

**Limited Access General Category (LAGC)
IFQ Fishery Performance Evaluation
(LAGC IFQ REPORT)**

Version 1: February 2012

Intentionally blank

Executive Summary

Table of Contents

1.0	Background.....	5
2.0	General category fishery	6
3.0	Variables used to evaluate the lagc ifq program.....	6
3.1	Background.....	6
3.1.1	NMFS Report on the performance of the northeast multispecies fishery.....	6
3.1.2	NEFMC Draft FMP performance evaluation white paper.....	7
3.1.3	MSA requirements for review of LAPPs.....	9
3.2	Biological Performance	10
3.2.1	Biological Variable 1 – Catch and associated fishing mortality from LAGC fishery 10	
3.2.2	Biological Variable 2 – Bycatch.....	12
3.3	Economic Performance.....	13
3.4	Safety and Enforcement Performance	13
3.5	Governance performance.....	14
3.5.1	Governance Variable 1 - Goals and Objectives.....	14
3.5.2	Governance Variable 2 – Council Vision Statement for Amendment 11.....	16
3.5.3	Governance Variable 3 - LAGC Representation and participation in Council process 17	
3.5.4	Governance Variable 4 - How quickly have changes been made to IFQ program... 19	
3.5.5	Governance Variable 5 - Cost recovery.....	20
3.6	Summary.....	20

Appendices

Appendix I – Detailed Tables about General Category Scallop Fishery

Appendix II – Detailed Tables and Analyses Related to Economic Performance of LAGC IFQ Fishery

Table of Tables

Table of Figures

List of Acronyms

1.0 BACKGROUND

The Council decided to initiate this review for four primary reasons. First, a recent review and analysis of impacts of sector management in the Groundfish FMP highlighted some important impacts and areas for improvement. Therefore, a similar analysis of the LAGC IFQ program may identify similar trends and issues that could be improved. Second, a review of the Council process in this region was recently conducted and it identified the need to identify a mechanism to evaluate the general performance of fishery management programs. This report uses some of the ideas that will be further developed in the longer-term evaluation of all FMPs in New England. Third, the Magnuson-Stevens Act (MSA) requires that all limited access privilege programs (LAPPs) should be evaluated within five years after adoption. This report is not the formal review of the LAGC IFQ program, but it can serve as an initial evaluation of the system before and after IFQs were implemented in 2010. Finally, the Council is potentially considering implementation of other LAPPs for other fisheries in this region. Therefore, a detailed analysis of the only IFQ system in New England could provide useful information for other actions and fisheries.

In 2011, the Council evaluated the sector management system that was first implemented in 2003 by Amendment 13 to the Multispecies FMP, and expanded in 2010 by Amendment 16. A report was conducted by the NEFSC that analyzed the economic and social performance of active limited access groundfish vessels in fishing year 2010 (NEFSC, 2011). In addition, the Council held a, “Lessons Learned Workshop” to collect input from the public related to sector performance and to identify potential solutions for improving the program. After the workshop the Council decided that a similar investigation of the economic and social changes from the only IFQ program in New England would be useful as well.

In addition, in 2011 there was a *Review of the New England Fishery Management Process* that was conducted by SRA Touchtone Consulting Group. The review was requested by a former Council Chairman and commissioned by NOAA NMFS. The first phase of the report focused on stakeholder interviews about the strengths and weaknesses of the management process. Over a dozen challenges were identified including the absence of a mechanism to evaluate or track the performance of management decisions. The Council has responded to a handful of the recommendations and most recently approved a white paper describing how the Council plans to conduct a “fishery performance evaluation” for all FMPs in this region to address the need for a mechanism to evaluate the performance of management decisions (Appendix 1).

The Draft FMP Performance Evaluation system approved by the Council at the January 2012 Council meeting, Appendix 1, is the first phase of a longer term project that will evaluate a wide range of performance measures such as biomass, economic indicators, fleet diversity, safety and general governance. Since this evaluation is based on available funding and may take several years to complete the Council decided to proceed with the LAGC IFQ Report now but expand the original scope to incorporate some of the relative indicators identified in the Draft FMP Performance Evaluation.

Furthermore, there is a requirement in the MSA to have a formal and detailed review of a limited access privilege program (LAPP) five years after implementation. This LAPP program has only

been in effect since 2010 (3 years), so the Council is not yet required to complete a formal review. However, the Council discussed that an **initial analysis of trends** in the fishery to date would be informative. Finally, the Council is already considering catch share systems in other plans, so it would be valuable to **assess the impacts of the only IFQ system** in this region first.

