could be addressed in a future specifications package or a framework adjustment.
- Council and GARFO staff reviewed the current list (4.10.2), issues could be addressed using the existing rulemaking authority under Section 648.55(f) in Scallop regulations.
- Also true for future use of electronic monitoring, which is addressed at 648.11(g) of the IFM regulations and 648.55(f).
- 4.10.2 adds clarity to future Council discussions about what was envisioned for FWs and spec adjustments. Administrative in nature.
- Impacts are negligible for most VECs, could be changes to public process (Amendment vs. FW)

Amendment 21 Public Hearings

- The COVID-19 pandemic may limit the ability of the Council to hold in-person public hearings on Amendment 21.
- This is an important issue because it will determine how the process moves forward, and when the Council might take final action on this Amendment.
- Provide input to the Council regarding public hearings if in-person meetings may be limited due to the COVID-19 pandemic.
 - Can there just be webinars?
 - Can there be in-person meetings, but only in some states?
 - Are there any concerns with this approach? For example, if we can only go to Maine and NH for in-person hearings.

COVID-19 Impacts on Scallop RSA

- One survey group is planning to delay work, and others may not get on the water.
- The Council may want to clarify in the federal funding opportunity that if any survey research awarded for 2020 is delayed until 2021 due to COVID-19, that coverage should be considered by NOAA Fisheries when evaluating additional survey proposals in the 2021/2022 RSA cycle.
- For example, if three surveys are already planned for an area in 2021 due to either two-year awards from the 2020 RSA cycle or delayed 2020 surveys as a result of COVID-19, the delayed research should be a factor in the selection process to survey a specific area for 2021.
- Example text to add before 1a:
 - “Due to the COVID-19 pandemic, some survey projects that were funded for the 2020 field season may be delayed for a year. Delays in previously funded 2020 survey work may be considered in the evaluation of proposed surveys for 2021.”