



**Summary of the Atlantic Surfclam and Ocean Quahog (SCOQ)
Advisory Panel Meeting and
SCOQ Committee Meeting - September 17, 2019**

To review

SCOQ Catch Share Program Review – Next Steps

The Mid-Atlantic Fishery Management Council's (Council) SCOQ AP and SCOQ Committee held separate meetings on Tuesday, September 17, 2019 to review and provide comments on the Fishery Management Action Team's (FMAT) technical recommendations to address potential actions from the Catch Share Program Review conducted by Northern Economic, Inc. The input from the AP and Committee will be provided to the Council's Executive Committee at the October 2019 Council meeting, when the Council discusses its 2020 Implementation Plan. The following provides a summary of common themes provided during those meetings.

AP Meeting (morning session)

AP Members: Thomas Alspach, Tom Dameron, Michael Ferrigno (listen-only webinar), Howard King, Jeffrey Pike, David Wallace. Staff: Jessica Coakley, José Montañez.

Others: Doug Potts, Peter deFur, Peter Hughes, Daniel LaVecchia, Mike Ruccio (listen-only webinar).

Jessica Coakley presented a summary of the FMAT recommendations and reviewed the Actions Summary Matrix. The AP provided the following comments regarding the four general topics/issues that were discussed.

1) Discards - Evaluate the possibility of using electronic monitoring to assess discards (co-mingling) in these fisheries

- It was asked: what is the connection between the evaluation of the catch shares program review and discards? Discards would occur regardless the catch share program or not. Could you connect the dots for me? Staff responded: As part of the catch share program review, one of the emerging issues that was raised by the industry in particular was the shifting in the clam distribution and this commingling issue as something of concern. The oversight team flagged this as an issue/area that may need work (in the memo to the Council in June). Industry has indicated that this is a problem given current fishing regulations (i.e., industry cannot currently land both surfclams and ocean quahogs on the same trip) and they have raised this issue directly with the Council and GARFO.

This is how this ended up folded into the list of potential issue for Council consideration because.

- This is really a commingling issue and not a discard issue. However, if you do not have quota for one of the two species and land both species (surfclams and ocean quahogs) because of the commingling, then you may end up discarding, but you cannot be blamed for that. Another item that is included in the catch share program review discussion is that there could be of surfclams discards in ocean quahog trips and vice versa.
- Maybe the name of this topic needs to be reworked. As this is really a commingling issue and not a discards issue.
- Staff indicated that if the Council we were to move on, to address this issue, using a white paper or amendment, we could find a more articulate way to describe/title of this issue. The discard/commingling issue was bundle by the oversight team for simplicity.

2) Improved Social and Economic Data Collection

Crew permit or registry

- Question: Is the information needed regarding employment for the boats only? Bumble Bee owns ocean quahog quota and a large percentage of the workers in our factories are minorities, which is an important component of the overall fishery per se. So, I think it should be expanded to include perhaps information about the processors that process the clams harvested through ITQs. Staff responded: In the past, at some point, there were mandatory processors reports which were held at headquarters (national processors surveys). Then, they were made voluntary. We used to collect processor's information on things like employment, etc. But this is now voluntary and not well reported. Here we are addressing the crew piece but it could be expanded to include processors employment as well.
- Disagree with the crew permit idea/issue. Because, it could be revocable by enforcement should the crew do something wrong; and we may have less access to workers as some people may not want to go through a permitting process in order to be on a boat. A registry may be different and perhaps ok to have. This should become the burden of the vessel owner. There is a different demographic component when it comes to the crew members in the clam fisheries and you may have a hard time with that type of registry collecting accurate information. Going through the employer, say at the end of the year, would likely produce better results. Staff responded: for example, the Council and other Committees have asked for this type of employment information as it is important to better assess fishery management impacts. We may need to have the flexibility to craft to specific fisheries, but in all, this information is needed. Also, regarding crew members, we know that some crew members move across different fishing fleets, and this is not captured at all. So, we know that crew members move around and this makes intercept surveys harder to conduct. Therefore, intercept surveys are difficult to implement given these dynamics. Having an understanding of the boundary of the universe of people that we need to survey (through a crew permit registry) would assist in the collection of relevant information (via surveys) to conduct more robust analysis in terms of economic and social impacts of future changes in fisheries management/regulations.

- What is the purpose of knowing who the crew members are? Is tracking people the right thing to do? Do we even ask their age when they come to work for us? So, why do we need to ask their age? Is the purpose of this to track what they do? I disagree with collecting this information directly from the crew members. The boat owners could provide canvass information once a year if needed. Staff responded: the information that could be gathered is general demographic information (e.g., age range) and not intended to be tracking people's moves. For example, one of the most frequently asked pieces of information by members of Congress, constituents, and other groups as well is employment. When they are proposing to build windfarms for example, they want to know how many people could potentially be impacted. Lastly, understanding the universe of people participating in the fisheries could also enhance future collection of social information that would help the Council better assess crew members attitudes towards specific fisheries management regulations.
- General information could be collected to help, but dockside surveys/personal interviews could be less costly and work well.

