

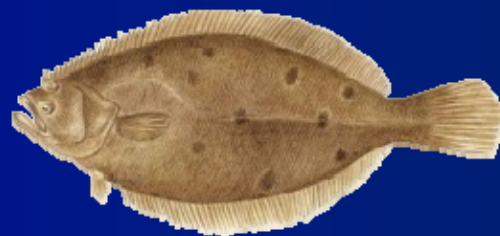


# Summer Flounder Amendment Draft Commercial Alternatives



Demersal Committee  
July 11-12, 2017

# DISCUSSION OBJECTIVES AND AMENDMENT STATUS



# Amendment Status

- Due to ongoing revisions to MRIP recreational data: delaying development of issues in red (separate action/s)
  1. FMP Goals and Objectives
  2. Commercial/Recreational Allocation
  3. Commercial Management Strategies
  4. Recreational Management Strategies

# Current Amendment Timeline

|               |  |
|---------------|--|
| June 2017     | AP feedback on commercial draft alts.  |
| May-Aug. 2017 | Staff/FMAT/working group refine alternatives & analysis; staff work on Draft EIS   |
| July 2017     | Demersal Committee/Board subcttee. meeting   |
| August 2017   | Council/Board approve refined range of alternatives for inclusion in public hearing document                                     |
| Fall 2017     | Draft EIS submitted to NMFS for preliminary review   |
| Dec. 2017     | Council and Board approve public hearing document  |
| Early 2018    | DEIS final submission; Notice of public hearings; Public hearings and summarization of comments; 60-day NEPA/MSA comment periods |
| Feb. 2018     | Council approves Draft EIS (prior to public hearings)  |

# Current Amendment Timeline

|                                   |  |
|-----------------------------------|--|
| Winter/<br>Spring<br>2018         | DEIS final submission; Notice of public hearings; Public hearings and summarization of comments; 60-day NEPA/MSA comment periods |
| Spring<br>2018                    | Council/Board consideration of public comments; Staff prepares documents for final action  |
| Spring<br>2018                    | Final action   |
| Summer<br>2018                    | Final EIS finalized and submitted; NMFS and other agencies review; final edits completed   |
| Summer-<br>Fall 2018              | Rulemaking and comment periods (4-7 months from after EIS finalized)   |
| Late<br>Winter/<br>Spring<br>2019 | Final rule effective   |

# Commercial Issues/Alt. Sets

1. Permits and Latent Effort
2. Commercial Allocation
3. Landings Flexibility

# Draft Alternatives

- Developed based on scoping comments, past AP comments, Council/Board comments
- Discussed and refined by the Fishery Management Action Team (FMAT) and commercial issues working group
- Many are general approaches and need additional detail and development

# Discussion Objectives



- **Refine/revise draft range of alternatives for commercial issues**
  - Alternatives to add?
  - Alternatives to drop?
  - Proposals for added specificity to draft alts.?
  - Other modifications?



# Meeting Products



- Refined/revised list of draft alternatives for full Council/Board consideration in August
  - Staff will revise decision document based on Cttee. recommendations
  - If major changes: old draft alts. included for reference
- Other Committee recommendations as appropriate

# Overview: Permits/Latent Effort

|           |  |
|-----------|--|
| <b>1A</b> | No action/status quo (existing moratorium permits)   |
| <b>1B</b> | Requalification of federal single-tier moratorium permits (qualifying criteria TBD; may have various sub-options or be split into several separate alternatives) |
| <b>1C</b> | Create tiered federal permit system based on landings and/or effort criteria (TBD; could have multiple sub-options)  |
| <b>1D</b> | Create tiered federal permit system based on gear type (exact gear breakdowns and restrictions TBD)  |

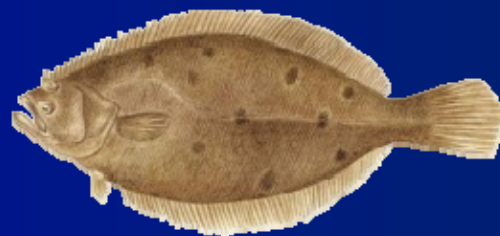
# Overview: Allocation

|      |  |
|------|--|
| 2A   | No action/status quo (1980-1989 landings)  |
| 2B   | Revised state-by-state allocations (see sub-options)   |
| 2B-1 | <i>Revised base year period for landings and/or effort</i>   |
| 2B-2 | <i>"Best years" of landings/effort over a given time period</i>  |
| 2B-3 | Combination of current allocation and recent distribution of summer flounder (e.g., 50% current allocation, 50% recent distribution) |
| 2C   | Coastwide quota with seasonal periods (see sub-options)  |
| 2C-1 | <i>Trimester quota system</i>  |
| 2C-2 | <i>Bimonthly quota system</i>  |
| 2D   | Scup quota model (coastwide quota in 2 winter periods; state by state quota in the summer; see sub-options)                          |
| 2D-1 | <i>Allocation between quota periods based on recent landings by period</i>   |
| 2D-2 | <i>Summer period state allocations based on current state allocations</i>  |
| 2D-3 | <i>Summer period state allocations based on revised set of base years</i>  |
| 2E   | Regional quota system  |
| 2F   | Allocations by permit category (would require creation of new permit tiers under alternative set 1)                                  |

# Overview: Landings Flexibility

|             |  |
|-------------|--|
| <b>3A</b>   | No action/status quo (no landings flexibility)   |
| <b>3B</b>   | Adopt coastwide landings flexibility (see sub-options)                                 |
| <b>3B-1</b> | <i>Allow landing in any port; allow sale of summer flounder in landing state</i>       |
| <b>3B-2</b> | <i>Allow landing in any port; require transport by land to permit state (trucking)</i> |
| <b>3C</b>   | Allow multiple state possession limits on board with appropriate permits               |

