



New England Fishery Management Council News Brief

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Council Receives Final Report on “Excessive Shares” in the Groundfish Fishery

Newburyport, MA The New England Council has received and accepted the final report from the economic consulting firm Compass Lexecon titled *Recommendations for Excessive Share Limits in the Northeast Multispecies Fishery*. The report was prepared at the Council’s request to provide independent advice to help determine an appropriate excessive shares limit for the Northeast Multispecies Fishery. An excessive share limit would be used to prevent the accumulation of excessive shares or the further increase of excessive shares if they already exist. The report is posted online at www.nefmc.org/nemulti/planamen/Amend%2018/compass_lexecon/final_dec13.html and includes descriptions of the basis for both the qualitative and quantitative analyses conducted by Compass Lexecon.

The consultants defined an excessive share as “a share of access rights that would allow a permit owner or sector to influence to its advantage the prices of the fishery’s output or the prices paid for leased Annual Catch Entitlements, or ACE.”

Briefly, the consultants maintain that “the evidence [it] analyzed does not support a conclusion that market power is currently being exercised through the withholding of ACE in any part of the groundfish fishery, nor is there evidence of market power in the sales of fish or transfers of permits.” They propose an accumulation cap that may prevent excessive shares from occurring in the future and note that goals such as fleet diversity may be better achieved through other management strategies.

A draft final report was made available for public comment on December 17, 2013. That version was informed by the comments that Compass Lexecon received at the November Groundfish Committee meeting, where they presented preliminary results. This final version incorporates additional comments they received since 12/17, though the revisions are minor and do not materially impact the conclusions drawn in the draft.

The Council will consider the report as it explores measures for accumulation caps and preserving fleet diversity in Amendment 18 to the Northeast Multispecies Fishery Management Plan. A formal peer review of the final report is expected to occur early in 2014.

The New England Fishery Management Council develops rules for both large and small-scale commercial and recreational fisheries that operate between three and 200 miles off the coastlines of Maine, New Hampshire, Massachusetts, Rhode Island and Connecticut.

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