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## MEMORANDUM

## DATE: April 14, 2010

TO:
Council
FROM:
Skate PDT
SUBJECT: Skate wing possession limit options and TALs associated with an updated Skate ABC

Following the SSC approval of a revised Skate Allowable Biological Catch (ABC) using the fall 2008 survey data, the PDT met to consider the effects, if any, this change might have on the skate wing possession limit set by Amendment 3 and expected to become effective on May 1, 2010. The Amendment 3 skate wing possession limit of $1,900 \mathrm{lbs}$. was established to prevent the fishery from filling the TAL early in the fishing season and triggering accountability measures. This document describes the effect of the new skate $\operatorname{ABC}(41,080 \mathrm{mt})$ and updated skate discard estimates on skate TALs and presents a range of possible possession limits for the skate wing fishery. The skate bait possession limit of 20,000 lbs. whole wt. proposed in Amendment 3 is not being considered for adjustment at this time.

Amendment 3 includes several risk-averse strategies that reduce the probability that catch would exceed the ABC (for skates, $\mathrm{ABC}=\mathrm{ACL}$, equivalent to the median catch/biomass exploitation ratio), a limit chosen to help smooth and thorny skates to increase biomass and rebuild to the biomass target. These strategies include a $25 \%$ buffer between the ABC (a catch threshold) and the ACT (a catch target) that accounts for uncertainty. It also includes a mechanism to change future Total Allowable Landings (TAL) to account for changes in discarding as well as a TAL trigger to reduce the probability that landings would exceed the wing and bait fishery TALs.

The PDT evaluated various skate wing possession limits (in wing weight unless otherwise noted) that range from $2,600 \mathrm{lbs}$ to $5,000 \mathrm{lbs}$.. Each of these options has varying levels of risk that need to be considered. The methodology behind these options and the pros and cons of each are provided below and the expected impacts are summarized in Table 1 and Table 2. Please note the difference between the possession limit options and how they address regulatory discards. Additional regulatory discards are expected with the implementation of a reduced possession limit for skate wings. Explicitly accounting for a predicted increase in discards associated with a reduction in the possession limit requires the possession limit to be lower than would otherwise be required in order to ensure that the combination of expected landings and expected discards together do not exceed the TAL. A more traditional approach, as used in the monkfish fishery, is to establish a possession limit based on achieving $100 \%$ of the TAL. While this approach does not explicitly account for an increase in regulatory discards, it does provide the fishing industry with a higher probability of attaining the TAL. This strategy allows for a higher possession limit in that year; the accountability measures would be triggered if the actual landings are projected to greatly exceed the TAL. Any increase in regulatory discards that may be associated with the new possession limit
would be accounted for as part of the reduction from the ACT in the specification setting process implemented in Amendment 3.

The PDT also updated the skate wing fishery trip profile using 2009 dealer data and updated the discard rate estimate through 2008 using methods approved by the Data Poor Assessment Workshop. A preliminary estimate of the 2009 discard rate was calculated, but because the landings had not yet been assigned to area fished yet and December 2009 observer data was unavailable, the PDT decided not to use the 2009 discard estimate in setting the TAL at this time. Following the procedures approved by the SSC, the average 2006-2008 discard rate was applied to the ACL framework to determine the appropriate TAL (Table 3). Amendment 3 applied the average discard rate for 2005-2007 to set the TAL.

Table 1. Summary of skate wing possession limit options

| Possession Limit <br> (skate wing lbs.) | Estimated \% TAL <br> achieved | Mortality achieved <br> from 2009 landings | Risk of <br> exceeding ACL | Additional discards <br> accounted for in <br> possession limit |
| :---: | :---: | :---: | :---: | :---: |
| 2,600 | $80 \%$ | $31.1 \%$ | Very Low | Yes |
| 3,200 | $89 \%$ | $27.5 \%$ | Low | Yes |
| 4,100 | $100 \%$ | $23.0 \%$ | Moderate | No |
| $4,500-5,000$ | $104-109 \%$ | $19.1-21.2 \%$ | Moderate | No |