# PERMITS AND LATENT EFFORT ALTERNATIVES



# 1. Permits & Latent Effort

- Draft range currently includes only federal permit alternatives
- State permits – remaining question of how to address
  - Varying permit structures by state
  - Possible to set minimum criteria for Commission's FMP, but may be more appropriate for Commission-only action

# 1. Permits and Latent Effort

- All requalification alternatives would apply only to current moratorium permit holders (no new moratorium rights issued)

# 1. Permits and Latent Effort

- Control date: August 1, 2014
  - Notified public of potential action
  - Council/Board could use as reference in permit requalification



# 1. Permits and Latent Effort

- **1A: No action/ *status quo***
  - Am. 2: January 26, 1985-January 26, 1990  
qualifying
- **1B: Requalification of federal moratorium permits under single-tier system**
  - Qualifying criteria TBD – *many possibilities*
  - e.g., landed X pounds in any year from YEAR-X to YEAR-Y

# 1. Permits and Latent Effort

- **1C: Tiered limited access federal permit system based on landings and/or effort criteria**
  - Tiers based on TBD landings and/or effort metrics
  - Consider management measures specific to each tier
- **1D: Tiered limited access federal permits based on gear type**
  - Tiers based on gear types, exact categories TBD
  - Consider management measures specific to each tier

# 1. Permits and Latent Effort

- **944** total Federal moratorium rights IDs for summer flounder
  - Total fed. permits that could be held at a given time
  - 88 inactive (history retention), 856 active (eligible to be issued)
- Landings, calendar year 2016:
  - **344** permits had associated summer flounder landings
  - **1,187 distinct vessels** landing summer flounder (federal and state permitted vessels)

# 1. Permits and Latent Effort

- State Permit Requirements – Appendix III of discussion document
- Wide variation in permit structure/qualification

# 1. Permits and Latent Effort

|       | State Permits: 2012-2016 |              |
|-------|--------------------------|--------------|
| State | Total Count              | Active Count |
| MA    | 699                      | 274          |
| RI    | 1192                     | 546          |
| CT    | N/A                      | N/A          |
| NY    | 491                      | 416          |
| NJ    | 177                      | 89           |
| MD    | N/A                      | N/A          |
| VA    | 175                      | 175          |
| NC    | 166                      | 138          |