Fixed cost/variable costs

- Regarding the collection of information on fixed/variable cost, there are a lot some pretty substantial hurdles due to the potential time required to provide the information. Also, collection this information on a trip basis would be challenging. For example, we have a boat that has a 24,000 gallon fuel tank. We refuel this boat every few weeks and use the boat to conduct multiple fishing trips during that two week period. It is very difficult to assess fuel costs on a per trip bases for all those trips. In the clam fishery, collecting cost information on a trip by trip basis may be difficult. Perhaps, annualizing these cost would be better for the clam fisheries. Staff responded: no specific approach to collect this type of information has been presented. Specifics will be developed in the future if needed. This is needed for multiple fisheries throughout the region, so more work would be needed to assess specifics.
- Because clam boats run two to three trips per week throughout the year. You need to consider collecting information annualized. This would provide good cost averages. Collecting this information for short time periods (trip-by-trip basis) will not work due to difficult logistics. Also, engine replacement, clam dredge gear, etc. need to be annualized. Collecting this information weekly, or on a trip-by-trip basis will not be accurate.
- Staff indicated that if the Council goes through the process of addressing this issue through an amendment, industry input will be solicited on the potential costs information to be collected through its normal amendment process and we will work with the APs, FMAT, Committees, etc.
- Staff indicated that NMFS published a technical document that summarizes all the fixed/variable costs information collected throughout the country. If the Council decides to address this issue in the future, we will make sure that this information is used when developing cost information needed to avoid unnecessary burdens to the industry.

3) Decline in Independent Operators & Barriers to New Entry (these two areas are inter-related)

- From time to time, I remind myself that it has been an entire generation since Amendment 8 was first implemented. I would imagine that most people in the Council and Committee may not even remember that the purpose of Amendment 8 was to encourage and promote a decline in independent operators. That was the purpose of the ITQ program. It strikes me as ironic to say the least that now we are concerned with how we get these independent operators back into the industry. Specially, after creating a structure to allow them to exit the fishery and easing the pain during this transition process (by allowing them to take their value of their ITQs).
- It is a significant, huge undertaking to figure all of this out. My company has gone to vessel operators in other fisheries and asked them to come to work for us and they will not touch our propositions with a ten foot pole. If you look at what is coming down the pipeline in terms of wind energy development and the amount of ocean that we may lose because of that development. Many operators would not consider investing capital to enter the clam fishery because of the risks and unknowns surrounding this industry. Also, younger generations value quality of life above a paycheck and do not want to get into this fishery as it requires a lot of sacrifices to take on the life of a fishermen. This is a multifaceted complex problem because of the industrial nature of the fishery. All of these issue complicate things and we wonder where the new entrants will come from. Every industry representative here understands that there is extra quota out there for us to harvest and we try to create additional market to use the excess quota. We are the experts and have the knowledge of how this industry operates. And to think that a new entrants without any knowledge of the industrial fishery can just come in and figure this out and take advantage of the slack in the market is difficult. The risk/reward incentives are not there. My company would love to see new entrants in this market, if you have a 60 cage surfclam boat or a 60 cage ocean quahog boat, and you want to fish for us, we will sign a contract with you tomorrow. But those people are not out there to make a \$5 million investment on a new boat and come to Surfside and say we would like to fish for you.
- Question: The idea here is to basically make a white paper that would address moving this into a bigger further process? Because, I agree with the prior comments, the barriers of entries are a multiple levels due to the complexity of the business. So, when you say that this is a “moderate task” you are referring to the development of the white paper per se and not the complexity of the issue? That could be a major task in the future? Staff responded: Yes, the moderate amount of work needed is in the drafting of the white paper. So, if we get some teams together to draft the specific things/issues that we have been discussing in a white paper (e.g., water quality discard issue in the processing sector, harvesting constraints (gear needs, etc.), put all of these information regarding barriers of entry together and package it up for the Council to have a conversation. The FMAT also discussed framing the barriers of entry in the clam fisheries in the context other industrial fisheries in the region or around the country (that may also have or be facing similar barriers of entry) like the Atlantic herring fishery. The white paper will identify those points that represent barriers of entry or challenges for entry in the harvesting and processing components of the fisheries. Again, this task is moderate because it is just about identifying those barriers of entry versus doing

something to address them. The task of doing something in the future to address barriers of entry could range from moderate to extremely difficult.

- Unless this issue is a requirement, you may want to leave this alone. Because this is a documents that is going to create an enormous amount of debate in regards of who is putting this white paper together. Similar to the debate that we are having in regard to the excessive shares alternatives. Industry was not brought into the process/economic analysis of developing the Excessive Shares Amendment. If industry is not involved in developing this white paper, it would be extremely broad and highly speculative.
- The clam industry is an industrial business. It has maybe one mom-and-pop business that were started in New Bedford because they had three boats that fished on Nantucket Shoals. This is a rudimentary function and is an anomaly. The fact of the matter is that clams have moved offshore and the high production areas in New England have been closed by the Habitat Amendment. So, this creates problems for small clam boat operators. Those small boat operators cannot move offshore to Georges Bank because their boats are too small and the testing regulations by the FDA are such that they cannot afford the testing because they cannot not do the high volume required to afford the testing cost. Small boats are not equipped to travel the long distances required to fish on Georges Bank. The fishery has turned into an offshore fishery; it used to be an inshore day boat fishery. The fishery requires large investments to buy large capable boats and processing facilities. We invested capital into the fishery over a long time period. New entrants would have to invest needed capital all at once in order to be competitive. The investments would have to be very large, like in the menhaden fishery (i.e., large boats and processing plants to handle the harvest). You would need investments of hundreds of millions of dollars to enter the industrial fishery if you started from scratch. The end result of the white paper would be a significant documents describing the barriers of entry at multiple levels in the business for an industry that is highly regulated fishery by the EPA , FDA, NMFS, and other regulatory entities.
- Do not mind helping out with information that could be used to develop a white paper. But what is the objective of this task? How could you help us? Will the NMFS be able to help us? How can we train new captains and mates? There is no school for that. What are we going to do with all the information that is collected and the white paper? If the FMAT specifically indicates what the goal of developing the white paper is, then we can be more receptive to helping. How can we incentivize new people to enter the fishery? Could the NMFS help with this not a regulatory issue? The people working in the industry are again, how can you help incentivizing people to enter the fishery? Cannot even put our fishermen in our processing plant 401K plan due to the Jones Act. So, when this white paper is done, how can you help us? You are regulating us but we need your help too to help maintain the clam industry in years to come. It is all about the boats, the processing plants, and the people that work in the industry. So, where can the NMFS/Council help? We know what the problems are, so collecting additional data without a plan to help the industry is useless. Staff response: Along those lines, one of our social scientists (on the FMAT) indicated that it is important to highlight those issues that we have been discussing today. It was highlighted that there is a program somewhere in New England from an NGO that was working through getting fishermen to obtain their operators permit through training (or something similar). This was discussed when the FMAT briefly discussed the impediments for getting new people to

