Trip Trading Discussion Document

Scallop Advisory Panel and Committee

November 19-20, 2019

In the past, the Council has allocated partial trips through a lottery system for areas that do not have enough exploitable biomass to support removals from the entire FT LA fleet. An example of this can been seen in FW21 to the Scallop FMP, where the Council allocated "split trips". The driver for this allocation approach was to optimize yield for several areas that could not support a full trip for the entire fleet, and half the fleet was allocated a full trip to one area and half the fleet was allocated a full trip to the other area. Vessels were permitted to trade trips with vessels in their permit category within the same fishing year, should they elect to do so. One-for-one trip exchanges have been in use since the implementation of Amendment 10 to the Scallop FMP; this mechanism was developed to provide flexibility to the fleet considering the wide geographic range of scallop vessel homeports relative to access areas. For example, it may be mutually beneficial for a vessel homeported in North Carolina and a vessel homeported in New Bedford to exchange MAAA and NLS trips considering the distance of these areas from their respective homeports.

Framework 26 transitioned access area allocations from trips to poundage with a possession limit. FW26 also streamlined broken trip declarations by replacing them with a preland requirement. Access area allocations have since been administered through the use of preland notifications and online accounting (i.e. FishOnline) to determine a vessel's allocation "balance" (i.e. amount of allocated pounds of scallops harvested and remaining). While regulatory language around access area allocations has shifted to pounds with an associated trip limit, the Council has continued referring to access area fishing in terms of "trips".

Framework 32 is considering access area allocations of 9,000 pounds and 18,000 pounds. The 9,000-pound allocations are being considered for areas that do not have enough exploitable biomass to support a "full trip" of 18,000 pounds (i.e. CAI, NLS-North). At their September 2019 meeting, members of the Advisory Panel expressed concern around using a lottery system for these areas because lotteries do not allocate the same areas to the entire fleet, and can result in allocations that are advantageous for some but not all. An alternative approach was suggested that would allocate all vessels a "half trip" (i.e. 9,000 pounds) to both the NLS-North and CAI, and vessels could either fish the half trips as allocated or elect to trade a half trip in one area for a half trip in the other, making a full trip of 18,000 pounds in the area of their choice.

The following sub-sections outline the range of approaches that could be employed to allocate partial access to the NLS-North and CAI in FW32. <u>The Advisory Panel and Committee should put forward a motion or consensus statement signaling the approach that is preferred:</u>

1. No change to the current trip trading regulations. This would mean that access area allocations would only be tradeable on a one-for-one basis at the increment of the possession limit (i.e. 18,000 pounds). Under this option, 9,000-pound trips in the NLS-North and CAI would not be tradeable.

- 2. Allocate a split trip to the NLS-North and CAI using a random, non-regional lottery system. Half of the FT LA fleet would receive one 18,000-pound trip to the NLS-North and the other half of the FT LA fleet would receive one, 18,000-pound "flex" trip to CAI. CAI "flex" allocation could be fished in either CAI or the MAAA. One-for-one trip exchanges would be permitted for all access area trips at increments of the possession limit (i.e. 18,000 pounds).
- 3. Allocate the entire FT LA fleet a "half trip" of 9,000 pounds to both the NLS-North and CAI and maintain an 18,000-pound possession limit for all available access areas. Half trips could be fished or vessels could trade a half trip from one area for a half trip in the other, making a full trip (i.e. 18,000 pounds) in the area of their choice. Half trips in either the NLS-North or CAI could only be traded for other half trips from these areas at an increment of 9,000 pounds, and full trips (i.e. 18,000 pounds) could be traded for other full trips. For example, a NLS-North half trip could be traded for a CAI half trip to make a full trip in CAI—that full trip in CAI could then be traded for a full trip in CAII, the MAAA, or the NLS-S-Deep. A NLS-North half trip could <u>not</u> be traded for a half trip (i.e. 9,000 pounds) in CAII, the MAAA, or NLS-S-Deep trip. CAI "flex" allocation could be fished in either CAI or the MAAA.
- 4. Allow pound for pound exchanges to all areas in increments of 9,000 pounds (the lowest allocation). For FW32, all access area allocations could be tradeable in an increment of 9,000 pounds regardless of the initial allocation. For example, 9,000 pounds from the NLS-North could be traded for 9,000 pounds from CAII. CAI "flex" allocation could be fished in either CAI or the MAAA.