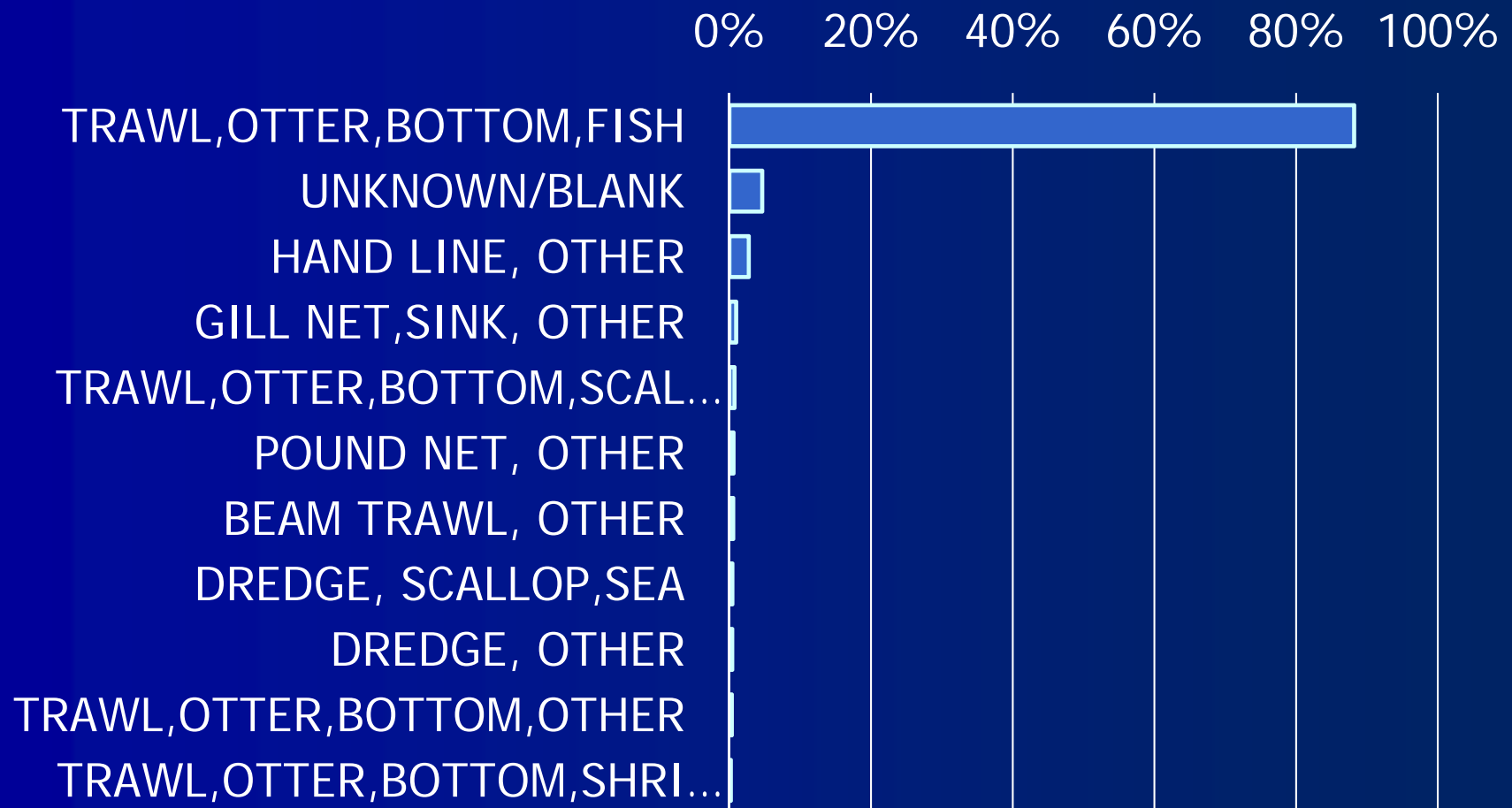
# 1. Permits and Latent Effort

- Not all “active” permits over 5 years are necessarily active in each year

| Year                | New York Active Count |
|---------------------|-----------------------|
| <b>5-year total</b> | <b>416</b>            |
| 2012                | 255                   |
| 2013                | 242                   |
| 2014                | 251                   |
| 2015                | 234                   |
| 2016                | 203                   |

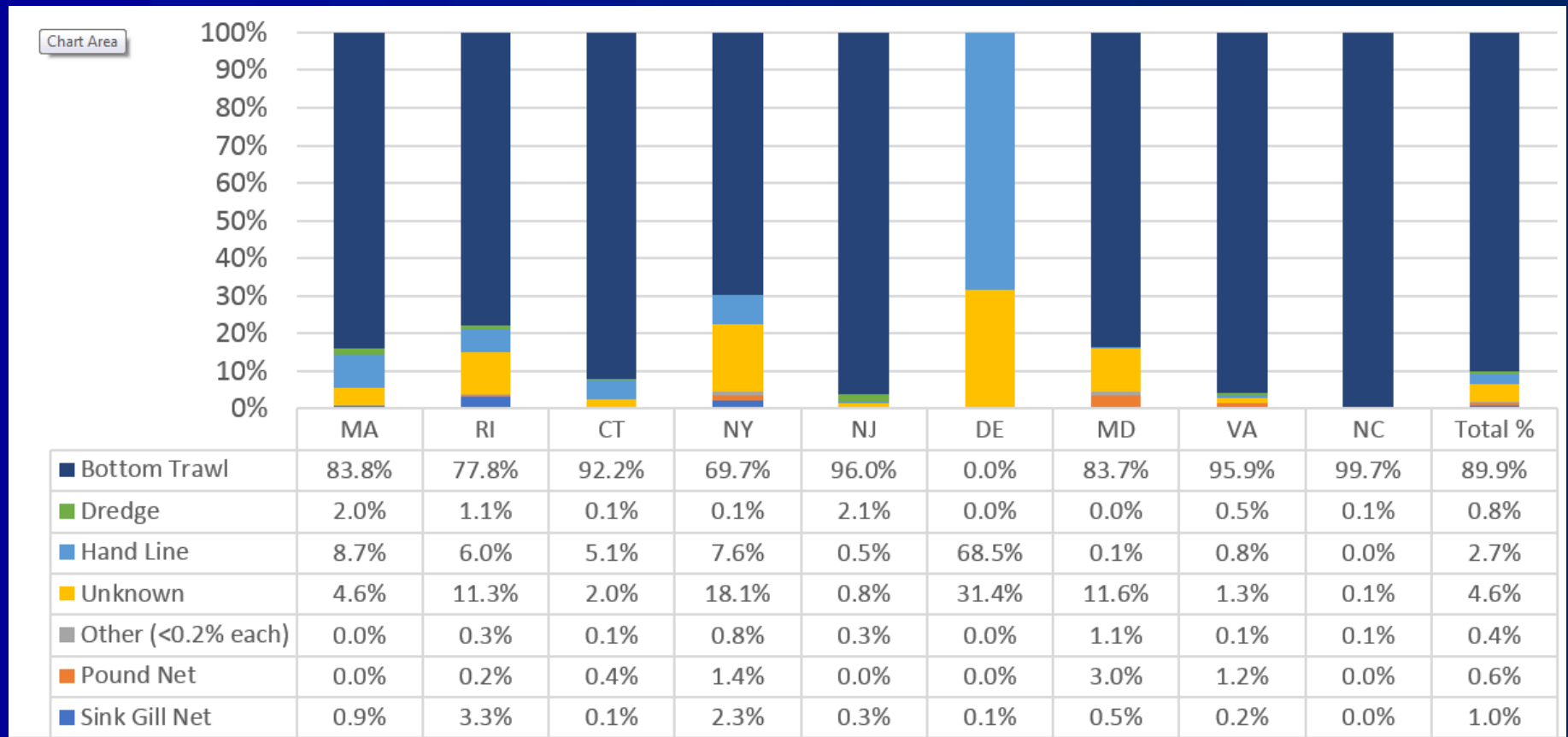
# 1. Permits and Latent Effort

Percent of Summer Flounder Landings 2011-2015



# 1. Permits and Latent Effort

- Several states with less robust gear data





# 1. Permits and Latent Effort

## ■ Advisory Panel Comments

- Inquired about justification for pursuing this issue
- Several agreed that state permit issues should be addressed by ASMFC
- Several agreed that gear-based permit tiers do not make sense

# 1. Permits and Latent Effort

- Advisory Panel Comments
  - One AP member suggested requalification time periods to consider:
    - 1994-2015 (22 years)
    - 2000-2015 (16 years)
    - 2005-2015 (11 years)

# 1. Permits and Latent Effort

## ■ Staff Recommendations

- This action: federal permits only; ASMFC addresses state permits
- Eliminate alts. for tiered permit systems (gear-based and landings/effort based tiers; 1C and 1D)

