

New England Fishery Management Council Sector “Lessons Learned” Workshop

October 25th – 26th, 2011
Holiday Inn by the Bay, Portland ME

Summary

Overview

The New England Fishery Management Council (Council) hosted a two-day workshop in order to gain feedback about the performance of sectors during the first year of the Amendment 16 regulations. Sectors are self-selecting, self-governing groups of fishermen in the Northeast multispecies fishery who receive a pool of quota based on the fishing history of their members. The main purpose of the workshop was to begin to identify improvements that can be made to the sector program to allow for maximum efficiency and success.

The Council invited managers and active fishermen from each of the nineteen approved sectors, as well as all Council members, members of the Scientific and Statistical Committee, the Groundfish Advisory panel, the Groundfish Plan Development Team, and staff from the Northeast Regional Office (NERO) of the National Marine Fisheries Service (NMFS) who work on sector issues. Managers or representatives from all of the sectors were in attendance, in addition to fishermen from many sectors. Approximately 160 participants in total attended the workshop.

The format of the workshop consisted of several analytical presentations on the performance and impacts of sector management, six panels in which sector representatives shared their experiences and made recommendations for improvements, two public comment sessions, and breakout sessions in which all attendees brainstormed and prioritized solutions to challenges faced by sectors.

This summary includes the main comments made by participants during each component of the workshop followed by a brief summary of those issues the participants considered the most critical to modify. The inclusion of comments does not validate their accuracy, nor do the comments necessarily represent the views of the majority of participants or the New England Fishery Management Council members or staff.

Analytical Presentations

Three presentations were delivered on the first morning of the workshop:

1. Review of Expanded Analyses in the NEFSC Groundfish Performance Report (Drew Kitts, Northeast Fisheries Science Center)
2. Sector Annual Report Summary (Mark Grant, NMFS NERO)
3. Amendment 16 Goals and Objectives: Looking Back on Year One (Anne Hawkins, NEFMC)

The full content of these presentations is available on the NEFMC website at www.nefmc.org.

Panel Discussions

Panels were organized based on six themes, which were identified in advance of the workshop by sector managers as the topic areas that were most important to discuss. Panelists were asked to comment on each topic area and then audience members had the opportunity to add short comments and ask questions to the panel. The comments from panelists and audience members are included.

Panel 1: Long-Term Visioning for Sectors

Panel members: Eric Brazer (Manager, Fixed Gear Sector); Trisha DeGraaf (Manager, ME Permit Bank Sector); Aaron Dority (Manager, Northeast Coastal Communities Sector); Libby Etrie (NEFS III); Jamie Hayward (Member, NEFS XI); Linda McCann (Manager, NEFS VII and VIII); Frank Patania (Member, Sustainable Harvest Sector); Mike Walsh (Member, NEFS VI); Steve Welch (Member, NEFS X); Josh Wiersma (Manager, NEFS XI and XII)

The following major themes were noted during the panel discussion:

- Sectors need to know what is coming in subsequent years in order to plan. Constant changes – or threat of changes – hinder this. Several panelists expressed a desire for stability in the management.
- Sectors have an interest in reduced effort controls (particularly elimination of closed areas and elimination of regulatory discards), and need real-time data and assessments.
- Some patience is needed – the Council should not overreact; but wait and see where the fishery is in a few years before making changes.
- Flexibility for sectors should be a key goal of the program, including through reduced effort controls.
- Concern exists on both sides about consolidation and the possibility of shaping the fishery.
- The idea of managing differently for the inshore and offshore fisheries that surfaced when discussing Amendment 18 should be considered.
- Some people would prefer a shift from sectors to ITQs and feel they would make fishermen better able to manage their own businesses. However, others do not.
- Redundancies must be eliminated, particularly in reporting.
- It is difficult for sectors to adjust to large changes in the science, both in-season and from year to year. Many participants, however, did not agree that in-season changes were difficult and supported quota increases whenever possible.
- The goal for sectors should be to become self-sufficient, efficient, profitable businesses. Other goals mentioned include a simpler fishery, local seafood markets, and fishermen being able and willing to hand down their businesses to the next generation.