participate in the fishery. Also discussed occupational barriers like getting health insurance. So, having a conversation to discuss occupational barriers would further our understanding on these issues. The Council may not be able to do anything to help to overcome specific barriers that are identified but NMFS or other agencies may be able to potentially help address.

- Congress has been working on the Young Fishermen Development Act for 3 years and it is out of the senate commerce committee and it looks like it will be out of the house this year. It is a small grant program (\$ 2 million/year) that would be given to fishing organizations, Rutgers University, etc., and the idea is to help young people get into the industry. This is modeled to the Alaskan project. This specific project is very promising. But to get to this issue, the first part of the sentence in the first column (in the Actions Summary Matrix) says regarding this issue “If independent participation in the harvesting sector is important,” I don’t know if this is important or not. Perhaps a way to address this is by doing a visioning paper or a visioning statement (we have done this on a couple of fisheries throughout the country) of what we want the industry to look like in the future before we state that we do want/we don’t want independent participation in the harvesting sector.
- Regarding operator permits, there are zero requirements to receive an operator permit. Everyone at this table could send an application in and get an operators permit as long as you don’t have any criminal records against you. However, for operators of vessels over 200 GRT, you need to complete a 7 step seamanship courses to get the master in charge of a vessel. There are not requirements for vessels less than 200 GRT.

4) Imbalance Between Annual Catch Limits and Harvest

- This is a solution looking for a problem. The imbalance between the quota and landings is a problem that has not been well defined for us. By addressing this we are looking for a problem that does not exist. If this is an issue, we would like to know why.
- This is another effort to resurrect alternatives 5 and 6 of the excessive shares amendment if those are not adopted by the Council. This has been a highly controversial topic under the excessive shares amendment. The imbalance between the quota and landings is not an issue to the clam industry and has only been reported as a problem/issue by two anonymous emails/letters that were submitted to the Council. SCOQ ITQ holders have not reported that this is an issue.
- We own all of our quota and could not function if you set the quota to market needs. This will make us close our processing plant. There has never been sufficient analysis or reasons provided to show that this is a problem This is not a sustainability issue. Aligning the quota with industry needs cannot be based on economic factors.
- Lowering the quota to meet the harvest levels does not make sense. We should be looking at the opposite; we should be looking to expand markets / sell more clam and not to reduce the quota. Setting the quota to market need is counterintuitive. As soon as an idea like this hits the trade magazines (quota reduction), the large buyers would reduce their orders to the industry as look for substitute items to meet their needs.
- Large buyers of clam products are starting to take a look at this issue and this is starting to affect our industry. Forecasting is a big part of how these big companies do business

and if there is an issue with quota reductions in the future, that would affect our business. Kicking the tire on this issue is not good for us. The sustainability officers for those large clam buying companies are looking closely at this issue and this could end up hurting us.

- This is not a terrible important issue right now. Where does the notion of aligning the quota with market supply comes from? This is not a requirements of the MSA or found in any regulations.

Committee Meeting (afternoon session)

Committee Members: Peter deFur, Peter Hughes, Maureen Davidson, Sonny Gwin, Stew Michels, Doug Potts (designee: Pentony), Mike Ruccio (listen-only webinar). Staff: Jessica Coakley, José Montañez.

Others: Mike Luisi, Thomas Alspach, Tom Dameron, Howard King, Jeffrey Pike, David Wallace, Daniel LaVecchia, Michael Ferrigno (listen-only webinar), Dave Frulla.

Jessica Coakley presented a summary of the FMAT recommendations and reviewed the Actions Summary Matrix. In addition, the input provided by the AP during the morning meeting was presented to the Committee. The Committee provided the following comments regarding the various topics/issues that were discussed.

Peter deFur/Jessica Coakley – as we indicated, this is a regulatory issue. Industry cannot currently land both species on the same trip. On a quahog trip you need to have all quahog cages tag individually (with a quahog cage tag) and on a surfclam trip you need to have all cages tag individually (with a surfclam cage tag). So, it is an enforcement issue if you have both species on the same trip. There are ocean quahogs discarded in surfclam trips and vice versa. In addition, processors do not want to process both species simultaneously (at the same time) due to processing logistics. In addition, sorting clams on the boat also presents logistical challenges. Industry has asked GARFO for a solution to this issue, but this has not yet been identified.