In summary, this LAGC IFQ Report will include some of the same economic and social performance analyses that were completed for the multispecies sectors, relevant performance evaluation indicators identified in the Council's Draft FMP Performance Evaluation, and some of the requirements in the five year review of LAPPs. **This report will focus on the LAGC IFQ scallop fishery only and will not include detailed information about the overall scallop fishery. The analyses will include information about the participants before and after implementation of IFQs.** The Scallop PDT will work on this report in 2012 and will present the results to the Scallop Committee and full Council in 2013. At that time the Council will decide if a specific meeting or workshop should be held to collect more input on the subject or not.

2.0 GENERAL CATEGORY FISHERY

3.0 VARIABLES USED TO EVALUATE THE LAGC IFQ PROGRAM

These variables are a combination of the elements analyzed in the economic and social performance evaluation of sectors (NEFSC Groundfish Performance Report (NEFSC, 2011)), indicators from the Draft FMP Performance Evaluation process approved by the Council in January 2012 (Appendix 1), and requirements for review of limited access privilege programs (LAPPs) in the MSA.

3.1 BACKGROUND

3.1.1 NMFS Report on the performance of the northeast multispecies fishery

In October 2011 NMFS published a report that evaluated the economic and social performance of active groundfish vessels for FY2010 (NEFSC Groundfish Performance Report (NEFSC, 2011)). The report compared a range of performance measures over time, 2007-2010. The report highlighted some notable changes that have occurred in the fishery recently, as well as others that have been ongoing trends. The report looked at a variety of issues including but not limited to changes in fishing activity, employment, revenue and average price for groundfish and other species.

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. Reviewing the NEFSC Groundfish Performance Report was a major component of the workshop. 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.

Dozens of issues and potential actions were identified for the various breakout discussions focused on monitoring, effort controls, visioning, data management, ACE trading, and communication. In addition five overall recommendations came out of the workshop. Some of the recommendations have become part of overall Council priority work items, some are being worked on internally at NERO, and some have not been elevated as a specific work item yet.

This LAGC IFQ performance report will evaluate similar aspects of the fishery and participants. However, the Council has not yet decided if a workshop or future action will be taken related to findings in this report.

3.1.2 NEFMC Draft FMP performance evaluation white paper

In January 2012 the Council approved a Draft FMP Performance Evaluation process, which included a range of indicators that could be used to evaluate fishery management performance.

There are other efforts underway to identify potential performance variables in this region as well as nationally. NMFS social scientists have compiled a list of performance variables that could be used for FMP tracking (Appendix 1, adapted from Clay, et al. 2010). In addition, NMFS plans to advance a nationwide set of fishery performance measures, as compared to FMP performance measures, beginning in 2012. This will begin with catch share fisheries using readily available data and will be expanded to include other fisheries and data in the future. In addition, MRAG Americas has developed a proposal for catch share system performance evaluation (MRAG Americas 2011).

The Draft FMP Performance Evaluation document approved by the Council incorporated all these sources and summarized a list of potential performance evaluation variables. The list balances the number of variables tracked with the time that is needed to compile and present the information recognizing the need for cost effectiveness and minimizing workload impacts.

3.1.2.1 Generic FMP Performance variables

1. Biological
 - a. Fishing mortality rate / target fishing mortality rate
 - b. Biomass / Biomass target
2. Economic
 - a. Catch as a percentage of ACL
 - b. Discards
 - i. Target species – use rate from NMFS NERO for ACL calculation
 - ii. Protected Resources – no estimate by FMP
 - c. Revenue from fishery

- d. Revenue per active permit holder
 - e. Percentage of gross revenue taken by top 20% of permit
 - f. Net revenue per permit (if available, only available for few fisheries)
 - g. Number of active vessels
 - h. Number of inactive vessels
 - i. Average age of active vessels
3. Fleet Diversity
- a. Number of vessels in fishery
 - i. Under 30 feet
 - ii. 30-50 feet
 - iii. 50-75 feet
 - iv. Over 75 feet
 - b. Landings revenue by port
 - c. Landing in weight by port
 - d. Number of ports in which FMP species are landed
 - e. Number of days fished by port
4. Safety
- a. Fishing Vessel Casualty Rate
 - i. Per 100,000 hours fished (groundfish, scallop) – time intensive
 - ii. Per 1,000 days fished ?
 - iii. Working with USCG on best indicator
5. Governance
- a. Ratio of actual vs. planned time for amendment or framework
 - b. Time needed to incorporate new assessment data into FMP
 - c. Time needed to respond to new conditions, e.g. changes in the fishery or requests from stakeholders
 - d. Number of advisory panel meetings
 - e. Public input metric to gauge how stakeholders feel their input is being heard and used.
 - i. Use web based survey tool, e.g. Survey Monkey, and note cards to allow people to comment in an anonymous, non-intimidating way.
 - ii. Questions to be developed

Once the specific variables or performance indicators are identified there are several other issues to consider.