# 1. Permits and Latent Effort

## ■ Staff Recommendations

- Single-tier requalification based on August 1, 2014 control date
- Timeframe suggestions to explore:
  - August 1, 2004 - August 1-2014 (10 years)
  - August 1, 1999 - August 1-2014 (15 years)

# Overview: Permits/Latent Effort

|           |  |
|-----------|--|
| <b>1A</b> | No action/status quo (existing moratorium permits)   |
| <b>1B</b> | Requalification of federal single-tier moratorium permits (qualifying criteria TBD; may have various sub-options or be split into several separate alternatives) |
| <b>1C</b> | Create tiered federal permit system based on landings and/or effort criteria (TBD; could have multiple sub-options)  |
| <b>1D</b> | Create tiered federal permit system based on gear type (exact gear breakdowns and restrictions TBD)  |

# COMMERCIAL ALLOCATION ALTERNATIVES



# Overview: Allocation

|             |  |
|-------------|--|
| <b>2A</b>   | No action/status quo (1980-1989 landings)  |
| <b>2B</b>   | Revised state-by-state allocations (see sub-options)   |
| <i>2B-1</i> | <i>Revised base year period for landings and/or effort</i>   |
| <i>2B-2</i> | <i>"Best years" of landings/effort over a given time period</i>  |
| <i>2B-3</i> | Combination of current allocation and recent distribution of summer flounder (e.g., 50% current allocation, 50% recent distribution) |
| <b>2C</b>   | Coastwide quota with seasonal periods (see sub-options)  |
| <i>2C-1</i> | <i>Trimester quota system</i>  |
| <i>2C-2</i> | <i>Bimonthly quota system</i>  |
| <b>2D</b>   | Scup quota model (coastwide quota in 2 winter periods; state by state quota in the summer; see sub-options)                          |
| <i>2D-1</i> | <i>Allocation between quota periods based on recent landings by period</i>   |
| <i>2D-2</i> | <i>Summer period state allocations based on current state allocations</i>  |
| <i>2D-3</i> | <i>Summer period state allocations based on revised set of base years</i>  |
| <b>2E</b>   | Regional quota system  |
| <b>2F</b>   | Allocations by permit category (would require creation of new permit tiers under alternative set 1)                                  |

## 2. Commercial Allocation

### ■ Challenges

- Difficult to account for long-standing current allocations if changing base years (current quotas in place since 1993)



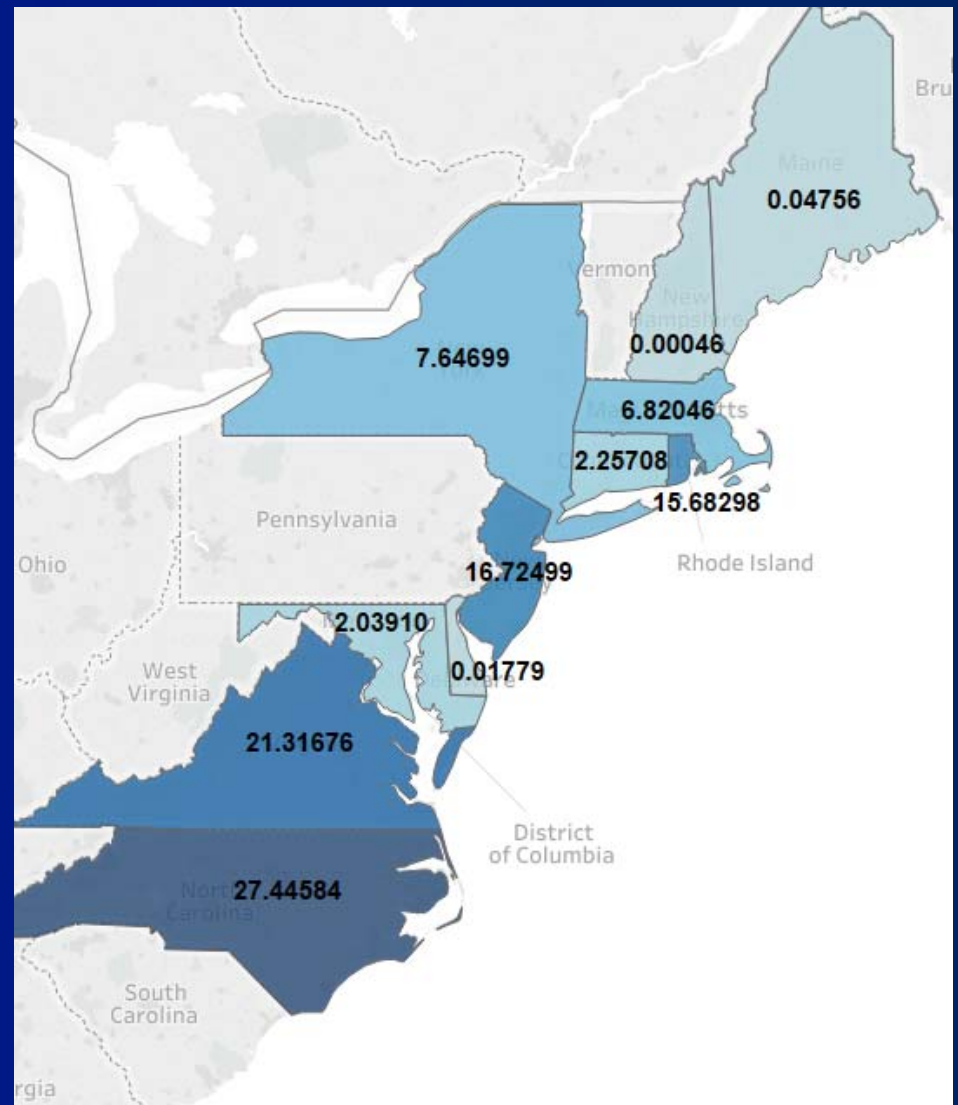
## 2. Commercial Allocation

### ■ Challenges

- If incorporating recent summer flounder distribution: need to determine quantitative or qualitative basis
  - Could look at survey information, but **would need guidance/agreement on surveys** to include and how to separate data
  - Would take some additional time
  - Other basis?

