



Mid-Atlantic Fishery Management Council
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MEMORANDUM

Date: June 6, 2020
To: MSB Committee
From: J. Didden
Subject: April 29, 2020 MSB Committee Summary and Follow-Up

The Mackerel, Squid, and Butterfish (MSB) Committee met to make recommendations regarding the MSB FMP Goals/Objectives and *Illex* Permits Amendment. The Committee did not make final recommendations, but did discuss various aspects of the action and requested development of several additional options/analyses. All Committee members were able to attend except for LCDR David Stutt. NMFS' Greater Atlantic Regional Fisheries Office (GARFO) was represented by Emily Gilbert. A complete list of attendees is available by contacting Council staff.

Potential modifications to the *Illex* quota for 2020/2021 may be relevant, and are detailed in materials for the June 2020 Council at <https://www.mafmc.org/briefing/june-2020>. In summary, potential 2020/2021 changes might represent at most about a 5% increase relative to 2019 landings (which exceeded the 2019 quota by about 10%). At the rate of landings experienced in 2019 before the fishery closed, this might represent 2-3 days of extra fishing.

The Committee spent considerable time fine-tuning the action's problem statement and addressing GARFO's concern about how decision making aligns with the proposed updated goals and objectives, as well as relevant National Standards (NS).

Points included:

Staff reviewed that the document highlights the primary "concern" (i.e. problem) that recent and/or future activation of latent effort/permits could exacerbate a race to fish and associated negative outcomes.

In addition to this, the Committee noted that increased entry/participation risks gear conflicts, as raised in public comments, both from commercial and recreational perspectives. Addressing gear conflicts is part of NS 6. GARFO was requested to follow-up regarding the applicability of considering gear conflicts and report back if gear conflicts were not viable as part of the rationale for decision-making.

The negative effects to historically dependent communities from early closures and a shortened season were highlighted.

Overcrowding in the relatively small fishery area (between coral protection areas and other restricted gear areas inshore), especially in the southern area was also discussed.

Concerns about bycatch were also raised, noting that the FMAT found that in the month of May for 2017-2019 bycatch appeared higher than the overall discard rate for that time period.

Also related to early closures, there could be displacement of the historical fleet, which has said they (including large vessels) will be forced inshore into the summer longfin squid fishery by continued early *Illex* closures. There's an inability to freeze the footprint of participants at the currently-permitted fleet size. NS4 notes that transfer of effort and impact on other fisheries should be considered.

Operational flexibility considerations tie some of the above problems to the proposed FMP goals and objectives – a number of vessels in the fishery do not have operational flexibility to participate in other fisheries once *Illex* closes, while the more recently-entering vessels have more operational flexibility based on their historical revenues. Extending the season improves operational flexibility for the historical participants.

There was discussion that the goals and objectives can be modified but new ones can't be added without going out for additional public comment. The Council's actions need to be made in the context of the goals and objectives and National Standards.

It was discussed that under Goal 2 the needs of various sectors and concerns is an objective, and this also ties to NS 8 and communities - to provide for sustained participation of communities and avoid adverse impacts. Analyses already highlight the dependence of N. Kingston and Cape May, and guidance requires taking the importance of fisheries to fishing communities, and favors alternatives that, all else being equal, provide for the more sustainable participation of and avoids adverse impacts on such communities. While the two industry proposals are similar in some ways, the impacts on dependent fishing communities with sustained participation varies.

The Committee requested additional information of the prevalence of unclassified (by species) squid landings.

The following motion was made regarding the type of landings used for qualification – the FMAT did re-run the qualification estimates with live weight (see below), and only one vessel was affected.

I move that any consideration made of vessel qualification criteria be based on live weight, not landed weight.

Reid/Nolan 10, 2 abstentions, Motion Passes

The following motion passed regarding participants who made investments around the 2013 control date:

I move to recommend that a vessel is eligible for a Tier 1 permit if it purchased a refrigerated seawater system, plate freezing system or blast freezer and had it installed between January 1, 2012 through the control date of August 2, 2013, AND landed a minimum of 200,000 lbs of *Illex* in the 2013 fishing year, ending December 31, 2013. This would be paired with the Tier 1 qualifier in options #4 or #5.

Bolen/Nolan 11-0-1

It is anticipated that this would only add 1-2 vessels into Tier 1, but cannot be directly estimated given the proposed criteria and the available landings information.

The following motion passed regarding the alternatives:

I move to recommend to accept the staff's recommendation on simplifying the alternatives to the two bookends and the two tier options from public comments as modified today and no action. An appendix would track the number of qualifiers in the original calculations and after the switch to live pounds.

Nolan/Bolen 12/0/0

The resulting alternatives would be (requalifiers based on live pounds):

#1. No action. (75 Permits)

#2. 51 requalifiers: 1997-2019 @ 50 K pounds (no Tiering)

#3. 13 requalifiers: 1997-2013 **plus** 2014-2019 w/1,000,000 pounds **each** (no Tiering)

#4. 35 requalifiers: Tier 1 - 1997-2013 @ 500 K pounds

13 requalifiers: Tier 2 - 1997-2018 @ 100 K pounds (48K trip limit)

02 requalifiers: Tier 3 - 1997-2018 @ 50 K pounds (20K trip limit)

25 of 75 permits would not requalify for any Tier

#5. 42 requalifiers: Tier 1 - 1997-2013 @ 500 K pounds **OR** 2014-2019 @ 1 M pounds

07 requalifiers: Tier 2 - 1997-2019 @ 100 K pounds (90K trip limit)

02 requalifiers: Tier 3 - 1997-2019 @ 50 K pounds (47K trip limit)

24 of 75 permits would not requalify for any Tier

Changing the qualification to live pounds appears to have only moved one vessel from Tier 2 to Tier 1. GARFO staff is creating dependence boxplots, revenue source, and permit figures (like in the public hearing document) for options #4 and #5. It is hoped they will be ready to share during the Committee Meeting.

