



New England Fishery Management Council

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MEETING SUMMARY

Scallop Committee

Hotel Providence, Providence, RI

March 22nd, 2018

The Scallop Committee met in Providence, RI on March 22nd, 2018 to: (1) review 2018 priorities and general workload for the Scallop FMP, (2) review information and Scallop PDT discussion around monitoring and catch accounting, (3) review information and Scallop PDT work on considering Limited Access General Category IFQ trips limits, (4) receive updates on other 2018 priorities (i.e. streamlining scallop specifications process, modify access areas to be consistent with OHA2, gear modifications to protect small scallops, Northern Gulf of Maine management measures), and (5) discuss other business.

MEETING ATTENDANCE

In person: Vincent Balzano (Committee Chair), Melanie Griffin (for David Pierce), Cheri Patterson (for Doug Grout), John Pappalardo, Eric Reid, Peter Christopher, Peter Hughes, Jonathon Peros (PDT Chair), and Sam Asci (Council staff).

On webinar: Mark Alexander, Mark Godfroy, Terry Stockwell, and Roger Mann.

James Gutowski, Chair of the Scallop Advisory Panel, was in attendance, along with approximately 8 members of the public and 10 members of the public listening via webinar.

SUPPORTING DOCUMENTATION: 1. [Staff Presentation](#); 2. [Meeting Memo from Scallop Committee Chair, Mr. Vincent Balzano](#); 3. [2018 Priorities for Scallop FMP](#); *Consideration of LAFC IFQ trip limits*—4a. [LAGC IFQ trip limit discussion document](#), 4b. [Staff presentation – Mr. Sam Asci](#); 5. [Monitoring and catch Accounting discussion document](#); 6. [Streamlining scallop specifications discussion document](#); 7. [Modifying Access Areas to be consistent with OHA2 discussion document](#); 8. [February 28, 2018 Scallop PDT meeting summary](#); 9. [March 12, 2018 Scallop PDT draft meeting summary](#); 10. [Correspondence](#).

KEY OUTCOMES:

- The Scallop Committee recommends that the Council send a letter to NOAA Fisheries suggesting the development and implementation of an online platform which allows for real-time IFQ quota transfers (see Motion #1).
- The Scallop Committee recommends that the Council send a letter to NOAA Fisheries detailing several monitoring and catch accounting issues (see Motion #2).

- The Scallop Committee recommends modifications to the 2018 priority list, including removing gear modifications to protect small scallops, adding a priority to develop standard default measures, and passed a motion ranking several priorities.

NOTE: Several members of the Scallop Committee were unable to attend the meeting in person due to poor winter weather conditions which disrupted travel arrangements; therefore, the meeting was broadcasted via webinar to accommodate Committee members who were unable to attend in person.

The meeting began at 9:06 am with Committee Chair Vincent Balzano welcoming the Committee and members of the public to the meeting. The main goal for the Committee meeting was to review and begin work on the 2018 scallop work priorities, and potentially make recommendations to the Council regarding the development of measures from the 2018 priority list that may be incorporated into future management actions.

Scallop PDT Chair Jonathon Peros presented an outline of agenda items for the meeting and the order in which background information on 2018 priorities will be presented to the Committee. Council staff reiterated the anticipated outcomes of the meeting: 1) provide input on the scope of each work priority, 2) consider modifications to the 2018 priority list, and 3) consider ranking on priorities.

The Committee received an update on FW29 to the Scallop FMP. The proposed rule for NGOM management measures was published by NMFS on February 20th, 2018; NGOM regulations are expected to be in place by the beginning of the 2018 fishing year (April 1st). On March 15th, 2018, the proposed rule for FW29 was published by NMFS and the Council completed final submission of FW29. Council staff noted that the timing of FW29 implementation is contingent on implementation of OHA2; however, FW29 is expected to be in place around mid-April.

Default measures (developed in FW28) will go into place on April 1st, which include 21.75 DAS and one 18,000-pound trip to the MAAA for full time limited access vessels. Under default measures, the LAGC IFQ component will receive 75% of their FY2017 allocation. Once FW29 is implemented, vessels will have 60 days from April 1st to complete access area trips that were allocated in FW28 for the 2017 fishing year.

The 2018 scallop benchmark assessment has been the center of attention for many Scallop PDT members, and there is substantial overlap in membership between the PDT and scallop stock assessment working group (SAW). Due to the time commitment of recent and upcoming SAW and SARC meetings (SARC scheduled for June 26-29), it is anticipated that fewer PDT meetings will be held in the first half of 2018 compared to previous years.

