

Update:

Development of Amendment 18 to the Multispecies FMP

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PDT presentation outline

- Amendment 18 goals
- Amendment 18 timeline
- Discussion to date of potential measures
 - Permit splitting
 - Vessel upgrade restrictions
 - Accumulation limits
 - NEHFA proposal
 - Other



A18 revised goals

As approved by the NEFMC, June 2013 (17/0/0).

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.



A18 timeline*

2013	June	NFFMC settles on goals/objectives.
	July-Dec.	Develop measures.
2014	Jan.	NEFMC approves range of alternatives to be analyzed in DEIS.
	Apr.	NEFMC approves DEIS with range of alternatives.
	Jun.-Jul.	NMFS and EPA accept DEIS. NOA issued.
	Jul.-Aug.	45-day public comment period.
	Sept.	NEFMC votes on final EIS.
	Nov.-Dec.	NMFS review, deeming of proposed regulations, 60-day public comment period.
2015	Jan.-Mar.	EIS review, cont.
	TBD	Implementation.

**Depends on the extent of the action and timing with Habitat Omnibus Amendment, FW51, and other Council actions.*



Permit splitting & vessel upgrade restrictions

August 14 OSC meeting motion:

“Request the PDT develop alternatives that would allow for splitting groundfish permits and/or PSC off the rest of the limited access permits on that vessel for permanent transfer. To consider revisions to vessel upgrade restrictions to allow more flexibility for the fleet and improved safety.”

(6/0/1 - **CARRIED**)

Rationale:

- May improve access to opportunities to participate in the groundfish fishery.
- Would help fishermen align permit holdings with fisheries that they want to participate in.



Permit splitting

History:

Amendment 5 (1993) required that a permit had to stay intact when sold. This was one of several effort reduction measures in the action.

Amendment 10 (1999) omnibus action to make permit splitting regulations consistent across all Northeast FMPs to reduce complication and prevent increases in fishing effort and capitalization.

PDT input:

- Effort in other fisheries could increase catch (up to the ACLs) and participation. Any spatial/temporal effort shifts, may impact habitat /protected resources.
- Other FMPs will need to be amended. May be better to accomplish this through an omnibus amendment.
- Permit splitting could advance consolidation, without accumulation limits in place.
- Splitting PSC is possible, but would increase tracking complexity.



Permit splitting

Sept. 16 GAP meeting motions:

“That the GAP endorses permit splitting.” (7/0/1 - **CARRIED**)

“That the GAP endorses PSC splitting.” (3/0/5 - **CARRIED**)

Sept. 17 OSC meeting motions:

“That the alternative for permit splitting be removed from the alternatives under consideration for A18 and that permit splitting be taken up through an omnibus amendment.”

(5/0/0 - **CARRIED**)

“To remove alternative 3 (PSC splitting) from A18 alternatives.” (5/0/0 - **CARRIED**)



Vessel upgrade restrictions

History:

Implemented in the 1990s to limit increases in harvest capacity. There are many more effort controls in place today.

NERO omnibus amendment proposal:

- Remove the gross and net tonnage restrictions from baseline and upgrade restrictions.
- Remove the one-time upgrade restriction.
- Target implementation would be May 2015.

NERO is not proposing to change:

- The vessel length or horsepower provisions.
- The upgrade restrictions for baseline length (10%) and horsepower (20%).

NERO will present this proposal on Thursday.



Vessel upgrade restrictions

Sept. 16 GAP meeting motion:

“To support the NERO proposal regarding vessel upgrade restrictions: removing the gross tonnage and one time vessel upgrade, with the addition of removing the horsepower provisions.” (7/0/1 - **CARRIED**)

Sept. 17 OSC meeting:

No time for discussion. No motions. OSC agreed by unanimous consent to TABLE discussion until after the NERO presentation.



Accumulation limits

Additional analysis on fishery concentration and excessive shares is underway.

Fishery concentration

- NMFS ownership databases now include the CPH permits.
- NEFSC SSB is updating their analysis on fishery concentration that was presented in June.
- Will be presented ASAP.

Excessive shares/Market power

- PDT determined that additional expertise is necessary to describe if and how market power is occurring in the fishery.
- NEFMC contracted with Compass Lexecon.
- Terms of Reference and project phases presented at 8/14 OSC and 9/16 GAP meetings.
- Phase 1 underway: Gathering NMFS economic and fishery data.
- Phase 2 pending: Public input through interviews and webinar.
- Phase 3 pending: Public presentation of draft report.
- Phase 4 pending: Final report.
- Work to be completed in 2013.



Accumulation limits

June 12 OSC meeting motions:

“The committee recommends that the PDT develop an option for ownership cap that would limit multispecies permit ownership by any individual or entity with the exception of permit banks to 5% of the total of the limited access permits issued. This option should grandfather ownership levels to the individual or entity ownership level that exists prior to the control date.” (7/0/0 - CARRIED)

“To task the PDT to develop regulatory definition for permit banks as well as alternatives to establish appropriate permit caps for permit banks commensurate with their value in protecting diverse fishery access and supporting the goals of this amendment.” (7/0/0 - CARRIED)

Rationale:

A 5% permit cap would be consistent with the cap on IFQ scallop permits. If permit banks receive a less restrictive cap than other entities, there would need to be qualification criteria.



Accumulation limits

OSC discussed other ideas in June and August:

- Limiting the holdings by permit banks collectively.
- Limiting the holdings of MRIs with associated PSC.
- Limiting assignment of PSC fishery-wide or of specific stocks.
- Limiting the use of ACE fishery-wide or of specific stocks.

