

Amendment 18

Potential Range of Alternatives

Northeast Multispecies Fishery Management Plan

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Purpose of Discussion

Select the range of alternatives to be analyzed in Amendment 18.

- Timeline check-in
- A18 purpose, need, goals
- Alternatives under consideration
 - Accumulation limits
 - U.S./Canada trading
 - Handgear A fishery
- Alternatives rejected/not developed
- PDT analysis of GOM cod in Area 514



Documents

Groundfish Tab

- (#1) Amendment 18 Discussion Document
- (#2) April 16 PDT memo on Gulf of Maine cod biology and commercial fishery effort in Area 514
- (#4) April 4 Committee meeting summary
- (#5) March 28 Committee meeting summary
- (#6) April 1 Advisory Panel meeting summary
- (#8) Correspondence
- (#8A) Additional Correspondence
- (#10) March 21 PDT memo on A18
- (#11) March 25 PDT memo on A18 accumulation limits



Timeline

2014	April	NEFMC approves Range of Alternatives.
	Nov.	Final action.
2015	May	Implementation.

A NMFS decision on whether an EIS is necessary will depend on the Range of Alternatives.

The Council could still hold public hearings if it prepares and EA.



Purpose and Need

Discussion Doc. p. 18

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.

Goals

Discussion Doc. p. 19

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

Development of Alternatives

PSC cap alternatives

- January 2014 Council motion to develop alternatives that would cap stock-specific PSC.
- The PDT calculated the stock-specific holdings as of FY2010, the control date, and FY2013.
- The PDT offered four alternatives to the OSC, which the OSC revised and added to.

Permit cap alternatives

- June 2013 OSC motion to include a 5% permit cap alternative.

Permit banks

- The OSC recommends having the same accumulation limit for permit banks as other entities and not defining nonprofit permit banks in this action.



PSC Holdings for all Human Persons and Permit Banks

Discussion Doc.
p. 68-69

	April 7, 2011 Max	May 1, 2013	
		Max	PSC>0*
GB cod	9.9%	12.0%	1,082
GOM cod	7.5%	9.5%	1,018
GB haddock	14.6%	14.8%	827
GOM haddock	7.2%	8.1%	787
GB yellowtail flounder	14.0%	16.9%	762
SNE/MA yellowtail flounder	5.0%	6.2%	865
CC/GOM yellowtail flounder	8.0%	8.8%	883
Plaice	9.0%	8.9%	878
Witch flounder	8.5%	8.7%	993
GB winter flounder	22.7%	26.0%	842
GOM winter flounder	6.6%	9.1%	901
Redfish	9.7%	9.7%	754
White hake	7.7%	7.2%	968
Pollock	5.9%	5.9%	1,080
SNE/MA winter flounder	n.a.	15.9%	1,016

A permit bank holds the max.

A human person holds the max.

**Total number of persons and permit banks with PSC >0.*



Accumulation Limits Alternatives under Consideration

Section 4.1.2. Limit the Holdings of Stock-Specific PSC

Alternative 1. No Action. Do not limit the holdings of stock-specific PSC.



Accumulation Limits

Alternatives under Consideration

4.1.2. Limit the Holdings of Stock-Specific PSC

Alternative 2. Limit holdings of stock-specific PSC at the maximum held by an individual or permit bank as of the Control Date (April 7, 2011). *The Council may select one or more stocks to which Alternative 2 would apply, except SNE/MA winter flounder (because it was not allocated until FY12).*

Stock	PSC Limit
GB cod	10%
GOM cod	8%
GB haddock	15%
GOM haddock	7%
GB yellowtail flounder	14%
SNE/MA yellowtail flounder	5%
CC/GOM yellowtail flounder	8%
Plaice	9%

Stock	PSC Limit
Witch flounder	9%
GB winter flounder	23%
GOM winter flounder	7%
Redfish	10%
White hake	8%
Pollock	6%
SNE/MA winter flounder	n/a

Rationale: *In the Control Date notice, NMFS indicated that holdings may be restricted to levels as of the control date.*



Accumulation Limits

Alternatives under Consideration

4.1.2. Limit the Holdings of Stock-Specific PSC

Alternative 3. Limit holdings of stock-specific PSC to 15.5% for each stock in the fishery. *The Council may select one or more stocks to which Alternative 3 would apply.*

Rationale: *Compass Lexecon determined that, a 25% stock-specific PSC cap would prevent excessive shares in a fishery where there is a competitive fringe of at least 38% (>38% of the PSC is held by many people, each with <2% of the PSC), which they determined to be case for this fishery. However, they also concluded that a cap of about 15% would be sufficient to ensure low concentration regardless of the competitive fringe (Mitchell & Peterson 2013; p. 53).*



Accumulation Limits

Alternatives under Consideration

4.1.2. Limit the Holdings of Stock-Specific PSC

Alternative 4. Limit holdings of stock-specific PSC by stock type: 15% of the GOM, CC, SNE/MA stocks, 20% of the unit stocks, and 30% of the GB stocks. *The Council may select one or more stocks to which Alternative 4 would apply.*

Option A. Limit the PSC holdings of GB cod at 30%, GOM cod at 15%, and pollock at 20%.