Going to provide a quick comment to help the Committee's understanding on this issue. At the FMAT meeting we discussed that we do not have a good handle on the extent of the commingling problem. What are the geographic areas where this commingling problem is occurring? How intense is the overlap? We need this information to better assess how to proceed. Industry has indicated that they are willing to help map the area where this issue is a concern. GARFO has also indicated that they could look into issuing EFP and work with industry to better map the extent of the commingling issue.

Is the industry asking to land both species at the same time? Are they interested in that? Response: they have asked this question before; this is a regulatory issue. At the present time, 1 clam on the wrong species in one cage is not allowed. NMFS has indicated that not following those regulations is not possible at the present time.

An AP member offered the following input: this was raised from the industry perspective with regards to the concern that if you land one quahog in a surfclam cage, it is considered a violation (and vice versa). Unfortunately, there are a lot of unprosecuted violations going on because we are having this problem. We did not intend to come to the Council to ask it to find a way to help the industry deal with the processing aspects/issue associated with commingling. Because these are issues that can be addressed/solved by industry. What we are interested is in a regulatory relief so that if an enforcement regime is initiated, we do not suddenly get dozens and dozens of violations because you are finding the occasional surfclam in an ocean quahog cage or vice versa. Some type of exemption could be used to achieve this issue. We are not asking the council to help us with how to process clams that are brought into our processing plants. We are asking for help so we do not get tag for violations, simply because a handful of surfclams can be found in an ocean quahog cage. Staff responded: in order to highlight part of the broader discussion, the talks we have had with the FMAT and GARFO is that just saying it is OK to have some quahogs mixed in a surfclam cage at face may addresses the enforcement issue, it does not address the catch accounting issues and stock assessment issues. First, these animals are landed in huge cages that are lifted with cranes; enforcement is not going to dump every cage on a vessel and count how many quahogs are mixed in the clam cages. Right now, you report x number of surfclam or ocean quahog cages landed. Allowing for mixing of both species in the same cage would not tell us if you have 10% or 20% of mixing, with climate change the commingling distribution may change from clam bed to clam bed. Maybe there is a 30% mixture in one bed and 5% mixture in another bed. All of this catch has to be accounted somehow for it to be input into the stock assessment model and annual catch limits. So, the solution to this issue is not as simple as it seems. If you try to address this problem from the enforcement perspective alone, you can degrade the stock assessment information and quota monitoring efforts. That is how the topic of electronic monitoring and dockside monitoring came into the picture for discussion. In regard to the EFP idea that was discussed, the notion is to allow industry to go out there are help assess the level of commingling/mixing and the scale and scope of the problem in some areas. While this may give you a snapshot of the scale and the scope of the mixing, with climate change and heterogeneity of clam beds (e.g., small, medium, large destiny beds; patchiness), the distribution/mixing is going to be heterogenous as well. As such, if you were to find that in one area assessed there is a 10% mixing, you cannot apply that 10% mixing value to the whole region for stock assessment purposes. Therefore, this does not address the long-term monitoring needs to address the commingling issue. While there is a regulatory component to the problem at hand, it is much better if the council gets involved to assess address this more broadly, so that all the components of the system are addressed.

What about in the processing side? Do we have a mechanisms that provide us with how many ocean quahogs or how many surfclams were processed that we can rely on? Staff response: to get to the commingling piece, we know how many ocean quahogs or surfclams are purchased for processing from dealer reports. There is some sampling that is done at dock side to take measurements and things like that. According to ASPD, industry should be reporting if there are for example, ocean quahogs mixed with surfclams in their dealer forms. But we have not looked into those data streams to see if this is been reported. The flip side of that is that industry has also indicated that the processing plants try to avoid getting mixed animals or commingling. As an example, if you are a hand shucking surfclam facility, you do not want to have ocean

quahogs mixed with the surfclams. So, in this last example, they are getting rid of the ocean quahogs before they go to the processing plant or they may be tossed in the trash at the processing facility. We do not know if they are being reported when they get tossed out in the trash at the processing plant. The FMAT is going to assess all available data streams to better assess the scope of the problem and what is being reported.

If you are solely a surfclam hand shucking operator, you do not want any ocean quahogs mixed with the surfclams as you are paying a lot of money (for ocean quahogs) that have very little value and also bring your processing yield down. Are these animals going into the trash or are they going into a retention table and reported at the end of the day. However, in some cases, a plant may not have ITQs for both species. So, if a clam is tossed out at the plant, is this considered a discard (if it has not been utilized)? Do we need some type of allowance to account for discards/tossed out animals when you do not have ITQ for that species that has been tossed out/discarded? How do we address these issues? What do we call these animals, discarded or tossed out or not utilized? A white paper may be the way to go in order to better understand how the processing plants are currently dealing with the mixing/commingling issue. Staff indicated: we have discussed that as we move forward this topic (discards/commingling) may need to be renamed to better frame the actual issue. We also discussed that maybe this could be addressed with some type of electronic monitoring (EM) system or with dockside monitoring or a mixture of both.