Table 2. Approaches to setting a skate wing possession limit considered by the PDT, with pros and cons of each.
$\left.\begin{array}{|l|l|l|l|}\hline \text { Option } & \text { Description } & \text { Pros } & \text { Cons } \\ \hline \text { 2,600 lbs. } & \begin{array}{l}\text { Set limit to achieve the } \\ \text { 80\% of the TAL trigger } \\ \text { and account for additional } \\ \text { discard mortality within } \\ \text { the 20\% TAL buffer } \\ \text { (proactive). }\end{array} & \begin{array}{l}\text { a. More likely to achieve } \\ \text { the intended mortality } \\ \text { reduction. } \\ \text { a. Provides additional } \\ \text { buffer against } \\ \text { exceeding the TAL. }\end{array} & \begin{array}{l}\text { a. Will not achieve the TAL } \\ \text { and would increase } \\ \text { discards due to the low } \\ \text { possession limit. }\end{array} \\ \hline \begin{array}{lll}\text { 3,200 lbs. } \\ \text { Method A }\end{array} & \begin{array}{l}\text { (Method in Amendment } \\ \text { 3) Set limit so that } \\ \text { expected landings account } \\ \text { for the additional discard } \\ \text { mortality created by a } \\ \text { possession limit within } \\ \text { the 9,209 skate wing } \\ \text { TAL. (front-loading } \\ \text { estimated additional } \\ \text { discards). }\end{array} & \begin{array}{l}\text { a. More conservative } \\ \text { approach in 2010 } \\ \text { (does not need to } \\ \text { account for additional } \\ \text { mortality caused by } \\ \text { the possession limit for } \\ \text { setting year 2 TAL). }\end{array} & \begin{array}{l}\text { a. Reduces likelihood for } \\ \text { wing fishery to reach the } \\ \text { TAL. } \\ \text { b. Achieves 89\% of the } \\ \text { TAL, which is higher } \\ \text { than the 80\% TAL } \\ \text { trigger but may not cause } \\ \text { a change in the } \\ \text { possession limit if }\end{array} \\ \text { landings appear unlikely } \\ \text { to reach the TAL. }\end{array}\right\}$

| Option | Description | Pros | Cons |
| :---: | :---: | :---: | :---: |
| 3,200 lbs. Method B | Reduce TAL to account for additional discards (proactive, but circular). This explicitly accounts for additional discards in setting the existing TAL. | a. Unlikely to cause a higher discard rate in future years that would reduce the discardadjusted TAL. | a. This approach is not allowed in the Amendment 3 ACL framework. <br> b. The SSC approved using the most recent three years to estimate a discard rate to be applied to the ACT and derive a TAL. |
| 4,100 lbs. | Set limit so that expected landings reach $100 \%$ of $9,209 \mathrm{mt}$ skate wing TAL. Rely on additional discards resulting from the possession limit to be captured in future discard estimates and appropriately applied to TALs if necessary (back loading additional discards; part of ACL framework to account for changes in discarding) | a. Higher possession limit would create fewer discards and result in better utilization of the resource (i.e. more of the TAL is likely to be landed) | a. Greater risk in exceeding the ABC due to unaccounted discards caused by possession limits. <br> b. More likely to cause the in-season 80\% TAL trigger to be met, reducing the skate possession limit to 500 lbs. of wings, potentially causing discards to increase depending on when the AM is tripped. <br> c. Foregoing opportunity to correct for higher discards in the current year (2010). |
| 4,500-5,000 lbs. | Set limit so that expected landings reach 104-109\% of 9,209 mt skate wing TAL. The method relies on additional discards resulting from the possession limit to be captured in future discard estimates and appropriately applied to TALs if necessary (back loading additional discards) | a.Would counteract effect the trip limit reduction triggered at the $80 \%$ TAL trigger. <br> b. High likelihood of achieving $100 \%$ of the TAL. <br> c. Would not cause as large an increase in regulatory discarding until the AM is triggered, reducing the skate possession limit to 500 lbs. | a. Would increase the risk of incidental possession limits being triggered and cause AMs to reduce the possession limit if the landings exceed the TAL. <br> b. Derby-style fishing behavior may result. |

In 2008, the data suggest that a greater fraction of total catch was converted from discards to landings and the discard rate declined from $58.9 \%$ to $53.7 \%$. Thus, if this rate continues, a greater fraction of the ABC can be allocated to the TAL rather than being set aside to account for discards. Preliminary 2009 discard estimates indicates a slight increase in the discard rate but this estimate is based on incomplete
information. If discards do increase, a greater fraction of the ACT will be allocated to discards in future specifications.