Council staff provided an update on the Scallop Research Set-Aside (RSA) program. The 2019/2020 RSA cycle will begin soon, and the Committee will have an opportunity to provide input to the Committee regarding Scallop RSA research priorities at their meeting in late May. Much like previous years, the Council will approve RSA priorities at their June meeting, research groups will submit proposals in the fall, and awards will be announced in the spring of 2019.

Staff explained that there is no RSA Share Day planned for 2018 due to resource and time constraints with the benchmark assessment. It was noted that RSA projects had been presented in detail at the SAW meeting in early February 2018, many of which are being considered for integration into the assessment, including research on incidental mortality, discard mortality, growth, shell height meat weight assumptions, and LPUE modeling.

2018 Priorities

Council staff briefly summarized each of the 2018 priorities and described the management vehicle(s) (i.e. specifications package, framework, amendment) in which the Council could address them (see Table 1). The Committee was reminded of anticipated outcomes from the meeting, including: 1) provide input on the scope of each work priority, 2) consider modifications to the 2018 priority list, and 3) consider ranking on priorities.

Table 1. 2018 scallop priorities relative to the vehicle in which each priority could be addressed.

Specs Package	Framework	Amendment	Other	
	Specifications and Modify AAs		Benchmark (SAW/SARC)	
	LAGC IFQ Trip Limits		RSA Support	
	Gear Mods to Protect Small Scallops		Tracking flatfish catch, coordinate with GF PDT	
	NGOM Management Measures			
	Monitoring and Catch Accounting Provisions			
	HABITAT FW: Eastern GB?			Allocation Review Triggers?

Monitoring and Catch Accounting (presentation, Jonathon Peros)

The Committee received a presentation detailing background information and PDT discussion to date regarding the “monitoring and catch accounting” 2018 work priority. The genesis of this priority was the LAGC IFQ 5-year program review which found low compliance with VMS haul requirements and a low number of monitored offloads. Following the Council vote on this priority in December 2017, several other related issues have emerged, including the civil suit against Carlos Rafael which details several counts of non-compliance in the scallop fishery.

Another headline of note was the Dinah Jane (one of Carlos Rafael's LAGC IFQ vessels) being cited by Massachusetts EP for being over the trip limit.

The PDT had previously discussed using a 'strawman' approach to initiate discussion on this issue and identified 3 key issues: 1) hail requirements, 2) exceeding landing limits, and 3) exceeding quota. The details of why these problems exist, goals on how to solve them, and ultimate objectives, are described in Table 2.

Staff presented information on the universe of vessels that have active VMS units. There are approximately 945 vessels with an active VMS unit, most of which hold several federal permits. Of these, approximately 720 vessels are able to possess and land scallops in some way. In other words, roughly 76% of vessels that are required to use VMS can legally possess scallops.

In recent years, the majority of full time LA vessels on a declared access area trip land the full trip limit. LPUE of full time LA vessels taking more than one trip to an access area appears to be similar among vessels, irrespective of how many trips a vessel took to fish an area.

Also presented were figures describing pre-land notification non-compliance by LAGC IFQ and LA vessels on open trips and access area trips in FY2012 to FY2017. Staff noted that FY2017 data was not yet complete. Across the board, the rate of pre-land notification non-compliance appears to have decreased between FY2012 to the most recent complete fishing year (FY2016).

The PDT is looking for guidance on how to proceed with this priority. Past PDT discussion noted that this issue also feels like an enforcement issue, and that there could be some benefit from engaging the Office of Law Enforcement (OLE) for input. The PDT has discussed how there are regulations already in place which prohibit IFQ quota overages, and that a letter from the Council to NMFS urging the regulations to be enforced may be more appropriate than having the Council develop additional measures. The PDT recommends that NMFS pursue technical solutions to assist with quota compliance (e.g., automatic notifications, updates on quota balance when vessels declare trips with the new PTNS system).

Table 2 - Strawman of Monitoring Problems, Goals, Objectives, and Measures FOR DISCUSSION PURPOSES ONLY.

Problem (for discussion)	Why do we think this is a problem? (Supporting data/information)	Goal	Objective	Tactic/Measure
Poor compliance with VMS hail requirements	LAGC IFQ Program Review, June 2017. Data from OLE re: VMS compliance	100% compliance with VMS hail requirements	Improve VMS hail compliance from 2015 levels	Council sends letter to NMFS recommending...
Lack of adherence to trip limits and allocations	NOAA civil penalties against Carlos Rafael, et al. Counts 21 – 35 January 10, 2018	100% compliance with landings limits. Equity among fishery participants.	Full compliance with scallop regulations.	
Unknown removals from fishery	MA Environmental Police report of F/V Dinah Jane overage.	Precise accounting of total removals from fishery. Dealer reports are a true census of landings.		
IFQ vessels participating in fishery with a negative quota balance.	OLE reminder to permit holders on 2/20/18: 50 CFR 648.14(i)(4) states that it is unlawful to possess or land scallops in excess of a vessel's IFQ, or fish for scallops without IFQ	Equity among fishery participants. 100% compliance with regulations.	Full compliance with scallop regulations.	