This is a high volume fishery, from my perspective, EM is not going to be a valuable toll to look at because these animals are running across shakers and through sorters so fast that you are never going to be able to identify a surfclam from an ocean quahog. Dockside monitoring is also a problem due to how big these cages are. We cannot dump these clams all over the floor to look for a needle in a haystack. But all the clams do eventually run through the belts to be processed somewhere in somebody's plant. I don't know if they use visual inspection. At a hand shuck plant, every clam is touched. Not sure how this works at a higher volume plant. We need to assess the ability to monitor this at high volume plants. The EM is in my view at the bottom of the options due to how fast these animals are moving through the harvesting/processing steps. Dockside monitoring need to stay in the discussion. But we need to get more in depth information from the plants on these issues before we go down too far into how to address these topics.

An AP member offered the following input: at our plant we have one or two guys sorting out trash (e.g., broken shells, rocks, trash). These belts at the processing plant are running faster than they would be on the boats. Initially when the industry saw this commingling happening, honestly due to climate change (as surfclams are moving offshore into deeper water in grounds that used to be ocean quahog only grounds), we were looking for an enforcement solution to this problem. If enforcement is not going to be an issue, then problem solved. However, if enforcement is going to be an issue, then, industry is looking for a proper level of tolerance (allowance) of mixed landings of surfclams and ocean quahogs; instead of the current zero tolerance. Just as was done for the small size clams. The quahog plants do not want to see surfclams and the surfclam plants do not want to see ocean quahogs as this is considered waste.

It seems that the Committee has agreed that we need some further investigation of the discard/commingling matter. That will be one of the items we discuss at the October meeting when the Council Executive Committee discusses priorities/workplan for the 2020. This is not a new issue and it is not going to go away.

Social and economic data collection is another high priority issue that we need to address. And the issue applies across all fisheries (across all fisheries) in our region not just surfclam and ocean quahog. We will recommend to the Executive Committee that this is also a high priority issue. Staff responded: that we captured this in the matrix that was presented. When we did the eVTR work, we identified that only about 20% of the MAFMC vessels do not overlap with the NEFMC vessels. So, collecting social and economic information for the northeast as a whole would be more cost effective when compared to independent collection systems.

On the return rate of economic data that was mentioned during the presentation. Do you get a sense that this is apathy or lack of mandatory reporting requirements? Staff responded: the FMAT briefly discussed this issue with the NEFSC social scientists. When the economic data collection program started, the return/response rate was about 20% to 25% but has fallen off to 6%. It could be an issue with survey saturation. They are trying to keep the surveys shorter with fewer questions. There may also be an issue with willingness and involvement may also be an issue. In 2015, the response rate was 6% across all the Northeast fisheries. But they indicated that the fleet that had the best response rate was the lobster fishery. The high response rate of lobster fishermen may be due to the fact that they work closely with Gulf of Maine Research Institute and they do survey work together; therefore, fishermen may view this as part of a routine data collection program. The social scientists at the NEFSC indicated that having mandatory surveys programs would be more effective than voluntary surveys.

It does not seem that you could make the surveys fishery specific. So, if you have 10 different fisheries you develop 10 different surveys. Staff responded: this was briefly discussed by the FMAT as well. People have indicated the desire to do this, but there are not resources available to develop, tailor, and implement specific surveys for every fishery. Therefore, standard surveys are developed and implemented. Also, the NEFSC does not survey annually but once every few years. They are currently working on focus group to rollout the 2020 survey (to collect information on costs incurred for 2019).

The discussion we have illustrates the reasons why this social and economic data collection issue is important to bring to the Executive Committee. We need to get some serious thoughts together and expertise regarding what surveys are needed across the board and what is needed routinely. We also need the employment data to better assess potential impacts of management measures implemented by the Council.

Peter deFur, I want to add that one more thing that came out of other discussions regarding the imbalance between the quota level and landings or industry needs. We cannot do anything about aligning the quota with fishery demand/needs based solely on economic factors. You need another technical justification besides just economic factors. Also, the AP was not very enthusiastic about this idea when this issue was discussed this morning as they felt that the problem to be addressed has not been defined.

**Surfclam and Ocean Quahog (SCOQ)
Fishery Management Action Team (FMAT)
Meeting Summary
September 4, 2019, 10:00 – 3:00pm
Foxborough, MA**

FMAT Members:

Jessica Coakley: MAFMC, FMAT Chair
José Montañez: MAFMC
Doug Potts: Greater Atlantic Regional Fisheries Office (GARFO)
Lisa Colburn: Northeast Fisheries Science Center (NEFSC), Social Sciences Branch (SSB)
Marianne Ferguson: National Environmental Policy Act (NEPA) Coordinator, GARFO
John Walden: NEFSC, SSB
Eric Thunberg: NEFSC, SSB
Tammy Murphy: NEFSC, SSB
Jay Hermsen: GARFO, Analysis and Program Support Division (APSD)

Members of the Public:

Dave Wallace, Wallace and Associates
Guy Simmons, Sea Watch International

Supporting Materials:

1. FMAT Meeting Agenda
2. FMAT – SCOQ Catch Share Next Steps Recommendations Spreadsheet
3. MAFMC Staff Memo to the Council dated 05.22.2019 – SCOQ Catch Share Program Review – Issues and Potential Actions for the Council to Consider
4. Northern Economics, Inc. Review of the Atlantic Surfclam and Ocean Quahog Individual Transferable Quota Program. Prepared for Mid-Atlantic Fishery Management Council. May 2019. Online at: <http://www.mafmc.org/council-events/june-2019-council-meeting>

Meeting Purpose:

The purpose of this meeting is to provide recommendations to address potential actions from the [“Review of the Atlantic Surfclam and Ocean Quahog Individual Transferable Quota Program.”](#)

SCOQ [Advisory Panel meeting](#) and [SCOQ Committee meeting](#) on September 17, 2019 will review and provide comments on the FMAT’s technical recommendations. The input from the AP and Committee, along with the FMAT recommendations will be presented to the Council’s Executive Committee at the October 2019 Council meeting, when the Council discusses its 2020 Implementation Plan.