The Committee requested by unanimous consent for staff/FMAT to develop an option for a trip limit system that allowed trip limits to scale with quotas, and for the trip limits to be originally based on either the median or 75th percentile of recent trips by vessels in Tier 2. The original discussion was to apply a ratio-based model/formula, but review of the math involved indicated that having the trip limit simply scale directly with any quota changes is the same mathematically. So all the Committee/Council would need to do is clarify in an alternative that any initially-identified trip limits would scale proportionately with the quota (and identify the base quota year). So if the quota went up 5% from the base year, the trip limit would also go up 5%.

In terms of the median and 75th percentile of recent trips over 10,000 pounds for recalculated potential Tier 2 vessels (recall Tier 3 vessels were not active recently), the following tables describe potential trip limits and how these Tier 2 vessels might be affected.

#4 (2013) 2017-2019 Trips Tier 2 - 13 Vessels, 251 Trips Above 10,000 Pounds					
Trip Size Percentile	Pounds	% Illex Landings Lost if all trips held to these amounts.	% of all revenues represented by ALL Illex	Approximate Total Revenue Affected	Average Total Revenues Per Vessel Per Year
Median Trip Size	62,144	17%	15%	3%	\$1.1 Million
75th Percentile	77,723	9%		1%	
Proposal	48,000	31%		5%	

#5 2017-2019 Trips Tier 2 - 7 Vessels, 71 Trips Above 10,000 Pounds					
Trip Size Percentile	Pounds	% Illex Landings Lost if all trips held to these amounts.	% of all revenues represented by ALL Illex	Approximate Total Revenue Affected	Average Total Revenues Per Vessel Per Year
Median Trip Size	59,802	11%	9%	1%	\$1.1 Million
75th Percentile	72,103	3%		0%	

There were 4 trips between 90,000 pounds and 100,000 pounds from 2017-2019 for the #5 option, so the proposed 90,000-pound trip limit would not appear substantially constraining. The FMAT noted that the above trip analyses assumes all trips still occurred, and some may not have occurred especially at lower trip limits.

There was a public request to the FMAT to consider years before 2017 for the calculation of the median and 75th percentile, but since there are few trips from earlier years for these vessels and there didn't seem to be a clear indication from the Committee to not use 2017-2019, these analyses still use 2017-2019. The Committee/Council could direct staff differently if desired. Staff notes that extending to earlier years may erode the case that present participation is being taken into account, as required per the MSA. Only looking at trips above the 10,000 pound incidental trip limit level also increases the median/75th percentile trip identification, but staff's understanding is that the concern is to account for directed trips, and the smaller trips by these vessels made up about 2% of their *Illex* landings.

The Committee developed the following recommendations to Council leadership (this was communicated to Council Leadership immediately after the meeting) regarding timing issues:

1. Committee meets again before final action.
2. For *Illex* final action to be on the June agenda unless staff can not complete the analysis in time.
3. If June not appropriate, then prior to installation of new Council Members.

All 12 Committee members indicated support with no opposition.

The action’s FMAT met on May 18, 2020 to address additional follow-up from the Committee meeting.

The FMAT noted that the SSC’s increase to the *Illex* ABC would not have a substantial impact on quotas relative to 2019 landings because 2019 landings were over the quota and were probably pretty close to what a new quota might be.

Staff noted plans to look at activity 2017-2019 and “pin” any trips above proposed trip limits to the trip limit to see what loss might be for revenue and put into context of total revenues (see table above). Some vessels are more impacted than others – staff will add that prior to final action.

The FMAT discussed updating Table 5 from the public hearing document with similar timeframes as Table 4 (2011-2013, 2014-2016, 2017-2019) to see if ports’ shares of landings by weight changes over time:

PORT	% Landings 2011-2013	PORT	% Landings 2014-2016	PORT	% Landings 2017-2019
Cape May, NJ	53%	North Kingston, RI	62%	Cape May, NJ	45%
North Kingston, RI	40%	Cape May, NJ	33%	North Kingston, RI	26%
Hampton, VA	3%	Hampton, VA	3%	Pt. Judith, RI	12%
Pt. Judith, RI	2%	Pt. Judith, RI	2%	New Bedford, MA	11%
Wanchese, NC	2%	New Bedford, MA	0%	Hampton, VA	3%
Other	0%	Other	0%	Gloucester, MA	2%
				Other	0%

There was a request from the public to look at state-by-state annual performance. A similar request was made directly to GARFO, and the results were included as public comments for the June 8 Committee meeting.

The FMAT has been looking at ways to expand efficiency concepts and staff will summarize those efforts during the meeting. In general the analyses are indicating there is substantial overcapacity even just considering the 30 vessels most active in 2019 (30 vessels made up 98% of total 2019 landings by each accounting for at least 0.5% of 2019 landings).

There has been lively FMAT discussion regarding the overall usefulness of this action. On one hand since the measures under consideration do not reduce permits drastically enough to get to a capacity that would be considered more “efficient,” there is questioning regarding the overall

usefulness of any of the proposed actions. On the other hand, additional capacity entering an already over-capitalized fishery should further decrease efficiency and add to the difficulty of managing this fishery effectively now (note recent quota overages), as well as complicating any future actions to address capacity/efficiency. If additional capacity enters (depressing efficiency further) and the Council decided to pursue another action regarding capacity/efficiency, accumulating overcapacity may complicate how to fairly assign related fishing privileges.