Discussion:

Committee discussion clarified that the remaining 24% of vessels required to have VMS but are not able to possess or land scallops are mostly groundfish and squid/mackerel/butterfish vessels that do not also have a scallop permit. Furthermore, it was noted that compliance rates appear to be similar between the LA and LAGC IFQ components.

A member of the Committee cited a discrepancy between the number of trips assigned an observer and actual observer coverage between the LA and LAGC IFQ components. They inquired why LA vessels appear to take assigned observers at a higher rate than LAGC IFQ vessels. Council staff explained that the PDT had not looked into this yet but offered a possible explanation as the difference in pre-trip call in requirements between components.

By consensus:

The Committee tasks the PDT with exploring the discrepancy with trips assigned an observer vs. trips that carried an observer.

No objections.

Discussion (cont'd)

With regard to non-compliance with pre-land reporting and exceeding trip possession limits, a Committee member inquired if it is possible to see how this information is distributed between the LA and LAGC IFQ components. Council staff is working with NMFS and OLE to get more specific data on this topic and noted that it is difficult to get the data in real-time because it takes a while to be processed.

A Committee member acknowledged that it is difficult for LAGC IFQ vessels to lease quota “at the dock” before a trip because the current quota transfer process can take anywhere from a few hours to a few weeks. It was also suggested that there are other quota transfer systems used in the US that are more adept at handling real-time transfers that the LAGC IFQ fishery may benefit from. The Committee was in support of this idea and agreed that a letter from the Council may encourage NMFS to implement an online leasing program forthwith (see Motion 1).

A member of the Scallop AP who was in attendance urged the Committee to consider allowing LAGC IFQ participants to fish the 5% quota cap restriction for owners on one vessel. A representative of GARFO explained that doing so would require a Council action.

Motion #1: Hughes/Reid

The Committee requests that the Council send a letter to NMFS that makes the following suggestion:

- NOAA complete development and implement real-time online IFQ quota transfers.

Rationale: Transfers can currently take up to two weeks, and NMFS has up to 30 days to make the transfer. Vessels cannot fish without quota.

The motion carried 10/0/1.

Motion #2: Hughes/Griffin

The Committee requests that Council send a letter to NOAA that makes the following suggestions:

- NOAA should enforce regulations that are on the books.
- Request that NOAA review penalty schedules and consider an increasing penalty schedule for VMS pre-land non-compliance.
- NOAA pursue technical solutions to assist with quota compliance (e.g.: automatic notifications, updates on quota balance when vessels go to declarations/new PTNS system).

Rationale: There is non-compliance with pre-land notifications. Technical solutions should assist with quota compliance. Address the equity issue of LAGC IFQ vessels fishing without quota at the start of the year, and trying to lease in at the end of the year.

The motion carried 9/0/1.

Discussion:

With regard to Motion 2, a member of the public felt that an appropriate tool to address compliance was the use of “bag tags” because it would allow for scallops to be tracked and make enforcement efforts easier. Another member of the public agreed and suggested a standardized bag with a fill line would alleviate concerns with a trip being slightly over the possession limit.

Another member of the public felt strongly that participants of an IFQ fishery should be held responsible for tracking quota and that there is no excuse for vessels to fish with a negative balance.

Considering the LAGC IFQ possession limit (presentation, Sam Ascii)

Council staff described the genesis of the 2018 work priority “considering the LAGC IFQ possession limit”. The Council initially considered this concept during the FW29 process based on a request submitted to the Council by industry members requesting the current possession limit be increased from 600 pounds to 1,200 pounds for the 2018 fishing year. Ultimately the Council decided to address this as a work priority in 2018. Staff reviewed the history of the

general category permit category in the fishery, noting that the IFQ program was established in Amendment 11 with a 400-pound trip limit. The Council considered a 1,000-pound trip limit in Amendment 15, but after scoping recommended that the trip limit be set at 600 pounds.

Staff reviewed the quota holding caps for the IFQ component, and provided a comparison of a LAGC IFQ vessel with a maximum holding of 2.5% with a LA PT and LA FT.