Note: The six issues identified from the SCOQ Catch Share Program Review have been bundled under 4 headings here for ease of discussion.

Issue: Discards – Evaluate the possibility of using electronic monitoring to assess discards (commingling) in these fisheries

The FMAT discussed this regulatory issue and the fact that you currently cannot land both surfclam and ocean quahog on the same trip. Industry has expressed concern about the commingling of these clams on trips because of potential enforcement concerns. During public comment period, industry noted that they are avoiding areas because of this issue and they would like to fish on surfclams that have set on old quahog beds, but there is not an easy way to separate them. Industry also indicated that large quahog vessels can go deeper to avoid surfclam, but not vice versa.

The FMAT discussed what NMFS could do to allow a mixed trip. For NMFS and enforcement, it would be preferred for cages to be exclusively surfclam or ocean quahog so landings can be accounted for by volume and enforced. However, this would require sorting on deck, which the industry has indicated is time consuming and challenging for the industry. Allowing the cages to be mixed poses issues for both the stock assessment, because it would not allow for accurate accounting of both surfclams and quahogs in each cage, and enforcement.

The FMAT discussed the need to evaluate the efficiency of different approaches versus cost:

- a) What would be the cost of having a camera to do electronic monitoring that can distinguish between surfclam and ocean quahog, versus the cost associated with on board sorting? What about dock side sampling?
- b) How many cages would need to be monitored electronically?
- c) Would electronic monitoring disrupt general on-board operations?
- d) What are the costs associated with having someone monitoring/reviewing the tape?
- e) What are the tradeoffs of efficiency versus costs?

The FMAT noted that there are several current sources data that should be examined to determine the scope of the current issue and what is being provided through those data streams:

- 1. Observer Data
- 2. Processor Reports
- 3. Dockside sampling
- 4. Clam survey

In addition, there is some experience looking at electronic monitoring in the Northeast for some NEFMC fisheries and in other regions. The NMFS NEFSC SSB has developed a framework for evaluating costs of electronic monitoring (EM) versus other strategies that could be applied here to understand the tradeoffs. During public comment, industry members indicated they were interested in conducting some research through SCEMFIS on this.

Possible Next Steps: The FMAT recommended this issue could be addressed either through an a) NMFS regulatory action, b) whitepaper to first explore this issue (prior to Council commitment to action), or c) through an Amendment. **See the Excel Matrix for more detail.**

Issue: Improved Social and Economic Data Collection

The FMAT discussed the potential to improve social and economic data collection for SCOQ, to address gaps in this information for the next SCOQ catch share program review. But the FMAT quickly recognized that many of the data gaps identified through the SCOQ Catch Share Program Review apply to all our fisheries in the region. So, there could be opportunity to generally improve information for some or all fisheries given the approach considered.

Mandatory fixed costs surveys, and trip costs (variable): Fishermen participation in the voluntary NEFSC/SSB commercial fishing business cost survey, which to date has collected fixed costs, variable costs, and crew payments for a specific calendar year has declined. This survey is voluntary, and response rate has fallen over the first two phases of data collection. Phase 1 survey in (2006-2008) and Phase 2 survey (2011, 2012, 2015; offered via hard copy and web) for all Northeast fleets had response rates were around 20-25% at the beginning of the phase and fell in subsequent years. In 2015, the response was 6%. For SCOQ, one response was provided in 2015.

The SSB is currently engaged in efforts to try to streamline the survey and boost participation. A presentation to the Councils could be of value on this survey, in terms of outreach when they are conducted. The only other source of cost data in the Northeast is the trip cost information collected by observers on observed trips, but many fisheries have little to no observer coverage (e.g., SCOQ, tilefish). In addition, processor reports used to be mandatory, but now are voluntary, so even less information available on those costs or employment. Additional information on costs would be of great value in terms of evaluating impacts of actions, but in many fleets the samples sizes are too low to be considered reliable. The FMAT suggested these data could be improved through a mandatory process for reporting but could explore options for how that data is collected.

Crew permit or registry: Employment information is one of the most often requested pieces of information requested for our fleets. Those are generally not available or in many cases are not reliable (e.g. output from I/O models require significant assumptions; were not used as risk elements in EAFM risk assessment). In addition, there is limited detail even on the basic demographics of our crews (e.g., age, etc.); aging out of the fleet has been raised as a concern but the data are limited to evaluate. A crew intercept survey is being conducted right now. Intercept surveys are expensive and require meeting vessels when they return to the docks to conduct interviews.

Having information to identify the universe of persons to survey (either through a permit or no-cost registry) would allow for better sampling and may allow for better understanding where crews are fishing for different fleets/boats. For example, Alaska requires a crew license for

those harvesting. The only other source of employment information would be the Bureau of Labor Statistics, which contains data only on employment types that can be covered unemployment insurance.

Ownership data collection: As it relates to the excessive share amendment, the Council should be choosing preferred alternatives soon. NMFS intends to review the data collected relative to the preferred models and affiliates.