Panel 2: Monitoring

Panel members: Aaron Dority (Manager, Northeast Coastal Communities Sector); John Haran (Manager, NEFS XIII); Ben Martens (Manager, Port Clyde Community Sector); Frank Mirarchi (Member, NEFS X); Stephanie Rafael (Manager, NEFS IX); Hank Soule (Manager, Sustainable Harvest Sector); Amy Van Atten (Fisheries Sampling Branch, NMFS); Mike Walsh (Member, NEFS VI); Josh Wiersma (Manager, NEFS XI and XII)

The following major themes were noted during the panel discussion:

- Dockside monitoring as structured was not useful and should not be brought back in 2013. Some exceptions to this conclusion were expressed, including perhaps if it is redesigned, replaces other monitoring such as the need for VTRs, or if the burden is shifted to dealers.
- The major problem with at-sea monitoring is cost, and the driver seems to be the level of observer coverage. The industry cannot afford costs now at the level NMFS wants. Changes are needed to get costs under control. They could include regulatory changes (e.g. no minimum size), electronic monitoring, different system structures, etc. Costs are variable between ports and some panelists suggested this should be considered. Cost-sharing should be considered.
- There were many concerns about observer performance, qualifications, and the trip selection process.
- There were also concerns about the treatment of observers by crew.
- Several questions arose about monitoring goals (precision vs. accuracy), and panel members asked for reconsideration of the goals of the program.
- There were statements by both NEFOP and sector representatives that the observer program has made numerous improvements over past eighteen months.
- Observer coverage needs to be expanded to other fleets, such as recreational party/charter vessels.
- Observer data should go directly to fishermen so they can check it for accuracy. Some panelists disagreed with this statement and felt that would be inefficient.

Panel 3: ACE Trading and Quota Transfer/Usage Rules

Panel members: Aaron Dority (Manager, Northeast Coastal Communities Sector); Libby Etrie (NEFS III); Jim Reardon (Manager, NEFS VI and X); Daniel Salerno (Manager, NEFS V); Cindy Smith (Manager, Tri-State Sector); Hank Soule (Manager, Sustainable Harvest Sector); Josh Wiersma (Manager, NEFS XI and XII)

The following major themes were noted during the panel discussion:

- ACE trading worked very well and the market was very active. Good relationships developed between sector managers and between fishermen that facilitated the market. The marketplace became more well-defined throughout the year.
- Most sectors used some form of a right of first refusal for either harvest transfers or permit sales, and generally most sector members liked this. Some did not. Small sectors may have been trading fish for fish more frequently than using cash transactions.
- ACE trading was complicated by mid-season adjustments to quotas.
- Sector managers were asked by NMFS to collect ACE trading data after the fact.
- Fishermen preferred to trade with people they already knew, or else to let their sector managers negotiate trades.
- Some panelists wanted to see as many active fishermen as possible in the trading market and to consider addressing the issue if too many “armchair fishermen” were consistently participating down the road.
- The sector allocation created a de facto quota pool and reduced anxiety by allocating from inactive to active fishermen.

Panel 4: Data Management

Panel members: Barry Clifford (Fishery Statistics Office, NERO), Tony Conigliari (Fishery Statistics Office, NERO), Stephanie Rafael (Manager, NEFS IX), Jim Reardon (Manager, NEFS VI and X), Karen Ryder (Data Manager, Fixed Gear and Port Clyde Sectors), Daniel Salerno (Manager, NEFS V), and Cindy Smith (Manager, Tri-State Sector)

The following major themes were noted during the panel discussion:

- Redundant data collection needs to be eliminated, and the reconciliation process should be hastened and improved.
- The system should be automated to reduce errors. However, the panelists were not entirely supportive of current eVTRs.
- The definition of what reporting errors result in holding up ACE transfers should be narrowed. Minor errors should not be freezing the entire system.
- Dealer data is particularly error-prone, and there is no incentive for dealers to report on time or correctly.
- It would be useful to carefully define in the FMP what reporting requirements are (and are not) so that sectors may request exemptions.
- Extrapolation of catch and discards to imputed trips may be problematic.
- The data system as currently implemented could not support an ITQ system.