Staff explained that the LAGC IFQ activity seems to track with the level of allocation year to year. Overall, most LAGC IFQ vessels have taken approximately 50 trips or less per year since FY2010, however, trip activity seems to be increasing in recent years. The fishery is most active in the late spring and early summer. LAGC IFQ vessels fish year-round, but the number of trips and active vessels increases in the spring and summer when meat yields are highest.

Since FY2012 (the first full fishing year with the 600-pound trip limit in place), most vessels have landed roughly 600 pounds per trip. Most of trips landed in NJ and MA landed in the 600-pound range, while trips landed in ME, NH, and RI represented a broader range of trip sizes, the majority of which were 400 pounds or less.

Between FY2010 and FY2016, average trip length was approximately one day. Access area trips have typically been longer than open bottom trips, though there were some exceptions, such as the NLS AA in 2016 where fishing conditions were better than other parts of the resource. Overall findings suggested that there is a tradeoff between the how far vessels will steam and the quality of fishing, and that the LAGC IFQ fishery will elect to travel farther to reach optimal fishing conditions.

The PDT looked at how doubling the trip limit could impact the length of time an access area is open, using the FY2017 NLS AA LAGC fishery as an example. The LAGC IFQ fleet fished all allocated NLS AA trips by May 31st, 2017 (roughly 2 months after area was opened); in theory, this already 'derby' fishery could be reduced to approximately one month if the possession limit were 1,200 pounds.

Staff explained that vessels with IFQ quota can harvest scallops while on a non-scallop trip. Between 22 and 36 permits have fished for scallops under other declarations, mostly in the groundfish and surfclam/ocean quahog fisheries. IFQ landings on non-scallop trips amounted to less than 4% of overall landings from FY2011 to FY2016.

Also presented were figures showing scallop landings and revenue from LAGC IFQ vessels compared to landings and revenue in other fisheries that active LAGC IFQ vessels participate in. Categorized landings suggest a sizable portion of total landings by LAGC IFQ vessels come from other fisheries; however, landings in other fisheries have decreased over time. Revenue generated from the scallop fishery was comparable to revenue from other fisheries in FY2010; however, since FY2010, revenue from scallop landings has increased substantially while revenue from other fisheries has steadily decreased. Participation of LAGC IFQ vessels in the scallop fishery compared to other fisheries was also shown in terms of average days fished by fishery. Generally, the amount of time spent scalloping has increased since FY2010, while time spent participating in other fisheries has decreased.

PDT discussion noted the potential for increased seasonal distortion of current fishing practices (i.e. fishing could ramp up in late spring/early summer months) if the possession limit were to be increased. The PDT also felt it will be important to consider possible impacts of increasing the trip limit on trip costs, lease prices, market prices, and crew wages. Furthermore, if trips get longer, the Council should consider adjusting the current observer compensation rates (i.e. currently one day, even for multi-day trips). The PDT also acknowledged that the threshold of what could be done in a FW vs. and amendment depends on the range of trip limits considered by the Council

Discussion:

Following the presentation, a member of the Committee felt it would be important to analyze leasing trends and identify the distribution of vessels that lease and rely on leased quota to make the fishing year worthwhile economically.

AP Chair Jim Gutowski explained to the Committee that the AP was split on this issue and that there also were a few AP members absent from the meeting who are representatives of the LAGC IFQ fishery.

A member of the AP present at the meeting acknowledged the AP being spit on this topic and asked the Committee to reconsider the AP's motion which recommended removing this priority from the list for 2018. He cited the ~40 LAGC participants who expressed interest in considering the trip limit via the request letter to the Council in September 2017, and felt it was premature to remove this priority without more analysis. Some members of the Committee agreed that they did not support removing this from the priority list and felt it important that the PDT continue analysis.

Motion #3: Pappalardo/Griffin

The Committee tasks the PDT analyze the impacts of LAGC IFQ trip limit increases from 400 lbs to 1,200 lbs (in 200 lb increments). The analysis should begin with FY 2010 data.

Rationale: The analysis would look at model outputs including the impact of increasing trip limits on revenue and lease prices.

The motion carried 11/0/0.

Discussion:

A member of the public was concerned that continuing analysis on this would be problematic based on how many AP members were opposed to doing so and cited many other LAGC fishery participants that were opposed as well. Several other attendees disagreed with this point and felt there was more than enough support from industry to continue analysis.

Streamlining Scallop Specifications (Standard Default Measures) (presentation, Jonathon Peros)

Council staff explained that there are a number of decisions that the Council makes on an annual basis during specifications process. Some decisions have become fairly routine, and mostly consistent year to year. In light of this, there may be some opportunity to streamline the specifications process by developing standard default measures. Council staff identified potential areas of focus to streamline, including:

- Default measures for the following fishing year.
- LAGC IFQ allocations to access areas. Generally speaking, LAGC IFQ access area allocations have been 5.5% of the access area allocation to the LA component.
- Access area allocations for part time limited access vessels.