1. What should the baseline years be?
2. Has the FMP met original objectives?
3. How should the material be presented?

3.1.2.2 Performance variables for this IFQ Report

The specific variables identified for this performance report are evaluated below in Sections 3.2 through 3.5. The other issues identified in the Draft NEFMC FMP Performance Report are summarized below with specific responses for the LAGC IFQ Performance Report are:

1. What should the baseline years be?

- 5 years before IFQ (2005-2009) – This period is not a uniform one- 2005-2007 corresponds to big increase in GENERAL CATEGORY effort, while 2008-2009 is more limited entry with 10% quota – part of the program was implemented. Can compare 2011-2012 to two separate periods. I think 2008 could be a good starting year for comparison (ownership data is lacking in 2009).
 - Qualifying years (2000-2004); This baseline makes sense.
 - Transition period (2008-2009)
2. Has the FMP met original objectives?
- Amendment 11 LAGC IFQ Program Objectives
3. How should the material be presented?
- Separate white paper presented to Council (Likely November 2013)
 - Sub-heading on the scallop page of the NEFMC website as well as NEFSC Social Science website
 - Potential workshop to present info to public and gather feedback – *Council has not made a decision about this yet*

3.1.3 MSA requirements for review of LAPPs

In 2007 the Magnuson-Stevens Act was reauthorized. One new requirement of the Act is to regularly monitor and review all limited access privilege programs, which includes fisheries managed by individual fishing quotas (IFQs). A limited access privilege is defined as a Federal permit to harvest a quantity of fish representing a portion of the total allowable catch of the fishery. A formal and detailed review of whether the program is meeting management goals is required five years after implementation. The MSA regulations related to review of LAPPs are described below:

MSA 303A (c) Requirements for LAPPs

(1) In general

(G) include provisions for the regular monitoring and review by the Council and the Secretary of the operations of the program, including determining progress in meeting the goals of the program and this Act, and any necessary modification of the program to meet those goals, with a formal and detailed review 5 years after the implementation of the program and thereafter to coincide with scheduled Council review of the relevant fishery management plan (but no less frequently than once every 7 years);

The LAGC IFQ program was fully implemented in 2010; therefore, the formal five year review is not required until 2015. However, this review will serve as an initial evaluation of the program to date and help identify which factors should be further assessed in the formal review.

3.2 BIOLOGICAL PERFORMANCE

It needs to be highlighted that the LAGC IFQ fishery is a relatively small component of the overall Sea Scallop fishery in terms of total catch and mortality. Therefore, the status of the resource in terms of total biomass and fishing mortality is not driven by management measures set for the LAGC IFQ fishery. Rather, the limited access fishery is the major component of the fishery responsible for 90-95% of total catch. Therefore, the catch and associated fishing mortality from the LAGC fishery cannot be completely evaluated individually; it is part of a larger management system. This is also the case in terms of impacts on bycatch and other aspects of the ecosystem such as essential fish habitat. The LAGC IFQ fishery is only one aspect of a larger management program; therefore, it is difficult to parse out the biological performance of the LAGC IFQ fishery separate from the overall scallop fishery.

3.2.1 Biological Variable 1 – Catch and associated fishing mortality from LAGC fishery

The fishing mortality from the LAGC IFQ fishery, measured in terms of total catch, is estimated to be about 5% of the total projected fishing mortality. The LAGC fishery is allocated a total allowable quota of 5% of the projected catch after other sources of mortality are removed such as incidental catch and set-asides for observer coverage and research. This biological variable is evaluated by estimating how much of the total LAGC IFQ sub-ACL is harvested, an indirect measure of fishing mortality and biological performance.

In some cases general category vessels may have a lower fishing mortality than larger limited access vessels due to smaller gear and lower area swept. However, in other cases the mortality and impacts on the environment could be similar or even higher if general category vessels are fishing in areas with lower scallop densities, potentially having higher impacts on scallop mortality and bycatch per unit of effort. If it is assumed that fishing mortality from all scallop fishing is similar, then assessing the amount of catch harvested from the total available catch allocated is one way to measure the biological performance of this fishery in terms of associated fishing mortality.