As a result of the higher ABC (using the fall 2008 survey data) and the lower estimated discard rate ( $53.7 \%$ ), applying the Amendment 3 TAL calculation gives an aggregate skate TAL of 14,277 mt (Table 3). This value is $46.9 \%$ higher than the $9,719 \mathrm{mt}$ TAL1 in Final Amendment 3 and $23.7 \%$ higher than the $11,544 \mathrm{mt}$ TAL that was used as the objective to set a $1,900 \mathrm{lb}$. skate wing possession limit for Alternative 3B in the draft amendment. Accounting for a 3\% set aside to account for state water fisheries and allocating $66.5 \%$ of the TAL to the wing fishery2, the skate wing fishery TAL would be $9,209 \mathrm{mt}$, which is $27.5 \%$ less than the $12,706 \mathrm{mt}$ of skate wing landings so far reported in calendar year 2009.

Table 3. Effect of landings and discard rate on aggregate skate total allowable landings (TAL) with a Skate ABC of 41,080 mt.

| Years | Average landings | Average dead <br> discards | Discard rate | TAL |
| :---: | :---: | :---: | :---: | :---: |
| $2005-2007^{3}$ | 15,170 | 21,697 | $58.9 \%$ | 12,638 |
| $2006-2008$ | 17,200 | 19,918 | $53.7 \%$ | 14,277 |
| $2007-2009^{4}$ | 18,104 | 21,399 | $54.2 \%$ | 14,120 |

A comparison of landings and catch with the revised ABC and TAL is shown in Figure 1. Catch in 2008 was between the ACT and the ABC. Since 2006, skate landings were considerably above the proposed TAL (by $27.5 \%$ in 2009). If the mortality associated with landings is reduced to the TAL, the total catch would approximate the ACT if the discard rate does not change. Preliminary 2009 discard estimates increased from 2008, however, resulting in a total catch was very close to the ABC threshold (Figure 1).

[^0]Figure 1. Historic landings and estimated discards vs. trend in Skate ABCs calculated using the three-year moving average biomass index and the median catch/biomass ratio.


Taking the same approach as in Amendment 3 which implicitly accounted for additional discards that result from a skate wing possession limit, the new estimate to achieve a landing mortality reduction of $27.5 \%$ (equivalent to $14,277 \mathrm{mt}$ TAL) is $3,200 \mathrm{lbs}$. per trip (Table 4). If the additional discards are not taken into account in the current TAL or in the method for estimating a reduction in fishing mortality resulting from lower landings, then a $4,100 \mathrm{lbs}$. skate wing possession limit would allow the fishery to achieve $100 \%$ of the $14,277 \mathrm{mt} \mathrm{TAL}$, but would probably ensure that the $80 \%$ TAL trigger would be met and a 500 lbs . possession limit might be invoked mid-season ${ }^{5}$. Higher possession limits (e.g. those set to overshoot the TAL) could also have the desired effect but could increase the risk that derby style fishing effects (higher cost fishing, lower prices) could occur and possibly result in a longer in-season closure from the $80 \%$ TAL trigger. The additional discards that were not taken into account could also increase the risk that discards would be substantially higher, exceed the ABC, and trigger a post-hoc accountability change to increase the $25 \%$ buffer, although such an event would require a considerable increase in the catch after landings had been reduced by $27.5 \%$. Triggering a change to the incidental possession limit ( 500 lbs . of wings) would itself contribute to an increase in discards (up to $7 \%$ of the total catch, Table 4).

[^1]Table 4. Affected number of vessels and trips landing skates with total revenue at various skate wing possession limit options, based on 2009 landing characteristics reported by dealers. The revised TAL is $27.5 \%$ less than preliminary 2009 landings. These possession limits exceed the range of options recommended by the PDT, but are included for information and illustration across a wide potential range.