## 2. Commercial Allocation

- 2A: No action/  
*status quo*
  - Amendment 2 allocations (1993)
  - 1980-1989 base years



## 2. Commercial Allocation

- **2B: Revised state-by-state allocations**
  - **2B-1:** Revised base year period
  - **2B-2:** “Best years” system (e.g., “5 best years” of landings/trips between Year X and Year Y)
  - **2B-3:** Combination of current allocation and recent distribution (e.g., 50/50)
    - **Key question:** how to incorporate recent distribution? What information sources?

## 2. Commercial Allocation

- **2C: Coastwide quota with seasonal periods**
  - **2C-1: Trimester quota system**
    - 33.33% of annual quota to each trimester QR use base years (TBD)
  - **2C-2: Bimonthly quota system**
    - 16.67% of annual quota to each trimester QR use base years (TBD)

## 2. Commercial Allocation

- **2D: "Scup Quota Model"**- Coastwide winter periods (Winter I and Winter II), with state-specific summer quotas. Assumes same dates as revised scup periods.
  - **2D-1:** Allocation between quota periods based on recent landings (e.g., past 20 years)
  - **2D-2:** State summer period quotas based on current state allocations (1980-1989)
  - **2D-3:** State summer period allocations based on revised base years (Similar options to alternatives under set 2B)

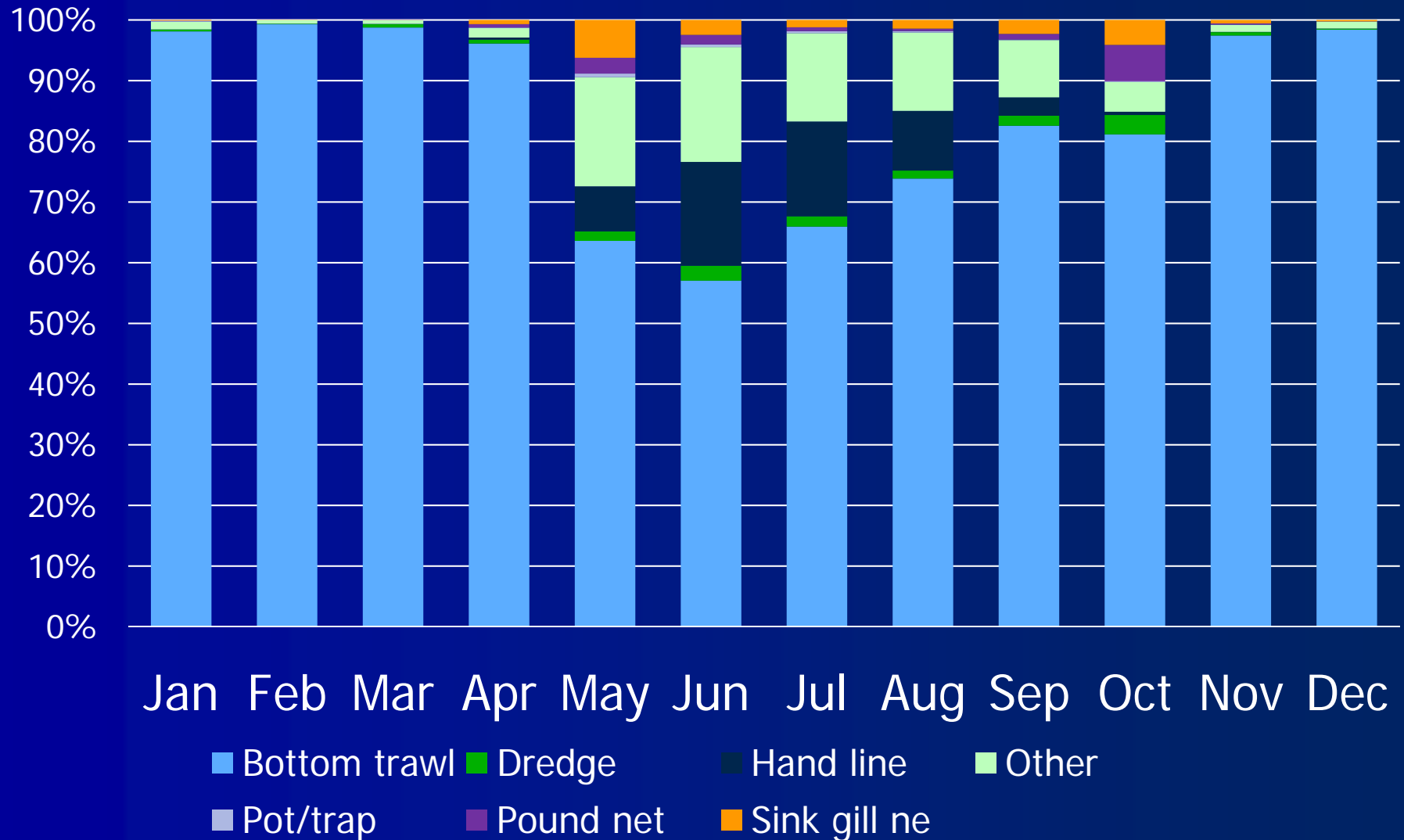
## 2. Commercial Allocation

- **2E: Regional quota system**
  - Similar to current state-by-state but on regional basis
  - No options yet identified for specific regions
- **2F: Quota allocation by permit category**
  - In conjunction with creation of landings-based, gear-based, or other permit categories

