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Mr. Howard

Please find below my responses to the Councils request for information in advance of the scheduled NEFMC sector workshop. If you have any questions, please feel free to contact me.

1. What ran smoothly in your sector?

In the first year of sectors I was not a sector manager, I came onboard as the sector manager of NEFS II for start of the 2011 fishing year. However, I did have a unique opportunity to work with all NESSN sector managers, as I was employed by Northeast Seafood Coalition in the capacity of IT and was directly involved in helping to develop and test the FishTrax system, which is used by all of the NESSN sectors for weekly reporting. During that time I worked directly with managers and saw all of the frustration in the first year of trying to learn how to navigate through a completely new and complex system. I believe this was true for sector managers, the industry and the National Marine Fisheries Service. It seemed that all involved were not fully prepared for the sector system and all the requirements at the beginning the 2010 fishing year, however, many lessons learned from 2010 have made the first half of year 2 of the sector system run smoother.

2. What are the top five problems your sector encountered that impeded operations from running smoothly? (In no particular order)

- Insufficient ACE for the GBE Cod stock limits the ability of larger vessels to target more abundant stocks in the Georges Bank East areas. The small GBE Cod allocation has force the larger vessels to search out every pound of GBE COD available and created a competition between vessels to lease ACE from other sectors and has driven the lease price of GBE Cod to \$2.00 per live pound, which has sectors fighting over this stock.
- Mid-season adjustments to the sub-ACLs for Pollock and Georges Bank Yellowtail flounder not only affected the sectors annual catch entitlement but also had an impact on the price of leased fish and fishermen who had made trades or leased either of these stocks prior to the adjustments.
- During the first months of FY 2011, I was hampered by the 20% hold back that was in place while the reconciliation process was in progress. I believe that 20% of sector ACE as a hold

back is too large and the process of reconciliation took far too long. At the start of FY 2011, sector members were making deals in preparation for the 2011 FY and leasing allocation before 100% of their allocation was known or released this caused a nightmare for me and as a manager I feel the process took far too long.

- **Existing Input/Effort Controls**

Under the first year of the sector system, NEFS II members were severely impacted by effort controls, particularly April rolling closures, Western Gulf of Maine Closure, Fippinnies Ledge and Cashes Ledge. Members were unable to access these areas, which significantly impacted their landings.

Rolling Closures:

In Amendment 16 the Council established a universal exemption for all of the Gulf of Maine Rolling closures, with the exception of blocks 124 and 125 in April; blocks 132 and 133 in April-May; blocks 138, 139, 140 in May-June; and blocks 145, 146, 147, 152 in June.¹ Additionally, this management measure specified that the Groundfish PDT will review and analyze the existing rolling closures and determine which areas should remain closed to protect cod spawning aggregations. As a result of this analysis, any adjustments necessary to adequately protect concentrations of spawning cod would be adjusted in either a management action or a biennial specification process. However to date this analysis has not been completed.

In both fishing years 2010-2011 and 2011-2012, sectors requested exemption for access into some of the remaining rolling closures. Each year these requests were denied by the Agency. Various sectors, including NEFS II, have requested exemptions from the rolling closures again for fishing year 2011-2012. All indications suggest these will be denied again.

In light of these consistent denials, NEFS II urges the Council to task the Groundfish PDT to review and analyze existing rolling closures, and universally exempt remaining rolling closures where appropriate.

Year Round and Seasonal Closures:

Many of the closures in place today are artifacts of the old effort control system which attempted to control fishing mortality through the imposition of various inefficiencies on the fishery including time-area closures. The Council has chosen to replace that management strategy with one that uses output controls over fishing mortality with a fundamental objective of increasing the fishery's efficiency and utilization of optimum yield (OY). Many of the existing closures greatly hinder fishermen's ability to access and harvest their available allocation of stocks that are predominantly located within their boundaries. Preserving these closures has needlessly and harmfully undermined a core objective of the new sector system. The decision to combine habitat closures with the existing mortality closures in Amendment 13 was a rushed decision that the Habitat Omnibus process can and should correct immediately.

Only a fraction of the OY of the groundfish multispecies complex is harvested each year and this improved only slightly under the first year of the sector system. Providing greater and more efficient access to productive fishing grounds for both inshore and offshore vessels through the removal of certain closures will be central to improving both the performance of the sector management system and the economic condition of the fishery.

NEFS II urges the Council to expedite the Habitat Omnibus Amendment to enable the artifacts

of the old management regime, implementation of groundfish mortality closures, be removed. Additionally, the Council should evaluate all existing input controls (both rolling closures and year-round/seasonal closures) for the NE Groundfish Fishery Management Plan and make necessary adjustments to more effectively harvest stocks.