The expected benefits of developing standard default measures are to reduce the number of decisions made by the Council at Final Action and reduce the workload of PDT and staff to develop measures on an annual basis that have fairly predictable outcomes. The PDT supports adding this concept of streamlining scallop actions to the 2018 priorities list.

Modify Access Areas to be Consistent with OHA2 (presentation, Jonathon Peros)

The Council has expressed interest in revisiting access area boundaries as a follow-up to the approval of the Omnibus Habitat Amendment. Essential Fish Habitat portions of Closed Area I and the Nantucket Lightship have recently become available to the scallop fishery; however, NMFS did not approve measures for Eastern Georges Bank. The Council may wish to consider several other issues related to this priority; therefore, the appropriate vehicle (FW vs. amendment) will be determined by the scope of issues addressed in this priority. Council staff presented a list of potential areas of focus related to this priority:

- Modify existing access area boundaries.
- Address scallop access on Eastern Georges Bank (i.e. northern edge). This topic would be addressed through an action coordinated by the Habitat Committee.
- Revisit the rotational management principles of Amendment 10.
- Adapt management to environmental changes and other issues identified through the upcoming benchmark assessment (SAW/SARC 65).
- Exploring how access areas are allocated to in terms of exploitable biomass vs. effective biomass.

PDT discussion on this topic suggested that it will be important to review the performance of the FY2018 fishery before attempting any major changes to the management system. Also, based on the wide range of issues that could be addressed in this priority, the Council may want to take a holistic approach over several years. Council staff noted it is unlikely that substantial progress could be made on this topic in one year, and that considering the use of a “specifications package” for 2019/2020 may be appropriate. In the meantime, it was suggested that the PDT could develop a tool that would better identify areas where meat yield could improve year to year, and formulaically categorize candidate closures.

Northern Gulf of Maine Management Measures (presentation, Jonathon Peros)

Council staff reminded the Committee that the NGOM management measures developed in FW29 were meant to be a short-term solution to allow controlled fishing in the NGOM management area until a future action can be developed to address NGOM management issues in a more holistic manner. The measures developed in FW29 were not intended to be permanent. The NMFS and Council recommended this topic remain a priority for 2018. Staff noted that the PDT is looking for input from the Council on what issues to focus on in this priority.

Discussion:

With regard to the NGOM management measures 2018 priority, a member of the public inquired why NGOM vessels were not required to call-in for observers like the rest of the fishery. It was noted that this was an oversight when SBRM was developed and that there is no mechanism for NGOM vessels to carry observers at present. GARFO staff noted that a specific NGOM declaration will be required in FY2018 for any vessels fishing in the NGOM management area. The Committee felt it was acceptable for the NGOM priority to be worked on over the next two years and acknowledged that an amendment will likely be required to address management measures in a holistic way.

After further review of AP motions from the previous days' meeting, the Committee agreed with recommending "gear modifications to protect small scallops" be removed from the 2018 priority list (see Motion 4) and supported adding "standard default measures" to the 2018 priority list (see Motion 5). The Committee also generally agreed with the AP motion which ranked the 2018 priorities; however, the Committee supported including "consideration of the LAGC IFQ possession limit" on this list as well (see Motion 6).

Motion #4: Hughes/Reid

The Committee recommends removing gear modifications to protect small scallops from the priority list in 2018, but consider in future years.

Rationale: Not needed at this time. There are workload considerations for the Council and the PDT. This priority should be considered in future years. The immediate concerns are about predation on small scallops.

The motion carried 10/0/0.

Motion #5: Griffin/Hughes

The Committee requests that the Council add "standard default measures" to the 2018 scallop priorities list.

Rationale: This would reduce the number of decisions that the Council makes during specifications. These are for default measures, and the intent is to have specifications in place by April 1. The PDT should work on the issues it has identified.

The motion carried 10/0/0.

Motion #6: Pappalardo/Reid

The Committee recommends that 2018 priorities be ranked in the following order:

- Action to modify access areas consistent with OHA2
- Develop Standard default measures
- Monitoring and catch accounting provisions
- Consider LAGC IFQ trip limits
- NGOM management measures

Rationale: The Committee voted to remove gear modifications to protect small scallops from the list. The PDT will be working on the benchmark assessment this year. The PDT should continue to with the direction it has taken on the 2018 priorities so far.

The motion carried 10/0/0.

No other business was discussed. The meeting adjourned at 1:05 pm.