Panel 5: Continuing Effort Controls that Hamper Fishing Operations

Panel members: Vincent Balzano (Member, Port Clyde Community Sector); Bill Chapreles (Member, Northeast Coastal Communities Sector); Al Cottone (Member, NEFS V); Libby Etrie (NEFS III); David Leveille (Manager, NEFS II); Linda McCann (Manager, NEFS VII and VIII); Mike Walsh (Member, NEFS VI)

The following major themes were noted during the panel discussion:

- The handcuffs need to be taken off by removing holdovers from the effort control system so that sectors may operate efficiently.
- The key candidates for removal of effort controls were identified as closed areas and minimum size limits. However, panelists also recognized the need for spawning closures and habitat areas.
- The allowable ACE carryover should be increased, and baseline restrictions which limit DAS leasing between vessels of different size categories should be removed.
- The rolling closures affected the allocation of ACE in Amendment 16, and that wrong should be corrected by removing them now.
- Any closures that remain in place should be small and narrowly targeted, because there are no enforcement reasons to keep them large now that all vessels have VMS.
- Opening the closed areas could lead to gear conflicts, potentially decreasing opportunities for small-scale fishermen.
- Opportunities for increased targeting of redfish should be explored.

Panel 6: Sector Manager Responsibility and Improving Communications with Managers

Panel members: Eric Brazer (Manager, Fixed Gear Sector); Libby Etrie (Northeast Sector Service Network); John Haran (Manager, NEFS XIII); David Leveille (Manager, NEFS II); Ben Martens (Manager, Port Clyde Community Sector); Jim Reardon (Manager, NEFS VI and X); Daniel Salerno (Manager, NEFS V)

The following major themes were noted during the panel discussion:

- There are a lot of demands on sector managers for their time. It needs to be recognized that they work for their boards of directors, not NMFS or the Council.
- The sector managers are the first point of contact for NMFS for many issues that need to be communicated to the sector. The boards of directors are difficult to contact and often at sea.
- The Council should interact more with sectors. Some panelists disagreed with this statement and felt that sectors, as independent businesses, should not be too heavily involved in the policy process.

Public Comment Sessions

The workshop included two half-hour public comment sessions. Comments included:

- A statement from an industry member that the industry needs stability, and that changes to allocations, ACE trading rules, etc. create instability and make it difficult to conduct business planning;
- A sector fisherman stating the necessity of removing remaining effort controls including closed areas and minimum size limits;
- A prioritized list of suggestions for improvements to the sector program from the Northeast Seafood Coalition (also submitted as correspondence);
- A comment on the need for creating solutions for issues and costs associated with monitoring;
- A statement that some operators preferred DAS, since small vessels without sufficient allocations and a lack of capital cannot use the lease market, and that the allocation should be revisited to be more fair;
- A statement from a sector fisherman opposing the opening of closed areas because of the value of stock growth and adverse gear interactions;
- A sector board member stating that sectors have disproportionately affected the trip boat and day boat fleets, leading to increased concerns over safety and ability to hire crew for the smaller vessels, and suggested that different measures be considered for the two fisheries; and
- A follow-up statement noting that even offshore vessels have seen large economic impacts from sector implementation.

Breakout Group Recommendations

The participants broke into five facilitated working groups. Each group had roughly 20 participants and was tasked with prioritizing and drafting potential solutions for the issues that were raised during the panel discussions. The groups organized their discussions around the topics from each panel, and identified key issues and actions for each. Following the group discussions, each group reported to all the attendees on their outcomes.