# Recent % Landings by State

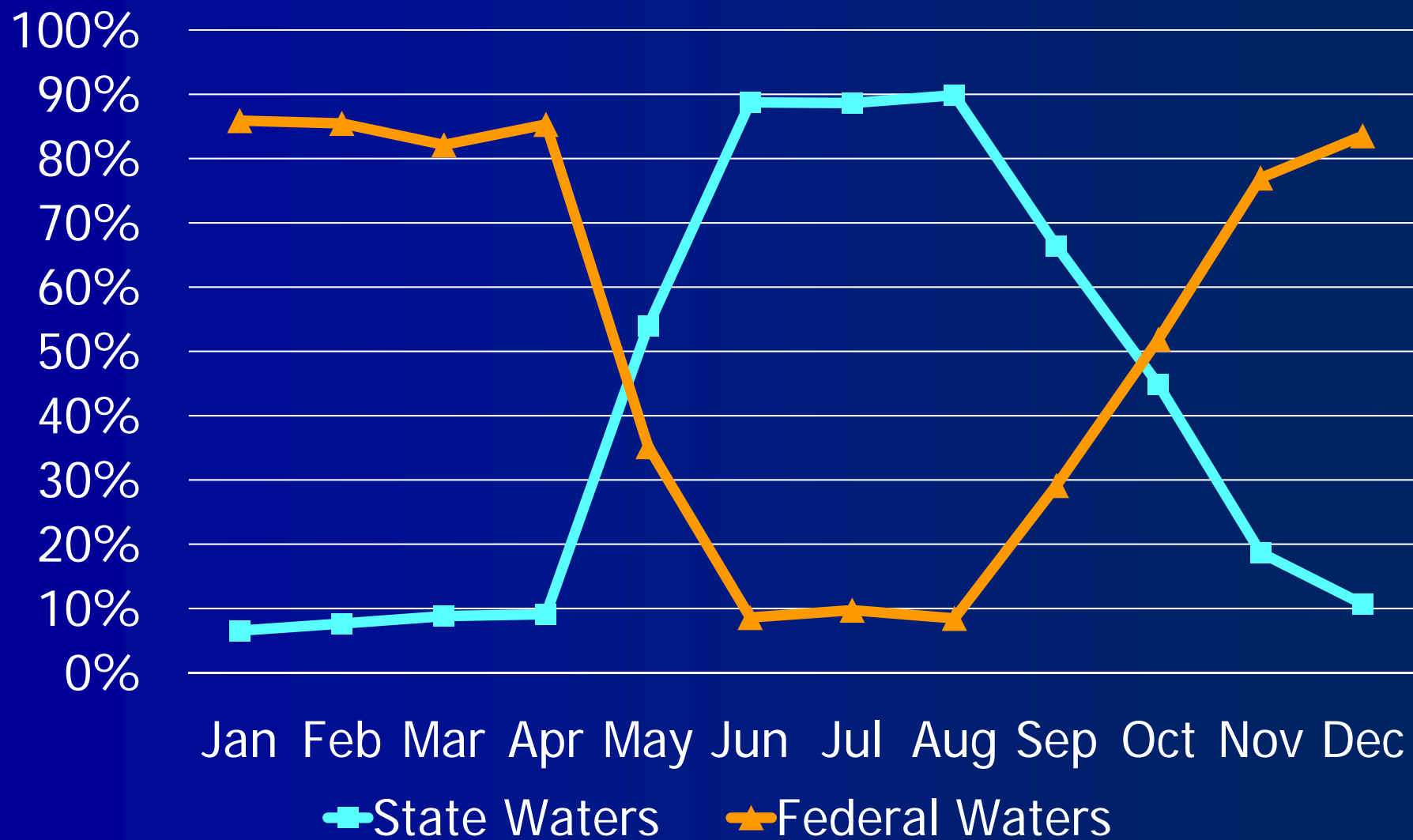
| State        | % of landings by state, 5-YR (2012-2016) | % of landings by state, 10-YR (2007-2016) | Current Allocation (1980-1989) |
|--------------|--|---|--------------------------------|
| ME           | 0.00000%                                 | 0.00405%                                  | 0.04756%                       |
| NH           | 0.00000%                                 | 0.00001%                                  | 0.00046%                       |
| MA           | 7.05052%                                 | 6.95463%                                  | 6.82046%                       |
| RI           | 18.04914%                                | 17.44612%                                 | 15.68298%                      |
| CT           | 2.48158%                                 | 2.42149%                                  | 2.25708%                       |
| NY           | 8.45865%                                 | 9.23102%                                  | 7.64699%                       |
| NJ           | 16.90554%                                | 17.02198%                                 | 16.72499%                      |
| DE           | 0.01332%                                 | 0.01765%                                  | 0.01779%                       |
| MD           | 1.75850%                                 | 1.88532%                                  | 2.0391%                        |
| VA           | 27.59778%                                | 24.01402%                                 | 21.31676%                      |
| NC           | 17.68497%                                | 21.00370%                                 | 27.44584%                      |
| <b>Total</b> | <b>100.00%</b>                           | <b>100.00%</b>                            | <b>100.00%</b>                 |