In 2010 the LAGC IFQ sub ACL was 2.33 million pounds and 0.23 million pounds for LA vessels with LAGC IFQ permits (Table 1). Total catch for vessels with LAGC IFQ permits was 2.16 million pounds, or 93% of the total sub-ACL. Total catch for LA vessels with LAGC IFQ was 0.23 million pounds; all of the sub-ACL.

In 2011, vessels with LAGC IFQ were allocated a sub-ACL of 2.91 million pounds and LA vessels with IFQ permits were allocated a sub-ACL of 0.29 million pounds. Total catch for LAGC IFQ vessels in FY2011 was 2.77 million pounds, about 95% of the total sub-ACL. For LA vessels with LAGC IFQ permits total catch was about 273,000 pounds, or 94% of the total sub-ACL.

In 2012 the LAGC IFQ sub ACL was 3.1 million pounds and 0.31 million pounds for LA vessels with LAGC IFQ permits. Total catch for vessels with LAGC IFQ permits was 3.03 million pounds, about 98% of the total sub-ACL. FY2012 is the first year that vessels had carryover from FY2011 available. Overall the LAGC IFQ fishery carried over about 193,000 pounds from FY2011 to FY2012. When that available catch is added to the sub-ACL set for FY2012, the

total available catch is 3.29 million pounds, if all carryover and available catch in FY2012 is harvested. However, in FY2012, about the same amount of unused catch from FY2011 was carried forward to FY2013, 194,000 pounds. Therefore, about 92% of the total available catch in FY2012 was harvested (FY2012 sub-ACL + carryover from FY2012).

For the time being it seems that about 200,000 pounds are being carried over from one fishing year to the next for the LAGC IFQ fishery. If this remains the same there does not seem to be a high risk of exceeding the LAGC sub-ACL. However, 98% for FY2012 was rather close and with a lower total sub-ACL in FY2013 (2.23 million pounds compared to 3.1 million pounds) there may be a higher risk of exceeding the sub-ACL. This should be monitored closely in future fishing years to evaluate whether a management buffer, or annual catch target, is necessary for this segment of the fishery to account for carryover.

Total catch for LA vessels with LAGC IFQ was about 277,000 pounds, or 89% of the total sub-ACL. It is possible that more vessels took advantage of the 15% IFQ rollover provision in FY2012 anticipating IFQ reductions in 2013. Total scallop catch was reduced by about 30% in FY2013 compared to FY2012.

Based on three years of information only, the sub-ACLs and IFQs in place are effectively controlling mortality from this component of the fishery. About 95% of the total IFQ for the LAGC IFQ fishery was harvested in the first two years of the program; there are only relatively small amounts of quota unfished in the fishing year it is allocated. In FY2012, about 89% of the total LAGC allocation was harvested, potentially indicating more vessels taking advantage of the IFQ rollover provision.

In summary, from a biological perspective this IFQ and sub-ACL management program has been effective at controlling mortality and preventing overfishing. Furthermore, during the first three years under IFQ management, a relatively small percentage of the total available catch has been left unharvested, under 10%.

If carryover stays consistent from year to year then a sub-ACT may not be needed. It is currently about 200,000 pounds, about 9% of the total LAGC IFQ in 2013. However, if carryover trends change, the Council may want to consider a sub-ACT for this fishery to address uncertainty related to carryover.

Table 1 – Summary of scallop allocations and landings for LAGC permits (FY2010-2012)

	Sub-ACL allocated in FW	Carryover from previous FY	Total Available Catch (includes carryover)	Final Catch	% of sub-ACL	% of Total Available (includes carryover)
	A	B	A+B = C	D	D/A	D/C
2010	2,326,700	N/A	N/A	2,160,854	92.9%	N/A
2011	2,910,800	N/A	N/A	2,773,744	95.3%	N/A
2012	3,095,450	193,622	3,289,072	3,033,538	98.0%	92.2%
2013	2,227,142	194,048	2,421,190			

Trying to create similar table for LA vessels with LAGC IFQ as well

3.2.2 Biological Variable 2 – Bycatch

The biological performance of a fishery can also be measured in terms of impacts on non-target species or bycatch. Again, the LAGC IFQ fishery is a relatively small component of the scallop fishery; therefore, in terms of total bycatch it is less than the LA fishery. However, depending on the area and/or season fished, as well as gear type used, there are differences in bycatch rates for these fisheries.