Stock	PSC Limit
GB cod	30%
GOM cod	15%
GB haddock	30%
GOM haddock	15%
GB yellowtail flounder	30%
SNE/MA yellowtail flounder	15%
CC/GOM yellowtail flounder	15%
Plaice	20%

Stock	PSC Limit
Witch flounder	20%
GB winter flounder	30%
GOM winter flounder	15%
Redfish	20%
White hake	20%
Pollock	20%
SNE/MA winter flounder	15%

Rationale: PSC holdings of GB stocks are generally more concentrated than the GOM, CC, SNE/MA or unit stocks (Table 18).



Accumulation Limits

Alternatives under Consideration

4.1.2. Limit the Holdings of Stock-Specific PSC

Alternative 5. Limit holdings of stock-specific PSC: 30% GB winter flounder and 20% for all other stocks in the fishery.

Rationale: *These caps would be high enough to not force divestiture.*



PSC Alternatives Summary

Discussion Doc.
p. 30-34, 69

Alternative:	1	2*	3*	4*	4A	5
GB cod	-	10%	15.5%	30%	30%	20%
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	-	-	15.5%	15%	-	20%

Shading indicates a cap is lower than the maximum currently held by an individual or permit bank.

*Council may select one or more stocks to which this alternative would apply.



Accumulation Limits

Alternatives under Consideration

4.1.3. Limit the Holdings of Permits

Alternative 1. No action. Do not limit the holdings of permits by individuals or entities.

Alternative 2. For any single fishing year, no individual or entity shall hold >5% of the Northeast multispecies permits. Holdings >5% as of the Control Date will be grandfathered.

Rationale: The grandfathering provision would not force divestiture. However, 5% of ~1,400 permits in the fishery is ~70 permits. The most held by an individual or permit bank is 49.



Accumulation Limits

Entities to which alternatives would apply

- PSC alternatives: “Individual human persons” and “permit banks.”
- Permit alternatives: “Individual” and “entity.”
- PDT comment
 - Business entities can form and reform with different configurations of individual human owners, perhaps to avert an accumulation limit.
 - “Entity” has not been formally defined.
 - The limited access scallop fishery permit cap applies only to individual human persons.
 - If a person wants to avert a cap, it could create a permit bank name.
 - Each state and nonprofit permit bank already has an individual human person affiliated with them in the NMFS database.
- The Council might consider
 - Applying all accumulation limit alternatives in A18 to individual human persons and state-operated permit banks.



U.S./CA trading

Alternatives under Consideration

Section 4.2

Alt. 1A. Current no action

No in-season adjustment of U.S./Canada TACs

Alt. 1B. Potential no action (pending FW51 implementation)

Allow in-season adjustment of U.S./Canada TACs just for FY2014.
Any additional quota would be allocated consistent with current ABC distributions (i.e. sectors, common pool, scallops, small-mesh).

Alt. 2. Allow in-season trades of U.S./Canada stocks

Option A. Trading of sector sub-ACL

Option B. Trading of specific sector(s) ACE



U.S./CA trading

Alternatives under Consideration

Discussion Doc.
p. 35-37,
Appendix I

Committee discussion

- OSC recommends 2B as the *Preferred Alternative*.
- The timing of the trading process may limit the number of trades that can occur in a year.
- Discussion, but no motions
 - Some interest in allowing U.S. vessels the right of first refusal.
 - Some interest in allowing the process through AI8 and working out the details in subsequent frameworks.



Handgear A fishery

Alternatives under Consideration

Section 4.3

Alternative 1. No Action. HA permit holders can choose to enroll in sectors or the common pool and be subject to current rules accordingly.

Alternative 2. Establish a fishery for HA permits

Option A. Create HA permit sub-ACL.

Allocate HA PSC for GOM cod, GB cod, GOM haddock, GB haddock, and pollock to be only used by HA fishermen.