August 14 OSC meeting:

- Committee members were interested in developing a range of alternatives besides just a permit cap.
- No motions passed relative to the ideas for other cap types, hesitating to set specific cap percentages without forthcoming PDT/contracted analyses on ownership and market power.



Accumulation limits

PDT – proposed DRAFT definition for “non-state” permit banks:

“An entity shall be considered a non-profit permit bank if the following criteria are met:

1. “It is a partnership, voluntary association, or other non-profit entity established under the laws of the U.S.;
2. “It is eligible to hold Northeast Multispecies permits/MRIs;
3. “It maintains transparent qualification criteria and application processes for the distribution of ACE to fishermen;
4. “It must distribute ACE to at least three distinct business entities in any fishing year;
5. “ACE must be leased at below market values.”



Accumulation limits

Sept. 16 GAP meeting motions:

“Permit banks should have a demonstrated charitable purpose, possibly including allocate fishing rights to a defined community, building individual fishermen’s equity stake in the fishery, and supporting new entry into the fishery.” (2/4/2 - **FAILED**)

“Regardless of accumulation limits, the GAP recommends revising Section 4.3.1.2:

- Must have an affirmative purpose (e.g., geographic focus, new entrant plan, and small business development)
- Remove “non-profit” in line 1 and #1
- #2, #3, and #4 as is
- #5 strike and replace with annual reporting on progress toward stated purpose to be submitted at same time as the annual sector reports.”

(3/1/4 - **CARRIED**)

Sept. 17 OSC meeting:

No time for discussion. No motions. Discussion TABLED.



Accumulation limits

Sept. 16 GAP meeting motions:

“The GAP will wait to weigh in on any accumulation caps until full analysis from Compass Lexicon and NEFSC. In the meantime, the GAP reaffirms its support for permit caps.” (4/2/2 - **CARRIED**)

“The GAP recommends that the GF OSC expressly prohibits Compass Lexicon analysis of concepts not explicitly requested by the Council.” (5/1/2 - **CARRIED**)

Sept. 17 OSC meeting:

“To eliminate Section 4.3.2.1.2 [limit permit bank holdings] from draft A18 alternatives.” (**WITHDRAWN**)

No time for discussion. No motions. Discussion **TABLED**.



DRAFT Section 4*

- **Committee motions**

- ~~– Splitting permits/PSC~~

- ~~– Revising vessel upgrade restrictions~~

- Defining permit banks (non-state)

- Permit accumulation cap (?%) for permit banks

- Permit accumulation cap (5%) for other entities

- **Other accumulation cap ideas**

- As outlined on Slide #12, but with no specific cap percentages

Removed 9/17

Pending further OSC discussion

*Document #5, Appendix I, p.9-15.



NEHFA proposal

Core proposal: *

Create a sub-ACL for each groundfish stock with Handgear A (HA) permit history from 1996-2006, to be used only by fishermen using handgear.

Other measures proposed, in part:

- Have an annual vs. the current trimester catch limit.
- Not be subject to the March 1-20 Handgear fishing closure.
- Be exempt from all commercial groundfish closures, except cod spawning closures.
- Allow 10% carryover of unused sub-ACL, like sectors.
- Require IVR call-in if 50% of the sub-ACL is reached vs. the current 80%.

Alternate proposal**

In Framework 51, replace the common pool trimester allocation system with an annual allocation.

**Based on Sept. 12 correspondence.*

***Based on Sept. 11 correspondence.*



NEHFA proposal

Handgear A permit use in FY13:

- There were 103 HA permits renewed.
- To date, 22 HA permits have been used to actively fish, by:
 - 1 fisherman enrolled in a sector, and
 - 21 fishermen enrolled in the common pool.
- There are 20 HA permits enrolled in 7 unique sectors.
 - 1 HA permit is actively used by a handgear fisherman.
 - The ACE associated with 19 HA permits is being leased to fishermen using other gear types.
- HA permits in sectors have ~68% of the total HA permit catch history.

HA permits are a small fraction of the total fishery:

Roughly estimated, the ACE associated with all HA permits for FY13 would have been 2.9% of GOM cod, 0.38% of GOM haddock, 0.78% of pollock, and 1.6% of white hake.



NEHFA proposal

PDT input:

- Managing the common pool is already resource-intensive for NMFS. Further subdivision would increase this.
- Amendment 5 created the “hook-gear-only permit.” Amendment 16 did not specifically disallow the ACE associated with HA permits in sectors to be used by other gear types.
- Creating a HA-specific common pool limits choices if all HA permits have to enroll in it.
- Weigh the enforcement and equity costs and benefits of changing VMS and IVR requirements.
- Consider the intent of closed areas and relationship of measures to other actions (e.g., Habitat Omnibus).
- A VMS sector exemption could reduce administrative costs.



NEHFA proposal

Sept. 16 GAP meeting motions:

“The GAP recommends not moving the NEHFA proposal forward for further consideration.” (7/0/1 - **CARRIED**)

“The GAP requests that the GF OSC encourage the Agency to strongly consider the NEHFA proposal exemptions as sector exemptions for any sector.” (3/2/2 - **FAILED**)

Sept. 17 OSC meeting motion:

“That, as part of FW 51, replace the trimester catch limits with annual allocations for the common pool, remove the March 1 – 20 handgear fishing closure, and remove the requirement that handgear vessels have one standard fish tote onboard.” (2/2/1 – **FAILED**)

Discussion **TABLED**.



Other proposed measures

Sept. 16 GAP meeting motions:

“The GAP recommends that the GF OSC recommend that the Agency carry out annual assessments for all groundfish stocks (e.g., what is done presently for scallops) upon implementation of A18.”

(5/3/0 - **CARRIED**)