The major bycatch species of concern for the scallop fishery is yellowtail flounder, both GB and SNE/MA stocks. Both these stocks have a sub-ACL allocated to the scallop fishery, and since 2011 have had associated accountability measures (AMs) in place if the sub-ACLs are exceeded. In addition, in FY2013 a sub-ACL of SNE/MA windowpane was allocated to the scallop fishery as well.

NMFS monitors the total estimated catch of YT and SNE/MA windowpane flounder for each fishery based on observer data expanded to the full fishery. The total estimate of YT catch for the LAGC IFQ fishery is summarized below (Table 2). Vessels that fish with trawl gear have higher YT bycatch rates based on available data.

Table 2 – YT catch estimates for scallop fishery by permit type (FY2011-2012)

		2011	2012
GB	Total sub-ACL	442,688	345,905
	LA estimated catch	184,888	361,538
	LAGC dredge est. catch	80	44
	LAGC trawl est. catch	19	0
	Total estimated catch	184,987	361,581
	% of sub-ACL	41.8%	104.50%
	% of total catch from LAGC vessels	0.1%	0.01%
SNE/MA	Total sub-ACL	180,779	279,987
	LA estimated catch	200,810	99,558
	LAGC dredge est. catch	2,707	4,533
	LAGC trawl est. catch	40,958	20,456
	Total estimated catch	244,475	124,548
	% of sub-ACL	135.2%	44.50%
	% of total catch from LAGC vessels	17.9%	20.1%

In summary, from a biological perspective the total impact on bycatch from the LAGC IFQ fishery is relatively small compared to other sources of discard mortality. For SNE/MA YT the LAGC IFQ fishery was estimated to catch a larger percentage of total YT catch relative to total catch by the scallop fishery in 2011-2012, about 20% of total scallop fishery catch of SNE/MA YT. This catch predominately came from LAGC IFQ vessels using trawl gear.

3.3 ECONOMIC PERFORMANCE

See separate document

3.4 SAFETY AND ENFORCEMENT PERFORMANCE

- Number of vessel casualties for this fleet specifically – catalogue of type
This can be used as a potential indicator of vessel safety. It will compare the number and type of vessel casualties (breakdowns, etc.) for vessels with a LAGC IFQ permit compared to the rest of the fleet in the Northeast.

USCG is working on these data – expected in October

- Vessel age
Vessel age is also a potential indicator of vessel safety. The PDT is summarizing the vessel age for all LAGC IFQ permits, as well as a subset of just active LAGC IFQ permits, since those are the vessel platforms actually harvesting the IFQ.

- LAGC IFQ Permits

	Before 1970	1970s	1980s	1990s	2000-present	
2010	31	84	96	38	44	293
2011	23	69	88	34	35	249
2012	19	63	88	35	33	238
2013	17	59	78	34	26	214

- LAGC IFQ Permits – Active Vessels Only
PDT still completing this info

- Management measures that improve or reduce safety – are there any? Should any be identified?

The PDT will catalogue a list of measures in place that either improve or reduce safety at sea. One example of a measure that has potentially beneficial impacts on safety is the IFQ carryover provision. If a vessel has unused quota at the end of the year it can carry up to 15% to the next fishing year, rather than lose that quota. In addition, other measures have been adopted to make leasing and IFQ transfer more flexible. These measures may also have potentially beneficial impacts on safety if vessels have more flexibility to lease or transfer unused quota, rather than lose it at the end of a fishing year.

- Does Enf Cmte have a generic list or positive and negative measures for safety?

- Measures of compliance and enforcement

For this report the PDT requested a summary of all enforcement related actions in the Northeast involving vessels with scallop permits, or scallop catch. NMFS Enforcement office provided a list of over 60 enforcement related incidents with scallop vessels in the NE region between January 2010 and June 25, 2013.

About half of those involve LAGC IFQ vessels. And another two dozen involve vessels that were in possession of scallops, but did not have a federal or state scallop permit. Of the 30 or so incidents involving LAGC IFQ vessels, only 5 resulted in a violation. Most had to do with observer program requirements (19/30 incidents) and fewer were related to specific scallop IFQ regulations such as exceeding the possession limit or fishing in closed areas.

There has been a drop in enforcement incidents for LAGC IFQ vessels from 2010 compared to 2012, but that may be related to the level of enforcement presence and not necessarily improved compliance. And these data do not include enforcement incidents that are currently under investigation.

For comparison, there have only been 4 enforcement incidents on LA scallop vessels during this same time period; only one resulting in a violation.