During public comment, industry noted the Council should consider whether a crew permit system is necessary. It was noted that surfclam boats are having all kinds of crew problems, especially in New Bedford, due to the crew opportunities on scallop boats. The FMAT clarified they were proposing a crew permit or registry system, where an individual would have a permit to be crew on any commercial fishing vessel, not fleet specific.

Possible Next Steps: The FMAT recommended this issue could be addressed by considering 1) mandatory fixed costs surveys and trip cost, 2) a crew permit or registry, and 3) reviewing the SCOQ ownership data collection protocol, through the following mechanisms of either an a) NMFS regulatory action, b) whitepaper to first explore this issue (prior to Council commitment to action), or c) through an Amendment. **See the Excel Matrix for more detail.**

Issue: Decline in Independent Operators & Barriers to New Entry (these two areas are inter-related)

The FMAT noted that some fisheries require established relationships with buyers: (e.g., SCOQ, whiting). This is not unlike other types of industries in that respect. It was suggested that it may worth considering the industrial organization of other fisheries – put barriers to entry in a given fishery in context with barriers to entry in other fisheries. It may also make sense to frame this in terms of “intrinsic” and “extrinsic” barriers to entry. Are we thinking about “barriers to entry” in terms of harvesters or processors – in the NEI report this is focused on both?

A white paper that would synthesize the specific barriers to entry for both the harvesting and processing sectors could be developed that looks at markets, labor, crew, and occupational barriers, etc. Understanding the specifics of the barriers will be a first step in developing potential options that may support entry.

During public comment it was noted that advisors can provide lots of information about the operational nature of the fisheries. They can provide information about product markets in other countries. In addition, one person commented that every processor currently in the business has been there for 4 or 5 generations – have inherited their business because they would never be able to own those businesses otherwise. Notes that you cannot do anything else with but clam with a clam boat – it would cost at least \$1 million to re-rig. Processors had to buy the boats – no other choice.

Issue: Imbalance Between Annual Catch Limits and Harvest

The FMAT noted that this issue could be addressed in excessive shares amendment or through an independent Amendment action (e.g. looks at other mechanisms to set quota to more closely align with landings). In addition, the FMAT noted that the Council does not need an Amendment to modify a quota for any of its fisheries.

During public comment it was noted that if you want to consider lowering quota to better match demand, there are unintended consequences – can create a downward spiral. Quota holders may raise their prices, and others are forced to pay it. This will not occur if quota far exceeds the quantity of product demanded.

Possible Next Steps: The FMAT recommended this issue could be addressed through, a) quota specifications or b) through an Amendment. **See the Excel Matrix for more detail.**