| Skate wing possession limit option | Percent morality reduction | Additional discard rate (\% total catch) | Number of vessels | Trips | Gross annual revenue (millions) | Net revenue (millions) | Gross annual revenue from skate wings (millions) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 500 | 50.7\% | 7.0\% | 288 | 2,831 | \$23.5 | \$16.5 | \$0.9 |
| 1,900 | 36.0\% | 4.1\% | 178 | 1,360 | \$32.6 | \$22.6 | \$2.1 |
| 2,600 | 31.1\% | 3.3\% | 149 | 1,083 | \$34.6 | \$24.0 | \$2.4 |
| 3,200 | 27.5\% | 2.7\% | 130 | 930 | \$35.8 | \$24.8 | \$2.7 |
| 3,600 | 25.4\% | 2.4\% | 124 | 837 | \$36.5 | \$25.3 | \$2.8 |
| 4,100 | 23.0\% | 2.1\% | 116 | 756 | \$37.3 | \$25.8 | \$3.0 |
| 5,000 | 19.1\% | 1.6\% | 95 | 606 | \$38.3 | \$26.5 | \$3.3 |
| 10,000 | 7.5\% | 0.5\% | 42 | 179 | \$40.9 | \$28.3 | \$4.0 |
| All skate trips |  |  | 465 | 7,933 | \$41.9 | \$29.0 | \$4.4 |

Future changes in specifications would explicitly take the additional discards into account and future possession limit calculations would not need to internally account for this source of mortality, since the additional discards will then have been estimated and deducted from the ACT. Possession limits might need to be reconsidered however if unaccounted discard mortality results in a lower TAL in future specifications. Increasing reliance on possession limits to achieve mortality goals has the potential to create a negative feedback loop that continually reduces the TAL, while continually increasing regulatory discards.

Higher possession limits and TALs reduce the probability of increasing the biomass of overfished smooth and thorny skates, because at this time it is not possible to directly prevent catch of these species. Landings of smooth and thorny skates are prohibited and therefore do not appreciably contribute to commercial landings. If Amendment 3 regulations result in fewer trips that target and/or discard skates, it may cause biomass of smooth and thorny skates to increase if it results in a catch/biomass exploitation ratio for these species that is below the historic median value. The unknown question is whether keeping catch below a higher aggregate ABC will also reduce catch for smooth and thorny skates.

Higher possession limits would of course affect fewer vessels and trips landing skates. A greater fraction of trips longer than 24 hours and a greater fraction of vessels that depend on skates as a source of annual revenue are affected with a skate wing possession limit, whether the skate wing possession limit is low (1,900 lbs.), medium ( $3,200 \mathrm{lbs}$.), or high ( $4,100 \mathrm{lbs}$.) (Table 5, Table 6, and Table 7). Comparisons can be made between these tables to examine how the range of possession limit options affects different classes of vessels and trips.

Although the $83 \%$ of trips landing skates are unaffected by a skate wing possession limit as low as 1,900 lbs. (Table 4), the effects of a possession limit will depend on how the fishery responds to the new regulations. All of the possession limit options assume that the trip frequency and landings per trip in 2010 will be the same as they were before the regulations take effect. If the number of trips landing skates declines in 2010 (due to skate and other related fishery regulations), these possession limits will be too conservative. On the other hand, if the number of trips increases in 2010 (such as vessels taking more frequent trips in response to lower possession limits or higher skate prices) then the possession limit
options will be too liberal. At a 500 lbs . wing limit, the analysis indicates that 2,831 or $36 \%$ of trips would be affected. The number of vessels and trips landings greater than $10,000 \mathrm{lbs}$. represents the smallest proportion of the fishery; however, the impact of these possession limits on the 42 vessels cannot be discounted.

Table 5. Skate trip diagnostics and effects of a 1,900 skate wing possession limit on 2009 trips landings skate wings according to dealer reports. Prices are adjusted to dollars per whole pound.


Table 6. Skate trip diagnostics and effects of a 3,200 skate wing possession limit on 2009 trips landings skate wings according to dealer reports. Prices are adjusted to dollars per whole pound.


Table 7. Skate trip diagnostics and effects of a 4,100 skate wing possession limit on 2009 trips landings skate wings according to dealer reports. Prices are adjusted to dollars per whole pound.



[^0]:    ${ }^{1}$ Including a 3\% set aside to account for skate landings from state waters fisheries.
    ${ }^{2}$ This allocation was established by Amendment 3.
    ${ }^{3}$ Discard rate used in Final Amendment 3.
    ${ }^{4} 2009$ data are preliminary, do not include December 2009 observed discards, and the discard estimate is not stratified by region.

[^1]:    ${ }^{5}$ The Amendment 3 regulations would give the Regional Administrator authority to reduce the skate possession limit to 500 lbs . of wings or 1135 lbs . of whole skates if the wing landings have reached the $80 \%$ trigger and it appears that without such action the wing fishery will exceed the TAL.