3.5 GOVERNANCE PERFORMANCE

This section evaluates the overall governance of the IFQ program since implementation in 2010. It focuses on whether the program has met stated goals and objectives as well as other indicators of the management system. Overall, three years is a relatively short amount of time to evaluate whether a major management regime change has achieved the original goals and objectives. Therefore, these findings are preliminary at best and when this LAPP is formally reviewed five years after adoption these variables should be considered further in more detail.

3.5.1 Governance Variable 1 - Goals and Objectives

The first variable related to governance is an evaluation of whether the LAGC IFQ program has met the original Goals and Objectives set in Amendment 11.

3.5.1.1 Goal of LAGC IFQ Program

The primary goal of Amendment 11 was to control capacity and mortality in the general category scallop fishery.

Was this goal achieved? **YES**

Capacity was controlled by implementing a limited entry program starting in fishing year 2008. Prior to Amendment 11 general category permits were open access and about 2,500 – 3,000 vessels had open access general category permits (**Error! Reference source not found.**). Although not all vessels with general category permits were active in the years preceding 2008, there is no question that the potential capacity, or number of vessels (and owners) that held a limited access general category is now considerably less. In 2011 fewer than 700 vessels had

one of the four types of limited access general category permits. In the last few years less than 200 vessels are active with LAGC IFQ permits (**Error! Reference source not found.**).

Mortality was controlled by implementing an overall hard TAC for this fishery equivalent to 5% of the total projected scallop catch. An IFQ program was established to determine what portion of the total general category allocation, or sub-ACL, would be allocated individually to qualifying vessels. Since implementation of a sub-ACL for the LAGC fishery, total catch, one measure of mortality, has not been exceeded (Table 1). About 90-95% of the allocated catch has been harvested since adoption of ACLs and the IFQ program.

3.5.1.2 Objectives of LAGC IFQ Program

In order to achieve the primary goal of Amendment 11 described in Section 3.5.1.1, the Council identified four objectives.

1. Allocate a portion of the total available scallop harvest to the general category scallop fishery.

Was this objective met? YES

The LAGC IFQ fishery is allocated 5% of the total projected catch and LA vessels that also qualified for a LAGC IFQ permit are allocated 0.5% of the total projected catch.

2. Establish criteria to qualify a number of vessels for a limited entry general category permit.

Was this objective met? YES

The LAGC IFQ program is limited entry and individual allocations are based on historical participation in the fishery. In order to qualify each vessel had to have a permit before the control date and 1,000 or more pounds of scallop catch in any fishing year during the qualification period (FY2000-November 1, 2004 – the control date). A vessels best year is weighted by the number of years active in the fishery to recognize historical participation and dependence on the fishery.

3. Develop measures to prevent the limited entry general category fishery from exceeding their allocation.

Was this objective met? YES

Total catch from the LAGC fishery is very controlled. There is a total IFQ for the fishery that is monitored using vessel trip reports, dealer reports, and vessel monitoring systems. Since implementation of the IFQ program the total allocation for the fishery has not been exceeded (Table 1).

4. Develop measures to address incidental catch of scallops while fishing for other species.

Was this objective met? YES

Amendment 11 also implemented a limited entry permit for incidental catch permits (40 pounds or less). Under 300 vessels qualified for this permit category, and about ??? vessels land scallops in this permit category each year since implementation of Amendment 11 (**Error! Reference source not found.**and Table???.)There is a target

TAC that is adjustable for vessels that qualified for an incidental catch permit, and catch from that permit category has remained under the target TAC of 50,000 pounds since adoption of the program.

3.5.2 Governance Variable 2 – Council Vision Statement for Amendment 11

Amendment 11 included limited entry, consideration of an IFQ program, and allocation decisions for a highly valuable species. Therefore it was a relatively controversial action that the Council developed over several years. During development of Amendment 11 the Council drafted a vision statement to help clarify the intent and desired outcome of the action. The vision statement is pasted below and is evaluated as the second variable related to governance.

Amendment 11 Vision Statement:

The overall intent of this action is to stabilize capacity and prevent overfishing from the general category fishery, and in doing so, the Council's vision of this general category fleet from this point forward is to maintain the diverse nature and flexibility within this component of the scallop fleet. Specifically, the Council intends to consider measures that will control mortality from this component of the fleet, but preserve the ability for vessels to participate in the general category fishery at different levels. This Council recognizes the importance of this component of the fishery for small fishing communities, as a component of overall catch for some individual vessel owners, and the value this "dayboat" scallop product has in the scallop market. Overall, the Councils' vision of the general category fishery after Amendment 11 is implemented is a fleet made up of relatively small vessels, with possession limits to maintain the historical character of this fleet and provide opportunities to various participants including vessels from smaller coastal communities.