# Gear Type by Season

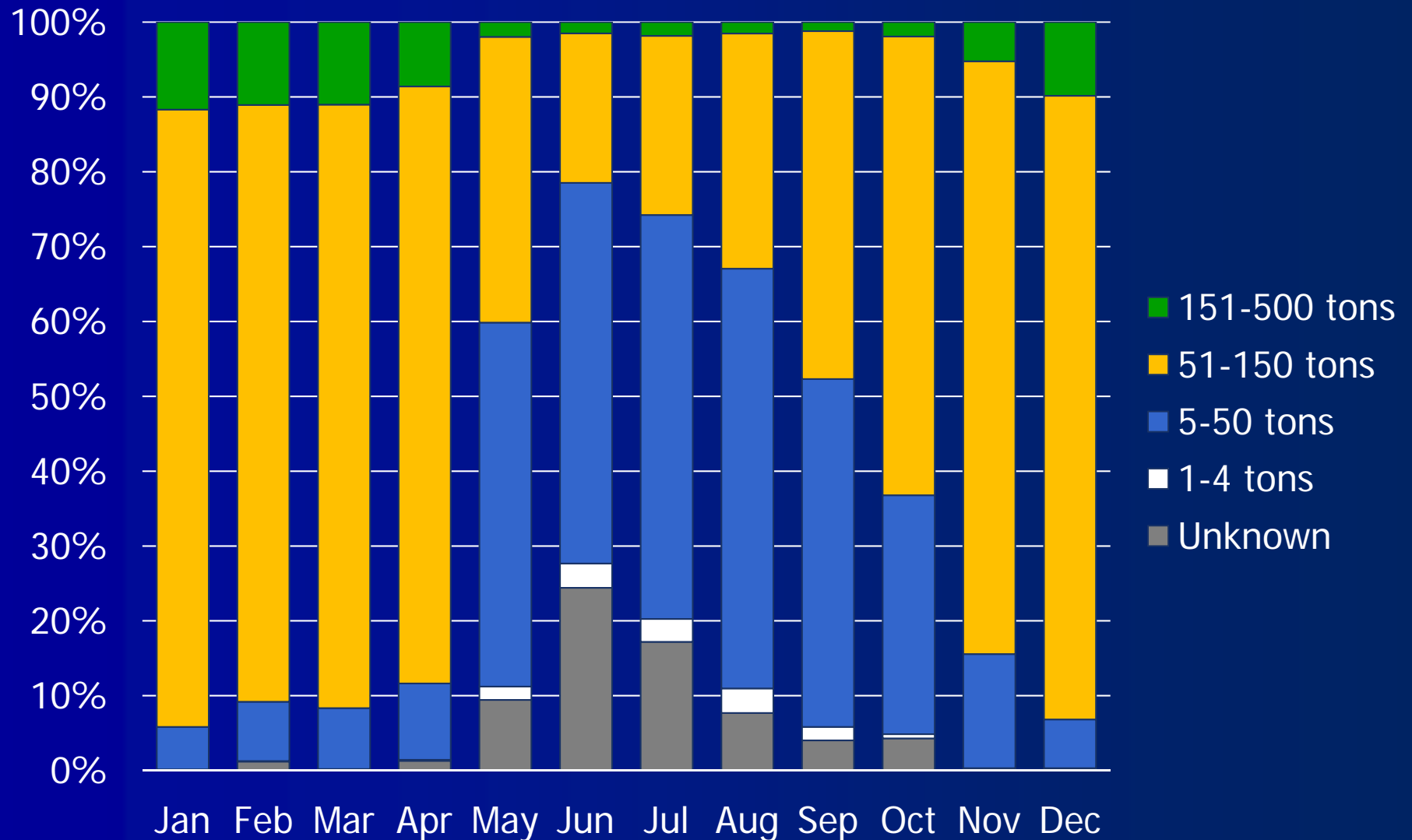




# Seasonality of State vs. Federal Waters



# Seasonal Landings by Vessel Ton Class



# Fluke Landings by Scup Quota Periods

| <b>"Scup" Quota Period (Revised May 2017)</b> | <b>Winter I (Jan-Apr)</b> | <b>Summer (May-Sep)</b> | <b>Winter II (Oct-Dec)</b> |
|---|---------------------------|-------------------------|----------------------------|
| <b>Average % of Landings 1997-2016</b>        | 54.7%                     | 24.8%                   | 20.5%                      |

# Fluke Landings by Trimester

| Year         | January-April | May-August    | September-December | Total       |
|--------------|---------------|---------------|--------------------|-------------|
| 2011         | 56.98%        | 18.78%        | 24.24%             | 100%        |
| 2012         | 53.62%        | 21.83%        | 24.55%             | 100%        |
| 2013         | 58.05%        | 20.09%        | 21.86%             | 100%        |
| 2014         | 54.03%        | 19.40%        | 26.57%             | 100%        |
| 2015         | 52.08%        | 20.95%        | 26.97%             | 100%        |
| <b>Total</b> | <b>55.17%</b> | <b>20.13%</b> | <b>24.70%</b>      | <b>100%</b> |

# Fluke Landings by Bimonthly Period

| Year         | Jan-Feb       | Mar-Apr       | May-Jun      | Jul-Aug       | Sep-Oct      | Nov-Dec       | Total       |
|--------------|---------------|---------------|--------------|---------------|--------------|---------------|-------------|
| 2011         | 27.38%        | 29.60%        | 9.34%        | 9.45%         | 9.15%        | 15.09%        | 100%        |
| 2012         | 26.37%        | 27.25%        | 9.90%        | 11.93%        | 8.11%        | 16.44%        | 100%        |
| 2013         | 28.74%        | 29.31%        | 9.35%        | 10.73%        | 5.62%        | 16.24%        | 100%        |
| 2014         | 31.65%        | 22.38%        | 8.93%        | 10.47%        | 9.64%        | 16.93%        | 100%        |
| 2015         | 28.71%        | 23.36%        | 9.89%        | 11.07%        | 8.57%        | 18.40%        | 100%        |
| <b>Total</b> | <b>28.40%</b> | <b>26.77%</b> | <b>9.48%</b> | <b>10.65%</b> | <b>8.24%</b> | <b>16.46%</b> | <b>100%</b> |