	Hypothetical maximum FY14 HA sub-ACL (lbs.)	% of FY14 groundfish sub-ACL
GOM cod	13,435	0.73%
GOM haddock	546	0.11%
GB cod	6,723	0.17%
GB haddock	6,249	0.02%
Pollock	61,483	0.21%

Tables 5 & 6
p. 40



Handgear A fishery

Alternatives under Consideration

Discussion Doc.
p. 38-43, 80-83

Section 4.3

Alternative 2. Establish a fishery for HA permits

Option B. Account for the catch of other stocks in the “other sub-component” sub-ACL.

Tables 31 & 32
p. 82

Average FY10-13 Handgear kept catch + discards (lbs.)			
GB yellowtail flounder	0	GB winter flounder	0
SNE/MA yellowtail flounder	38	GOM winter flounder	118
CC/GOM yellowtail flounder	531	Redfish	308
Plaice	157	White hake	407
Witch flounder	52	SNE/MA winter flounder	406

Option C. As a proactive accountability measure, modifying trip limits in-season.

Option D. As a reactive accountability measure, subtract overages from the sub-ACL in the FY following notification of the overage.



Handgear A fishery

Alternatives under Consideration

Section 4.3

Alternative 2. Establish a fishery for HA permits

Option E. Carryover (10%) would be treated the same as for sectors.

Option F. The March 1-20 spawning block closure would be removed.

Option G. The HA fishery would be managed with an annual vs. trimester sub-ACL

Option H. The standard tote requirement would be removed.

Option I. Grandfathering. All HA permit holders who leased ACE in a sector in FY12 and FY13 may continue to do so.

Option J. A sector may request through its ops plan that HA vessels may be exempt from VMS (continue using IVR).



Handgear A fishery

Alternatives under Consideration

Committee discussion

- Would enrolling in the HA sub-ACL be voluntary or mandatory?
 - If voluntary, what if just a few (1-3) permit holders enroll?
 - If mandatory, that would reduce choices available.
- How should discard rates be calculated?
 - Same as common pool? Considered de minimus? Assumed and subtracted off the sub-ACL?
- Can GARFO monitor catch in-season by adjusting trip limits?
 - Should the fishery close for the stock or the stock area when the sub-ACL is reached?

Committee motion & consensus statement

- Support Options F (no March closure) and H (no tote)
- Consider adding Option J (VMS exemption)



Alternatives Considered but Rejected

Discussion Doc.
p. 44

Already rejected by the Council

- Permit and/or PSC splitting
- Modifying vessel upgrade restrictions

Committee recommendations for rejection

- Defining nonprofit permit banks
- Limiting the holdings of permits by permit banks collectively
- Limiting the use of stock-specific PSC



Remainder of public scoping topics discussed but not developed

Discussion Doc.
p. 26-27

Incentives to actively fish. OSC did not pass a motion to develop alternatives that would allow a sunset for lease-only PSC holding, stating that this might increase effort and that leasing promotes diversity and prevents consolidation.

Baseline criteria for leasing. The OSC voted to not develop this topic, stating that leasing across the fishery enhances efficiency and fosters diversity.

Quota set-asides. The OSC voted to not develop this topic, stating that there is not sufficient quota for present participants and that the fishery cannot afford new entrants at this time.

Inshore/offshore areas. The OSC tasked its PDT to analyze effort in Area 514 and adjacent areas. The PDT presented its preliminary work on GOM cod in April. The OSC was not ready to recommend alternatives, but asked the PDT to continue its work.



AP Recommendations (Apr. I)

Accumulation Limits. GAP does not support accumulation limits. If the GF OSC continues to develop them, focus on permit caps that do not force divestiture. Permit banks should not be given a greater cap than other entities.

U.S./Canada trading. That trades with Canada not be perused at this time. If the GF OSC disagrees, then the GAP recommends Alternative 2, Option B (in-season trades of sector ACE).

HA fishery. No new recommendations. Did not support the proposal in the past.

Other. Does not support restraints on allocation trading, quota set-asides, or creating inshore/offshore areas.



GOM cod in Area 514 - PDT analysis

Doc. #2

Cod distribution

- Cod distribution in the GOM has contracted to the western GOM.

Fishing patterns

- Fishing effort and catches have concentrated in Area 514.
- The number of trips by larger vessels increased slightly, but the smaller vessel size class dominated the number of trips.
- The majority of the cod catches within 514 were taken by the smaller vessels.
- Larger vessels have higher catch rates of cod compared with smaller vessels.



Preliminary conclusions

- Fishing patterns appear to have changed in response to both cod distribution and management measures.
- Management regulations had different effects on vessel classes.
 - Vessel classes have differing abilities to respond to these effects.
 - Trip limits appeared to have constrained the two larger vessel size classes compared with the smaller class.
 - The risk of localized depletion on inshore spawning cod may possibly be increased.

