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UNITED STATES DEPARTMENT OF COMMERCE
 National Oceanic and Atmospheric Administration
 NATIONAL MARINE FISHERIES SERVICE
 NORTHEAST REGION
 55 Great Republic Drive
 Gloucester, MA 01930-2276

SEP 19 2013

Ernest F. Stockwell, III, Acting Chairman
 New England Fishery Management Council
 50 Water Street, Mill 2
 Newburyport, MA 01950

Dear Terry:

In preparation for the September Council meeting, I would like you to consider further input on the 2014 quota recommendations from the Transboundary Management Guidance Committee (TMGC). As you know, the TMGC recommended the following shared quotas for 2014: 700 mt for Eastern Georges Bank (GB) cod; 27,000 mt for Eastern GB haddock; and 400 mt for GB yellowtail flounder. These recommendations are all based on the best scientific information available, and I urge the Council to support the TMGC recommendations. Based on the U.S. share of the quotas in 2014, the 2014 TMGC recommendations would result in at least a 50-percent increase to the U.S. quotas compared to 2013 for all three transboundary GB stocks. I commend the hard work of the U.S. TMGC and Council staff last week, and the difficult decisions that were made by the TMGC this year.

U.S. TMGC members worked to reach an agreement with Canada on Eastern GB cod. We all share concerns, since the new benchmark model agreed to in April 2013 is not consistent with the negotiated fishing mortality limit used by the TMGC, and a retrospective pattern has already emerged. This makes it difficult to understand the risks associated with various catch levels. There are also signs that the 2010 year class may be larger than recent years, and we should try to realize this growth potential. Given these considerations, I support the TMGC's recommendation for a 2014 quota of 700 mt, and the TMGC's initiative to review its fishing mortality limit for cod in light of the new assessment model. I also suggest that we closely monitor the issues noted above next year at the 2014 Transboundary Resources Assessment Committee (TRAC) to make sure we are headed in the right direction for this stock.

I want to also provide the basis for our recommendation to the TMGC for a maximum 400-mt catch level for GB yellowtail flounder. This recommendation was based on the 2013 TRAC assessment, the SSC's recommendation, and recent catch history. As a crucial backdrop to this recommendation, it is important to note that, although the TRAC and the SSC had legitimate concerns about the uncertainties in the assessment and the performance of the assessment model, both concluded that stock conditions are poor. Recruitment for the stock remains low, and although the quota has been reduced in recent years due to continually declining stock conditions, all of the available information indicates that the stock has not responded to these reductions. It is also worth mentioning that, while the assessment is highly uncertain, it was not rejected by either the TRAC or SSC.



When reviewing and approving any quota, we are required under the Magnuson-Stevens Act to make a determination that the quota will have a sufficient probability of preventing overfishing. To do this, we build off of the SSC's recommendation. When absolute values for the overfishing limit are not readily available, we must sufficiently demonstrate that any quota recommendation would meet the relevant requirements to be approvable. We recognize the uncertainties in the assessment make it difficult to precisely estimate the overfishing value, and that the SSC concluded the overfishing limit was unknown. The SSC advice must be viewed in total, not focusing on just the 500-mt upper bound and presuming that it is acceptable to use this maximum value and ignore the rest of their advice. Although the SSC recommended that catches not exceed the absolute upper limit of 500 mt they also recommended that catches be reduced as much as practicable.

Because the unadjusted model results from the assessment (562 mt) are likely biased high, the 2014 quota should have a greater uncertainty buffer than the standard default control rule of 75% F_{MSY} . A quota of 400 mt is the maximum catch that would provide an additional buffer from the unadjusted model results to further account for the uncertainties in the assessment. This maximum level is further justified because of recent low recruitment for the stock. The model results also indicate that a quota of 400 mt would have a 100-percent probability of stock growth, and a 66-percent chance that adult biomass would increase by 10 percent. These results are also probably biased high given the recent low recruitment for the stock, and considering this, a quota of 400 mt is the maximum catch that would have a reasonable chance of allowing some stock growth.

We also examined recent catches to evaluate what level of catch would be consistent with the TRAC and SSC advice to reduce catches as much as practicable. Total catches in FY 2012 were around 475 mt, of which the U.S. caught 385 mt. The U.S. share of the quota increases in 2014 to 82 percent compared to 43 percent in 2013. As a result, under the 2014 TMGC recommendation of 400 mt, the U.S. quota would be 328 mt, which is nearly equal to the FY 2012 U.S. catch. We also made a preliminary estimate that, if the U.S. catches its entire FY 2013 quota share of 215 mt, and Canadian catches are similar to recent years, total 2013 catches would be 300-400 mt. Thus, we believe that a quota above 400 mt in 2014 would allow catches to increase compared to recent years.

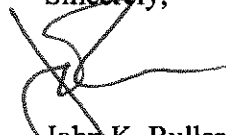
Based on these factors, we determined that 400 mt is the appropriate maximum level of GB yellowtail flounder catch for 2014 necessary to prevent overfishing, reduce catch consistent with TMGC and SSC advice, and provide stock growth. This determination was explained to the U.S. TMGC membership, and served as the basis for the TMGC agreeing to 400 mt as the 2014 shared quota. I want to also point out that, because the U.S. share increases dramatically in 2014, this catch level would provide a large increase to U.S. fishermen compared to this year's catch limit of 215 mt.

On September 17, the Council's Groundfish Oversight Committee (Committee) adopted a motion recommending the Council adopt 425 mt for 2014. This recommendation is not consistent with the TMGC recommendation and our determination that 400 mt is the maximum level that meets Magnuson-Stevens Act requirements, and is not wholly consistent with the TMGC and SSC advice. The Committee provided no additional information or justification in

support of 425 mt beyond stating it was a compromise between the agency's position and the TMGC minority supported 450 mt, and might provide for minor stock growth. I recently received a letter from the outgoing Council Chair strongly advocating that NMFS provide clear guidance when something is not approvable. This position was also reiterated by the Council's Executive Committee on September 3. We have provided this guidance, and hope the Council will understand that, based on the factors described in this letter, we cannot approve a FY 2014 catch level higher than 400 mt for GB yellowtail flounder.

I urge the Council to support the TMGC's recommendations for 2014. If you have any questions about the 2014 TMGC recommendations, or our guidance for GB yellowtail flounder, please do not hesitate to contact me.

Sincerely,



John K. Bullard
Regional Administrator

Cc: Dr. William A. Karp, Director, Northeast Fisheries Science Center
Thomas A. Nies, Executive Director, New England Fishery Management Council