Has Amendment 11 vision statement been met to date? YES

Overall the vision statement has three principles:

- 1) maintain a fleet of relatively small vessels;
- 2) maintain possession limits to preserve historical character of fishery; and
- 3) provide opportunity for various participants from smaller coastal communities.

Overall these main principles have been maintained under the first three years of the LAPP program to varying degrees.

First, the fleet is relatively small compared to the directed limited access scallop fishery. The average size and horse power of a limited access vessel is ???. For LAGC IFQ vessels the average size and horse power is ???. Since 2010 some LAGC vessels have improved their vessels and increased horse power. ???

Second, the LAGC IFQ fishery still has a possession limit. This is unique for an IFQ program, but was preserved under Amendment 11 to help preserve the "dayboat" character of this historic fishery. When fuel prices increased in 2009 the industry did request the Council increase the possession limit to help ???. The Council considered a range of possession limits and selected 600 pounds to help increase profits for LAGC IFQ vessels, but prevent excess consolidation. Could include info about average pounds landed by state maybe?

Third, the LAGC IFQ program has provided opportunity for various participants from smaller coastal communities.

Include summary of NGOM and incidental catch fisheries.

3.5.3 Governance Variable 3 - LAGC Representation and participation in Council process

One potential indicator of effective governance is the level of representation and participation of LAGC IFQ interested in the Council process. Overall the Council process is very public with opportunity for input at multiple stages during development. Several indicators have been summarized below to assess the overall variable of participation as it relates to governance.

1. Number of LAGC members on the Scallop AP

During development of Amendment 11 the Council established a separate advisory panel made up of general category industry participants only. The Council solicited for a new panel made up of fifteen individuals with explicit interest and knowledge in the general category fishery. The panel was made up of ten individuals: seven from New England and three from the Mid-Atlantic.

Several individuals with general category experience were already serving on the Council's Scallop Advisory Panel, so those individuals were temporarily assigned to serve on both panels to improve communication between the panels. The panels sometimes met separately during development of Amendment 11, and sometimes they met together. For about three years the Council had two panels. One panel was exclusively made up of general category advisors that communicated ideas directly to the Scallop Committee, and two general category participants served on the regular Scallop AP concurrently, which at the time had about a dozen participants.

Therefore, the level of representation and participation by the general category fishery during development of Amendment 11 was adequate; one exclusive AP made up of only general category members, and about 20% of the regular Scallop AP was made up of general category members.

Since Amendment 11 the Council has returned to one Scallop Advisory Panel that provides input on all scallop related issues. The size of the AP was increased to 15 seats, and the current make-up of the panel is about even in terms of limited access interests, general category interests, and either both LA and LAGC or "other". Specifically, about six of the current fifteen member AP primarily represents limited access interests, about five are general category participants, and about four are either both or represent other interests like the environmental community. The panel is made up of individuals from both New England and the Mid-Atlantic, with about 2/3rds from New England states and 1/3 from Mid-Atlantic states. The AP has discussed several times over the years whether the process should revert back to having two panels: one primarily for limited access participants and one for general category participants so each group can focus on issues germane to the different fisheries. But each time the AP ends up recommending status quo.

Therefore, the current level of representation and participation by the general category fishery on the Scallop AP is adequate considering the fishery has fewer active vessels and is a smaller fraction of the total fishery compared to the limited access fishery.

2. Number of Council members with LAGC interests

There are 18 voting members on the NEFMC; some are state and federal employees, and others are appointed by state Governors to represent each state. Overall, the membership of the New England Council is relatively diverse by state, with Maine and Massachusetts having slightly more seats than the other New England states. The current make up is: one federal member; four from Maine; three from New Hampshire; five from Massachusetts; three from Rhode Island; and two from Connecticut. In terms of LAGC IFQ interests, this make up is relatively reflective of the LAGC IFQ fishery since most permits in New England are from Massachusetts and Maine.

It can be argued that any Council member representing the state or federal agency responsible for fisheries management would have some level of LAGC interest in mind when recommending fishery policies. For example, all five states in New England have some level of LAGC IFQ participants within each state (Maine, New Hampshire, Massachusetts, Rhode Island and Connecticut). Therefore, the Council members representing each state fishery agency in New England have some level of interest in LAGC related issues based on the constituents in that state. Furthermore, the one voting federal agency Council member from NMFS also has some level of interest in LAGC IFQ issues. For the New England Fishery Management Council these seats include six of the eighteen voting members, or 33%.

