

MAFMC Staff RSA Program Recommendations to
Research Set-Aside Committee
June 11, 2012

Scientific Quality Issues

The review of the RSA Program identified the need to improve the scientific review process associated with the Council's RSA Program. The intent is to increase the input of the Council's SSC in the development of research priorities, review of individual project proposals, and scientific peer review of projects completed under the RSA Program.

Staff recommendation:

The following is the proposed procedural order for development of RFPs, funding, and review of research projects under the MAFMC RSA Program.

1. SSC Ranks Research Priorities during development/update of Council's five year research plan; RSA Committee identifies the top ten research and management needs based on SSC priorities.
2. NMFS develops RFP based on research and management needs identified by the RSA Committee.
3. NMFS coordinates technical review of proposals; SSC members included in "pool" of technical reviewers.
4. RSA Committee conducts management review; makes recommendations for funding of projects to NMFS.
5. Researchers required to submit Interim and Final reports; Final reports reviewed by the SSC for scientific validity and approval for use by the Council.

Administrative and Enforcement Issues

The Council has received complaints from the public and state marine resource agencies that landings made under the RSA program are not being properly tracked. This is especially important under the Council's new ACL/AM amendment which requires strict accounting of all sources of fishing mortality and includes accountability measures which require (in most cases) that overages be deducted from an ACL the following fishing year.

Under the current RSA program, grant recipients may contract with a third party to sell the RSA allocation granted to them, thus generating the revenue necessary to fund the scientific research. This system, while likely to generate the maximum value for a given level of RSA specified by the Council, presents administrative and enforcement challenges with respect to monitoring and enforcement. It has also created a one year property right for successful bidders at auction. That is, successful bidders essentially own a share of the species quota and are free to land that

amount at a time suited to their maximum advantage. Although unintended by the Council, the RSA auction system has created a quasi individual fishing quota similar, in many respects to other overt IFQ systems developed by the Council. As such, special consideration must be given to monitoring the RSA quota amounts which may be landed outside the existing quota systems developed by the Council.

The current system requires that all vessels making an RSA trip call-in their intention to make an RSA trip 24 hours in advance through the existing IVR system. They are also required to call in through the IVR system 24 hours after landing and report the amount in weight of RSA amounts landed by species.

Staff Recommendations

In addition to the current call-in and reporting requirements staff recommends the following:

For all vessels landing RSA quota (commercial and party/charter vessels):

1. Require a pre-landing notification via call-in through the IVR system that the vessel is landing RSA quota with an estimate of the RSA pounds to be landed by species at least one hour before returning to the dock.
2. Require vessels to report their VTR serial number when calling into the IVR system when reporting RSA quota amounts landed.
3. NMFS should implement a notification system via email or other real-time communications mechanism which alerts law enforcement personnel about all vessel activities under the RSA program including trip and landing notifications received from vessels participating in the RSA program.
4. Require commercial dealers who purchase RSA quota to report RSA amounts purchased from vessels separately from other commercial landing purchases. This will improve verification and accounting by NMFS of the RSA amounts landed.

RSA Auction

The public has been critical of the current NFI auction process which has operated outside the Council process. Criticism has included complaints about lack of transparency, lack of oversight, perceived unfairness of eligibility rules imposed by NFI and lack of a publicly available accounting of transactions associated with RSA quota and its distribution.

Staff recommendation:

1. Request NMFS enter into a contractual agreement with a third party to conduct an auction of RSA quota.
2. The contractual arrangement should include stipulations about how the auction is to be conducted including, but not limited to, rules concerning eligibility to participate in the auction,

specification of administrative fees, and distribution of funds to researchers. The goal is to provide for an RSA quota auction system that generates revenue to fund scientific research through a competitive and transparent process.

3. Conduct annual financial audits of the RSA program, including the auction process, which would be made available to the public.