- ***Communication with Industry***

It is my opinion as the sector manager that NMFS/NOAA and the Council needs to change the way it distributes outreach and guidance material to the industry. Over the past year and 6 months I have observed communication from the agency that is packed with information but is also overwhelming and confusing. When I ask my members if they have received or read certain permit holder letters they indicate to me that there is too much information that they don't fully understand or they just choose to ignore. Communication to the stakeholders needs to be less wordy and more to the point in order to keep its intended audience engaged.

3. *What potential modifications to the FMP do you think would be helpful for sector operations?*

- ***Increase Annual Catch Limits (ACLs) & reduce management uncertainty***

NEFS II recommends that the council recognize the high level of accountability created by the sector system which should reduce if not eliminate most of the management uncertainty that is applied while setting the ACLs. It is important that the council closely review and question the uncertainty that continues to be applied.

The overall allocation formula and the large amount of uncertainty built into the ACLs left many of the lifelong fishermen in the industry with an allocation that cannot fully support their fishing operation. In my opinion the sector system has split the fisherman in my sector into three tiers: the "Have's", "Have not's" and the "Barely Enough's". The "have not's" lease all of their quota right at the beginning of the year as inactive sector members to the "Have's" and concentrate on other types of fishing or have left the industry altogether. Where as the "Just Barely Enough's" are stuck in a dilemma, where they have been fishing all of their lives, may not own other types of fishing permits or have a vessel suitable for other types of fishing such as Lobster, Tuna or Squid. This group of fishermen doesn't have the means to purchase large amounts of additional quota so they just hang on doing the best they can and hope for an increase in allocation. The reality is that even if more allocation is released in small percentages, their starting quota is low and small changes will not be enough. I think a re-alignment of the allocation is needed in order to keep these small family run lifelong fishing businesses viable and avoid having them eventually gobbled up by the "haves".

- ***Minimum Fish Size Requirements***

Under the current sector management system, landings and discards of sub-legal sized (either observed or assumed) are deducted from the Sectors ACE. Discarding of sub-legal size fish results in lost opportunities for Sector members to fully utilize the ACE allocated to their Sector since they are required to discard sub-legal size fish instead of generating income by landing this fish. Furthermore, since the discards are deducted from the Sectors overall ACE the vessels lose

future opportunities to utilize the ACE allocated to their Sector. Additionally, adoption of a full retention fishery may facilitate the feasibility of alternatives to a human observer, for example electronic monitoring which could minimize the monetary burden industry will face if tasked with funding an At-Sea Monitoring program. Evaluation and consideration on what a full retention fishery might entail should be a focus of the Council both when evaluating options to minimize the cost of At-Sea Monitoring to industry and as they address modifications to the FMP which could foster a more effective sector management system.

Acknowledging that a discussion evaluating the feasibility of a full retention fishery would require time we would also like to bring to your attention an immediate modification that could partially alleviate some of the missed opportunities Sector vessels encounter in light of the minimum fish size requirements. Specifically, the Council should prioritize evaluating the current minimum fish size requirements in correlation to the minimum mesh size requirements and determine whether reductions in minimum fish size requirements may provide an opportunity for industry to fully utilize the ACE available to them within the existing minimum mesh size requirements.

As an example, during Fishing Year 2010-2011 NEFS II was forced to discard yellowtail that was just under the legal size limit of 13 inches. In addition to sector vessels losing income potential because they could not land these marketable fish, Sectors encountered higher assumed discard rates, based on observed trips, which resulted in even less ACE being available to their vessels for harvesting.

Over the last two years Sectors have request exemptions from the minimum fish size requirements in various manners, for Fishing Year 2012-2013 many Northeast Fishery Sectors requested to be authorized to land Yellowtail that is 12 inches or larger. However, we are not confident that this request will be granted based on concerns raised by the Agency in denying requests such as this in the past. Specifically, the Agency has noted the inability to differentiate between fish caught by sector vessels and common pool vessels shore side for enforcement purposes. Universal adoption of lower minimum fish sizes on species such as Yellowtail and American plaice would nullify the Agencies enforceability issues, and provide a mechanism that could foster achieving optimum yield for this fishery.

Recommendation: Prioritize evaluating the current minimum fish size requirements in correlation to the minimum mesh size requirements currently in place, and reduce minimum fish sizes for stocks accordingly. Additionally, begin consideration and evaluation on what a full retention fishery may look like, including analyzing whether this could be a mechanism that helps reduce to cost of At Sea Monitoring

- **At Sea Monitoring 2012 and beyond.**

NEFS II vessels simply would not be able to bear the cost of an At Sea Monitoring program. Adding an estimated \$625.00 dollars per day for ASM'S to an industry that is already burdened by soaring costs for fuel, insurance, vessel maintenance, sector fees and leasing quota would

mean the end for many Gloucester fishing vessels.

- **Dockside Monitoring for FY 2013**

NEFS II recommends that the council remove all dockside monitoring requirements for FY 2013 and beyond. The data created by the monitors was not use for any new data stream or to assist in reporting or managing the fishery. It is the view of NEFS II and its members that Dock Side Monitors created duplicate data and added expense without benefit.

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