The remaining seats are held by individuals that are selected to serve three-year terms based on recommendations from state Governors. Each state is entitled to one “obligatory seat”, and the remaining seats are appointed “at-large”. Therefore, the makeup of the Council by state can vary from year to year depending on who is appointed to the “at-large” seats. In New England, the at-large seats are usually filled with one member from each state, but in some years states like Massachusetts and Maine have two or three of the seven at-large seats, and other states do not have any of the at-large seats.

Overall, since there are vessels with LAGC IFQ permits from each state, the Council members at the table should have LAGC IFQ interests in mind when setting policy. The scallop fishery is diverse and at times the LA fishery component has a different view than the LAGC IFQ fishery in general. In these instances there are some Council members that may side one way or the other, but overall the makeup of the remaining 2/3rds of the Councils at-large and obligatory seats are diverse in terms of “small boat” and “large boat” interests.

In addition, a sub-set of Council members serve on specie specific Committees as well. These individuals develop recommendations to the full Council for a particular FMP. In more recent years the Scallop Committee has been about is made up of about the Scallop FMP; therefore, these individuals are typically more involved in scallop management issues. Ultimately all Council members vote, but these members have more input on the specific issues developed during an action, so arguably are more influential in terms of the governance of the fishery. In recent years the Scallop Committee has had about ten members: one from NMFS, two from the

Mid-Atlantic Council, and the remaining from the New England Council. For the most part the make-up of this Committee is diverse in terms of region and small versus large boat interests.

Overall, the composition of the New England Council, and more specifically the Scallop Committee, are adequate in terms of representing LAGC interests. The Committee and Council are not very off balanced in terms of governance and addressing issues important to the LAGC fishery. For the most part the composition of the Council and Committee is divided into thirds, one third typically supportive of LA interests for the most part, one third with LAGC interests, and one third for both, or more neutral on those issues.

3. Frequency and location of meetings

Insert table since A11 with number and location of meetings by state.

To get at participation could go through attendance records and recording – but no time for this report.

3.5.4 Governance Variable 4 - How quickly have changes been made to IFQ program

Since adoption of Amendment 11 several adjustments have been made to the IFQ program. This variable measures the length of time needed to make an adjustment to the IFQ program – the time between when issue was first raised and when a change was implemented.

- 1. Allow rollover of 15% of the permit holder's original IFQ to subsequent fishing year (Amendment 15)**
To increase flexibility and provide a safety mechanism in the case of a late-season breakdown.
- 2. Increase the possession limit from 400 pounds to 600 pounds (Amendment 15)**
To allow for more efficient harvest of quota, without the increase being large enough to change the nature of this small day-boat fishery and creating competition between the fleets
- 3. Modify the ownership cap restriction per vessel (Amendment 15)**
Maximum increased from 2% to 2.5% cap per vessel to be more consistent with the maximum individual ownership value of 5%.
- 4. Modify permit provision to allow splitting of IFQ from vessel (Amendment 15)**
Allow an individual to split the IFQ from their IFQ permit and other fishery permits to facilitate permanent IFQ transfers from vessels with a suite of NE fishery permits.
- 5. Partial leasing of IFQ during the fishing year (Framework 24)**
Allow vessels to sub-lease IFQ as well as lease IFQ during the fishing year even if some fishing has occurred To increase flexibility for general category qualifiers and to improve overall economic profits of the IFQ program.
- 6. YT AMs for LAGC vessels (Framework 24)**
- 7. Modify the observer set-aside program to include LAGC trips in open areas and modify set-aside so it is not area specific (Framework 24)**
These last few measures were developed to make LAGC vessels more accountable for bycatch, as well as improve overall monitoring of this fishery.

3.5.5 Governance variable 5 - Cost recovery

One potential measure of governance for the LAGC IFQ fishery is related to the cost recovery program associated with IFQ ownership. Cost recovery was not charged for the first year of the IFQ program. For 2011, cost recovery fees were sent to IFQ owners on November 9, 2011. Fees ranges from about \$10 to just over \$2,000 per permit, and a total of about \$80,000 was collected, or about 0.3% of total ex-vessel value. These fees paid for almost all of the costs associated with administering the IFQ program.

Permit owners had until January 1, 2012 to pay the balance through Fish-On-Line. All permit holders paid all fees and submitted no appeals of the fee calculations; thus 100% compliance related to cost recovery payments. The 2012 cost recovery report is not available yet but will be included if it is before this report is final.

3.6 SUMMARY

Combine all indicators with major aspects and make one overall table for performance