Every group reported that they prioritized monitoring issues, or spent most of their time focusing on monitoring. Effort control and visioning were also highly prioritized in the discussions. The complete recommendations from the groups for each topic are as summarized below. Issues and

actions with an asterisk were considered to be highly prioritized by at least one of the breakout groups.

Monitoring

Issues:

- *Need to adopt best practices
- *Cost of monitoring
- *Clarify if monitoring is a function of the state or of industry; what is the government's responsibility?
- *Need for the Council resolve issues comprehensively and determine industry responsibility
- Qualifications of at-sea monitors
- Observer coverage levels; levels should be more targeted; levels were designed for SBRM
- Observer effects; need to understand bias
- Need to clarify and revise goals and purpose of monitoring program
- Recreational fleet monitoring
- Need for a sustainable cost-effective monitoring program
- Reporting requirement exemptions
- Need for creative monitoring by gear type; one-size-fits-all approach to monitoring does not work
- Targeting accuracy rather than precision
- Use of self-monitoring
- Inadequate Council direction to NMFS
- Observer safety, logistics on board
- Exemptions for at-sea monitoring
- Need for flexibility in observer notification
- Integrity/accuracy of monitoring data
- Monitoring should support more timely and complete data collection
- Program should be designed to fit available resources
- Alternative methods to address cost recovery
- Need to explore the difference between precision and accuracy
- Role of electronic monitoring/alternative technology monitoring in the system
- Who owns monitoring data?
- Poor utility and design of dockside monitoring

Actions:

- *Eliminate dockside monitoring
- *Clarify difference between monitors and observers
- *Review and clarify purpose and goals of monitoring program
- *Perform option analysis to achieve goals of electronic monitoring
- *Require 100% retention; use video monitoring for compliance
- *Determine discard rate over a longer period of time; use 3 years of data to create fixed discard rates
- *The Council should push for electronic monitoring approval by NMFS and fast-track it
- *Evaluate how monitoring is prioritized (gear, fishery)
- *Develop a cost-sharing plan to fund transition

- *Tie uncertainty buffers to monitoring coverage
- *Create a competitive market for monitoring
- *Reassess observer coverage to get accurate, cost-effective discard estimates
- *Set a cap on the amount industry pays for observers
- *Require 100% observer coverage for midwater trawlers
- *Draft a clear statement of expectations, standards, functions, requirements, and objectives for the program
- *Evaluate what the fishery would look like if 100% retention were required
- More targeted observer coverage
- New definition of SBRM
- Perform cost projection/profitability analysis
- Council to explore implementation methodology
- Clarify language on reporting, how to be exempted from reporting requirements
- Consider the British Columbia or Pacific Northwest models for, at-sea monitoring, observer, and dockside monitoring programs
- Require payment for monitoring based on ex-vessel value
- Set aside a percentage of catch (ACL) to pay for monitoring
- Target at-sea monitoring to trips with a reasonable expectation of groundfish catch
- Combine at-sea monitoring, electronic monitoring, and dockside monitoring
- Target monitoring by gear type
- More education on monitoring types (i.e., not all EM is less expensive, depending on its function)
- Create different monitoring systems for different gear types, vessel sizes, and areas
- Consider profitability and stock rebuilding
- Shorten trip notice from 48 hours
- Change the appeals process for monitoring to resolve issues with a 3-person board
- Consider phase-in of a program
- Prioritize cooperative research to place electronic monitoring at the top of the list
- Utilize a logbook or tagging program for the recreational fleet
- Develop alternate accounting options for discards

Effort Controls

Issues:

- *Instead of looking at removing each control individually, assumption should be that all effort controls should be justified from the ground up
- Efficiency should be improved (by increasing CPUE), as it is a goal of the sector program
- Exemption requests are rejected that should not be
- Vessel baseline restrictions
- Targeted habitat protection and spawning closures; rationale for closures
- Rolling closures reducing efficiency, creating market constraints, and prevent achieving ACLs
- Gear conflicts (in closed areas)
- Discard handling
- Uncertainty over effects and/or benefits of rolling closures
- Minimum mesh and fish sizes prevent achieving ACLs
- The exemption process is inefficient and creates instability
- How to address effort controls and protection of spawning and juvenile fish

- The current habitat measures do not take account of swept area reduction
- Localized depletion of stocks

Actions:

- *Expand the list of universal exemptions
- *Immediately open all mortality closures during non-spawning periods
- *Eliminate minimum fish size and require full retention
- *Have certain short-term exemptions to minimum fish size rules while an evaluation of their effectiveness is conducted
- *Prioritize the EFH omnibus amendment, take into account reductions in area swept, and modify habitat regulated areas
- *Create areas specific to different gear types
- *Combine the habitat and groundfish PDTs to complete the EFH amendment
- Identify objectives and performance measures for effort controls
- Eliminate minimum mesh sizes
- The Council should re-examine exemptions broadly; distinguish exemptions between the common pool and sectors
- Endorse modification to vessel baseline upgrading restrictions; provide letter of support to the advance notice of public rule
- Perform additional research on why skate and dogfish populations have increased
- Base habitat/spawning closures on thresholds being reached
- Determine best practices for handlings discards
- Have the SSC/PDT evaluate minimum fish sizes, or an accredited institution such as SMAST
- Establish some type of effort controls to address localized depletion
- Examine need for finer-scale stock definitions

Visioning

Issues:

- *Council needs to pay attention to “downstream” impacts of its actions
- *Need for stability in management
- *Maintain fleet diversity
- *Differences between inshore and offshore fisheries, not based on vessel size, may require different management measures
- *Need for ecosystem-based management
- Sudden changes in TACs
- Vessels with low allocation and lack of capital to use lease markets
- Landing outside a vessel’s homeport
- Results of sector management are needed (for NMFS and the Council)
- A one-size-fits-all approach does not work for the fishery
- Should there be sectors or ITQs?
- The annual and long-term science budget; more money is needed for cooperative research
- Top-down science management
- Timing and accuracy of scientific response
- Need to evaluate management uncertainty
- Allocation

Actions:

- *Cap annual changes and in-season changes in ACLs by certain percentages
- *When looking at imposing requirements, to the greatest extent possible those requirements should be results-oriented. The Council should establish objectives and look for ways for industry to achieve those objectives without micromanagement.
- *Thoroughly improve the existing system with no paradigm change (multiyear process)
- *Allow the industry to figure out how to achieve systems analysis
- *Institute area management
- *Focus the Council on the development of a dynamic and efficient data collection system
- Allow trade-offs
- Revisit the allocations
- Revisit Amendment 16 goals and objectives on fleet diversity
- Analyze the impacts of sector management on the small boat fleet
- Perform analysis of inshore and offshore impacts
- Keep people in their own homeport
- Recognize differences in fleets, and plan accordingly
- Have ITQs that are voluntary and offshore only, in 5 or 10 years
- Initiate an amendment on inshore and offshore fleets
- Create a dedicated research sector
- Use bottom-up science
- Change the Magnuson Stevens Act to support ecosystem-based management
- Eliminate the common pool to reduce management uncertainty
- Allow and support gear innovation to achieve OY
- Use the mixed-stock exception once stocks are rebuilt
- Expedite the process for approval of new gears
- Use an allocation that would freeze the fleet at its current structure
- Explore one-ticket reporting and compare with other systems
- Allow permit splitting

Data Management

Issues:

- *It needs to be determined who is responsible for and who owns data
- *Streamline data reporting
- *Reconciliation of levels of accuracy; the timeline for data correction is too slow
- *Slow reporting
- *Multiple data streams and overall system redundancy
- Inefficiencies in monitoring data, assumed discard rate; the assumed rate changes retroactively even after a vessel is no longer fishing
- Discard mortality assumptions
- Dealer non-reporting
- The old data management system was designed for other purposes
- Data are not in a usable format
- Entry problems are pervasive