## 2. Commercial Allocation

### ■ Advisory Panel Comments

- At least 1 comment: eliminate 2E (regional) and 2F (permit tier based); do not appear to have support
- Some favored *status quo* or slight modifications to state-by-state; concerns about economic impact of major changes

## 2. Commercial Allocation

### ■ Advisory Panel Comments

- Some support for changes
  - At least 1 would support scup model but with October in the summer period
  - 1 request that changes be phased in over time when stock is not in decline/low stock biomass

## 2. Commercial Allocation

### ■ Advisory Panel Comments

- One suggestion that 2B-3 (current allocation + recent distribution) be changed to:
  - 75% current allocation and 25% equal shares among states
  - ME, NH, and DE would split one share



## 2. Commercial Allocation

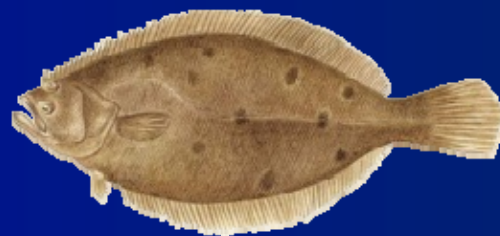
### ■ Staff Recommendations

- Eliminate 2B-3 (current allocation + recent distribution), unless clear method of incorporating “recent distribution” by state can be identified in the near future
- Eliminate 2C-1 (trimester coastwide quota)
- Eliminate 2E (regional quota system)
- Eliminate 2F (quota allocations by permit category)

# Overview: Allocation

|             |  |
|-------------|--|
| <b>2A</b>   | No action/status quo (1980-1989 landings)  |
| <b>2B</b>   | Revised state-by-state allocations (see sub-options)   |
| <i>2B-1</i> | <i>Revised base year period for landings and/or effort</i>   |
| <i>2B-2</i> | <i>"Best years" of landings/effort over a given time period</i>  |
| <b>2B-3</b> | Combination of current allocation and recent distribution of summer flounder (e.g., 50% current allocation, 50% recent distribution) |
| <b>2C</b>   | Coastwide quota with seasonal periods (see sub-options)  |
| <b>2C-1</b> | <i>Trimester quota system</i>  |
| <b>2C-2</b> | <i>Bimonthly quota system</i>  |
| <b>2D</b>   | Scup quota model (coastwide quota in 2 winter periods; state by state quota in the summer; see sub-options)                          |
| <i>2D-1</i> | <i>Allocation between quota periods based on recent landings by period</i>   |
| <i>2D-2</i> | <i>Summer period state allocations based on current state allocations</i>  |
| <i>2D-3</i> | <i>Summer period state allocations based on revised set of base years</i>  |
| <b>2E</b>   | Regional quota system  |
| <b>2F</b>   | Allocations by permit category (would require creation of new permit tiers under alternative set 1)                                  |

# LANDINGS FLEXIBILITY ALTERNATIVES



### 3. Landings Flexibility

- Proposed system to allow vessels to land in preferred port/state instead of permitted states only
- As proposed, would work in conjunction with state-by-state quota system

# 3. Landings Flexibility

- Some allocation alternatives (e.g., coastwide seasonal or scup model) may eliminate need for landings flexibility
- **Details needed on landings flexibility in practice:** quota transfer and accounting policies? Requirements for state landing licenses? Enforcement of state measures?

# 3. Landings Flexibility

- NMFS has indicated that it is not feasible to track state-by-state landings by permit alone in a timely/accurate manner
  - Quota transfers likely required with landings flexibility under state-by-state quota system
  - May be large administrative burden depending on frequency of use

# 3. Landings Flexibility

- **4A: No action/*status quo***
  - Must obtain appropriate state permits and/or landing licenses to land in a given state
- **4B: Adopt commercial landings flexibility policy**
  - **4B-1: Allow sale in landing state**
  - **4B-2: Require transport by land for sale in permit state (trucking) **May not be feasible due to enforcement issues****

## 3. Landings Flexibility

- **4C:** Allow vessel to possess multiple state possession limits at once, if appropriate permits are held (but only offload within a given state's limit)
  - System already exists in some states by mutual agreement
  - This option would apply coastwide



## 3. Landings Flexibility

### ■ Advisory Panel Comments

- 2 members indicated that states are addressing this issue amongst themselves
- 1 comment that landings flexibility is not feasible in practice and should be eliminated to focus on allocation and permit alts.

## 3. Landings Flexibility

### ■ Advisory Panel Comments

- Some concern with making landings flexibility mandatory coastwide:  
overall system less flexible

# 3. Landings Flexibility

## ■ Staff Recommendations

- Eliminate all alternatives:
  - 3B-1 and 3B-2 are unlikely to be practical
  - Explore 3C (multiple state possession limits on board with appropriate permits, for multiple offloads) through mutual state agreements/ASMFC process (i.e., do not make mandatory under joint FMP)

# Overview: Landings Flexibility

|             |  |
|-------------|--|
| <b>3A</b>   | No action/status quo (no landings flexibility)   |
| <b>3B</b>   | Adopt coastwide landings flexibility (see sub-options)                                 |
| <b>3B-1</b> | <i>Allow landing in any port; allow sale of summer flounder in landing state</i>       |
| <b>3B-2</b> | <i>Allow landing in any port; require transport by land to permit state (trucking)</i> |
| <b>3C</b>   | Allow multiple state possession limits on board with appropriate permits               |