Issues for Possible Consideration	Issue Description / Background Information	Potential Action	Action Type	Type of Workgroups Needed	Type of Staff Expertise Needed	Time needed to complete (e.g. years)	Amount of Work Needed	Other Notes
Imbalance between Annual Catch Limits and Harvest	See staff memo dated May 22, 2019	The Council could consider mechanisms suggested in the Excessive Share Amendment or through other means to align supply (quota) and demand (landings levels) to ensure that all allocation holders who own ITQ are afforded an opportunity to utilize their quota shares.	Amendment	FMAT needed; will interact with Council groups through the amendment process: Full Council, SCQJ Committee, SCQJ Advisory Panel, etc.	FMAT will need Council staff, staff from GARFO SFD and NEPA, and NEFSC SSB.	1 to 3 yrs	Moderate	Mechanisms to ensure that the quota is more closely aligned with demand (landings) could be considered.
		The Council could consider mechanisms suggested in the Excessive Share Amendment or through other means to align supply (quota) and demand (landings levels) to ensure that all allocation holders who own ITQ are afforded an opportunity to utilize their quota shares.	Other	Council action through routine quota setting process (specifications).	Council staff develop annual specifications Environmental Assessment (EA).	up to 1 yr	A little	This is a change to how the quota has been set in past years, but this does not require an amendment process and can be modified directly through specifications. The Council retains the ability to modify quotas for all its fisheries, including the SCQJ ITQ Program.
Decline in Independent Operators & Barriers to New Entry (these two areas are inter-related)	See staff memo dated May 22, 2019	a) If independent participation in the harvesting sector is important, the Council could examine ways to promote the participation of independent harvesters in this fishery & b) the Council could consider what the specific impediments are to entry into these fisheries and consider how changes to the ITQ program itself or other programs could improve opportunity and assist new entrants into the harvesting sector and/or processing sector.	White Paper	FMAT needed to report out to Full Council and SCQJ Committee.	FMAT will need Council staff, staff from GARFO SFD, and NEFSC SSB.	up to 1 yr	Moderate	A white paper that would synthesize the specific barriers to entry for both the harvesting and processing sectors could be developed that looks at markets, labor, crew, and occupational barriers, etc.. Understanding the specifics of the barriers will be a first step in developing potential options that may support entry.
Improved Social and Economic Data Collection	See staff memo dated May 22, 2019	Mandatory fixed costs surveys, and trip costs (variable) <u>for SCQJ or SCQJ-Tilfish or all MAFMC Fisheries</u>	Amendment	FMAT needed; will interact with Council groups through the amendment process: Full Council, SCQJ Committee, SCQJ Advisory Panel, etc.	FMAT will need Council staff, GARFO AFD, APFD (data), and NEPA, and NEFSC SSB and database experts.	1 to 3 yrs	Moderate	This action will be more administrative in nature (from a NEPA perspective), but higher on the social impacts and economics analysis. Some approaches to collect this data have been added on to logbook collections, observer data (although not useful for low sample fisheries such as SCQJ), or through eVTRs. Other regions (e.g. SAPMC) require mandatory reporting, but only a survey small portion of the fleet each year (e.g. 1/3 of vessel permit holders).
		Mandatory fixed costs surveys, and trip costs (variable) <u>for all Northeast Fisheries (MAFMC and NEFMC managed) - because of extensive overlap between fisheries</u>	Amendment	FMAT needed; will interact with Council groups through the amendment process: Full Council, SCQJ Committee, SCQJ Advisory Panel, etc.	Same expertise as above in cell F5, but with a NEFMC staff.	1 to 3 yrs	Moderate	See comments in cell F5 above. Note that if NEFMC is not included, it would require development of parallel systems, which would likely be more work/confusion than addressing this for all fisheries in the region.
Improved Social and Economic Data Collection	See staff memo dated May 22, 2019	Crew permit or registry to create framework for information collection on crew employment (e.g., age, basic demographics), remuneration, and job satisfaction from the human dimensions perspective. This could be done for the SCQJ or SCQJ-Tilfish or all MAFMC Fisheries, or all Northeast Fisheries (MAFMC and NEFMC managed) - because of extensive overlap between fisheries.	White Paper	FMAT needed to report out to Full Council and SCQJ Committee.	FMAT will need Council staff, staff from NEFSC SSB, GARFO AFD and APFD (permit expertise), S&T national perspective, AFSC (familiarity with crew license requirements for fishing), info on EU system (may not be EU wide).	up to 1 yr	Moderate	This data collection approach could provide basic, quantitative information on fisheries crew, demographics, and employment information, which is not currently available for our regions fisheries. The white paper would synthesize information on current available sources of data (e.g., observer data, VTR/operator permit data) and also explore different approaches for tackling either a crew permit or crew registry. Employment is one of the most commonly requested pieces of information, and is not available for our fisheries.
		Crew permit or registry to create framework for information collection on crew employment (e.g., age, basic demographics), remuneration, and job satisfaction from the human dimensions perspective, <u>for SCQJ or SCQJ-Tilfish or all MAFMC Fisheries</u> .	Amendment	FMAT needed; will interact with Council groups through the amendment process: Full Council, SCQJ Committee, SCQJ Advisory Panel, etc.	FMAT will need Council staff, staff from GARFO SFD and NEPA, plus expertise described in cell F7 above.	1 to 3 yrs	Moderate	See cell I7 above.
		Crew permit or registry to create framework for information collection on crew employment (e.g., age, basic demographics), remuneration, and job satisfaction from the human dimensions perspective, <u>for all Northeast Fisheries (MAFMC and NEFMC managed) - because of extensive overlap between fisheries</u> .	Amendment	FMAT needed; will interact with Council groups through the amendment process: Full Council, SCQJ Committee, SCQJ Advisory Panel, etc.	FMAT will need Council staff, staff from GARFO SFD and NEPA, plus expertise described in cell F7 above.	1 to 3 yrs	Moderate	See cell I7 above.
Improved Social and Economic Data Collection	See staff memo dated May 22, 2019	Review of SCQJ ownership data collection protocol information.	NMFS Action (regulatory)	As part of implementation and deeming of the SCQJ Excessive Shares Amendment, NMFS would review the ownership data being collected relative to the ownership tracking model/affiliates preferred by the Council.	GARFO staff in consultation with Council.	up to 1 yr	A little	This would be handled when the SCQJ Excessive Shares Amendment is implemented.
Discards	See staff memo dated May 22, 2019	Evaluate the possibility of using electronic monitoring (EM) to assess discards (commingling) in these fisheries.	White Paper	FMAT needed to report out to Full Council and SCQJ Committee.	FMAT will need MAFMC staff, NEFSC stock assessment and FMRD program (Observer/Cooperative Research), with familiarity in EM, cooperative research, GARFO SFD, APFD (data), and OSRD (port agents), S&T EM national level expertise.	up to 1 yr	Moderate	A white paper would synthesize information on the scale and scope of the problem; it should evaluate current sources of data (i.e., observer, shoreside, dockside, clam survey) and should solicit industry input on this issue. This paper should summarize information available on electronic monitoring and dockside reporting options as well as some of the potential costs.
			Amendment	FMAT needed; will interact with Council groups through the amendment process: Full Council, SCQJ Committee, SCQJ Advisory Panel, etc.	FMAT expertise from cell F11 plus staff from GARFO NEPA, and possibly additional NEFSC SSB (economists, social scientists to evaluate costs).	3+ yrs	Moderate	If the Council chose the white paper route first (see cell I11), the timeline would be shortened a bit if the Council then chose to do an amendment. A framework for examining the costs/benefit of costs for EM versus dockside monitoring is being developed under NEFMC Groundfish Am. 23 and for Atlantic Herring, so an analysis of tradeoffs of options may be streamlined for this action due to that foundational SSB work.
			NMFS Action (regulatory)	GARFO.	This could be a streamlined action just focused on the reporting/sorting aspect of the commingling surfclam and ocean quahog issue.	1 to 3 yrs	Moderate	If NMFS goes through and requires board sorting, would not need the white paper. However, this may not address the issues for industry.