Actions:

- *Design a new, modern system

- *Consider best practices from other areas, including how dealer data is used, for example the Gulf of Mexico red snapper fishery
- *Design and implement a handheld dealer device
- *Make system easy, standardized, affordable, and electronic
- Clarify information needed to understand the impacts of trades
- Clarify what fields are needed for science and management purposes
- Improve assessments to make them more timely and robust; need for real-time assessments
- Independent audit of data system
- Look to non-fishery examples of data management, e.g. electronic banking
- Create deadlines for NMFS action on improving data management, and set expectations and repercussions if data is not reconciled in a timely manner
- Create repercussions for non-reporting of dealer data, and impose the same standards as apply to fishermen; ask the federal government to improve the fine/penalty structure for dealer violations
- Revisit which data is reported at the individual and the sector level
- Conduct education and communication on the new data system
- Allow third party data management
- Require full retention of discards
- Allow sectors to design how to determine an acceptable discard rate
- The Council should review standards and requirements to achieve efficiencies; the Council should develop broad-scale goals and objectives for data management
- Reconsider weekly reporting
- Create a committee to integrate data streams
- Require real-time reporting
- Combine dealer and VTR reporting

ACE Trading

Issues:

- *The impact of VTR reporting on ACE transfers; ACE trades being disapproved due to lack of VTR compliance
- Lack of information on trades by gear type, vessel size
- The percent of ACE carryover is insufficient
- NMFS suspension of ACE trade due to data compliance
- Third parties in marketplace, sectors and antitrust issues
- Confidentiality of ACE reporting (yearly reports)
- The 20% rollback of ACE is detrimental to trading

Actions:

- *Expand the ACE carryover to what is biologically acceptable (and evaluate that amount scientifically)
- Ask NMFS for information on trades
- Refine expectations for the annual reports
- Re-think ACE trading practices, consider individual trading instead of by sector
- Assess and redefine the necessary amount of compliance with VTR reporting for ACE trade approvals, and consider whether 100% is necessary
- Consider the frequency of reporting that is necessary; perhaps weekly reporting is desirable

- Define/discuss the level of detail that is needed for VTR compliance
- Define/discuss level of detail needed for annual reports and for what constitutes confidential information
- Revisit the 20% rollback provision

Communication and the Role of Sector Managers

Issues:

- Improving communication between sectors, the Council, and NMFS
- Informing sectors of management issues and getting input in their development
- Shift of work onto sector managers

Actions:

- *The Council and NMFS need a point of contact in each sector (and this should be chosen by the sector)
- *The Council should host another lessons learned conference after a reasonable amount of time
- Each sector's Board of Directors should decide and clarify the responsibilities of their manager
- NMFS should pay more attention to operations plans
- NMFS should provide a list of what information is needed from sectors and let the Board of Directors decide how and whether to provide it
- The Council and NMFS should not micromanage the sectors
- Allow the system to be flexible and experimental
- Set aside one hour at Council meeting for sector representatives to meet with the Council
- Restructure the AP to include one representative from each sector and the common pool

Major Recommendations for Council Action

Each of the breakout groups followed slightly different formats for the prioritization of action items. The following items were prioritized by the greatest number of participants in the most groups:

1. Determine responsibility of industry/government and goals of monitoring program, consider best practices from other regions, develop use of electronic monitoring, determine utility of dockside monitoring, and address monitoring costs
2. Eliminate closures, minimum fish sizes, and gear restrictions unless necessary to protect habitat or spawning fish
3. Create stability in management structure and consider fleet diversity including inshore/offshore components
4. Streamline data management system, eliminate redundancy, and improve reconciliation process
5. Increase ACE carryover percentage