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M E M O R A N D U M

Date: June 5, 2020
To: Council and Board
From: Julia Beaty (MAFMC staff) and Caitlin Starks (ASMFC staff)
Subject: Draft Alternatives for Black Sea Bass Commercial Allocation Amendment

Introduction and Background

The Mid-Atlantic Fishery Management Council (Council) and the Atlantic States Marine Fisheries Commission’s (Commission’s) Summer Flounder, Scup, and Black Sea Bass Management Board (Board) are working on a joint amendment/addendum to consider changes to the allocations of the black sea bass commercial quota among states and to consider whether these allocations should be added to the Council’s Fishery Management Plan (FMP). Currently the state allocations are only included in the Commission’s FMP.

The black sea bass commercial quota is managed on a coastwide basis in federal waters. In state waters, it is allocated among the states of Maine through North Carolina using the percentages shown in Table 1. These percentages were approved in 2002 and are loosely based on landings data from 1980-2001. Although these allocations are not currently in the Council’s FMP, the Council was closely involved in their initial development, as described in more detail in the amendment scoping document (available at <https://www.mafmc.org/actions/bsb-commercial-allocation>).

Table 1: Current allocations of the black sea bass commercial quota among states.

State	Percent of Coastwide Quota
Maine	0.5 %
New Hampshire	0.5 %
Massachusetts	13.0 %
Rhode Island	11.0 %
Connecticut	1.0 %
New York	7.0 %
New Jersey	20.0 %
Delaware	5.0 %
Maryland	11.0 %
Virginia	20.0 %
North Carolina	11.0 %

As shown in Table 1, under the current allocations, 67% of the annual coastwide quota is divided among the states of New Jersey through North Carolina and 33% is divided among the states of New York through Maine.

The most recent black sea bass stock assessment shows that spawning stock biomass in the northern region (i.e., approximately Maine through Hudson Canyon) has greatly increased since 2002, while the amount of biomass in the southern region (i.e., approximately south of Hudson Canyon through Cape Hatteras) has not greatly changed (Figure 1). Although the state allocations were not based on distribution of the stock, some northern region states have noted that changes in availability and distribution have made it increasingly difficult to constrain landings to their current allocations.

In October 2019, the Board initiated Draft Addendum XXXIII to address these concerns. In December 2019, the Council initiated a complementary amendment. Both the addendum and amendment will consider whether changes should be made to the state allocations and whether the allocations should be managed under both the Commission and Council FMPs, rather than only under the Commission’s FMP as is currently the case.

Goals of Amendment/Addendum

- Consider adjusting the current commercial black sea bass allocations using current distribution and abundance of black sea bass as one of several adjustment factors to achieve more balanced access to the resource. These adjustment factors will be identified as the development process moves forward.
- Consider whether the state allocations should continue to be managed only under the Commission's FMP or whether they should be managed under both the Commission and Council FMPs.

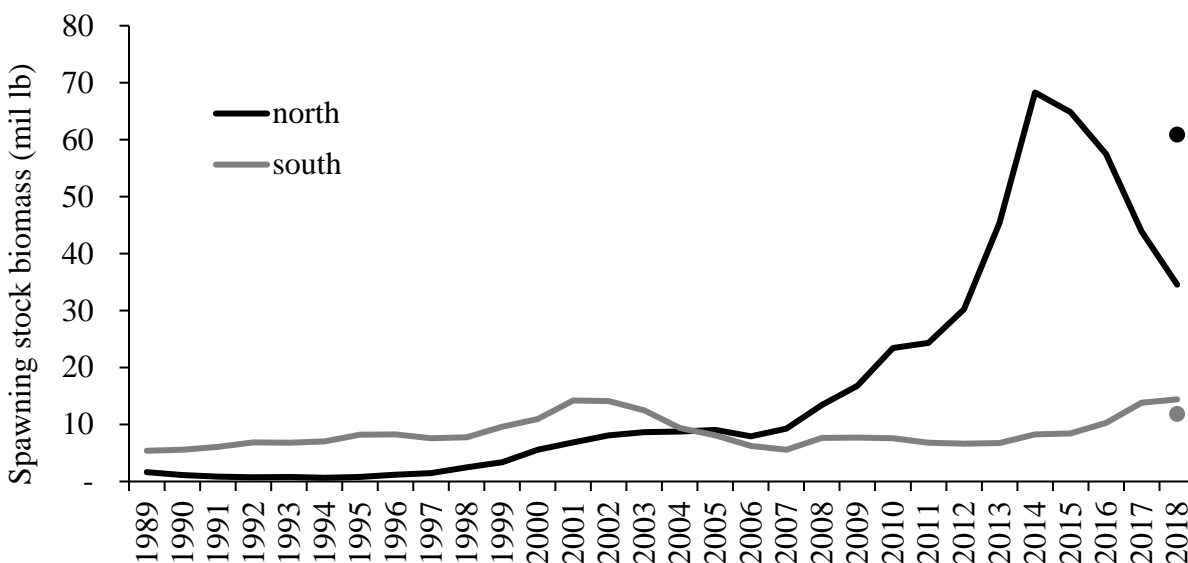


Figure 1. Black sea bass spawning stock biomass by region from the 2019 Operational Assessment Update. Open marks represent retro-adjusted values (used to set catch limits). Source: Personal communication with Northeast Fishery Science Center.

Objective of Council and Board discussion

During their joint June 2020 meeting, the Council and Board will provide input on the draft range of management alternatives for this action. Staff will then further develop the alternatives in anticipation of approval of a final range of alternatives and a draft addendum document for public comment at the joint August meeting. If the Council and Board wish to maintain the current timeline for next steps (see page 8), major changes to the draft alternatives should be agreed to during the June joint meeting to allow time for staff to further develop alternatives prior to the August joint meeting.

Discussion questions

- Is the range of management approaches listed below appropriate for inclusion in a public hearing document? Should any approaches or sub-options be removed? Should any be added?
- For some approaches, the Plan Development Team (PDT) recommended a range of sub-options. In some cases, these are minimum and maximum values with the intent that the Council and Board could chose final options from within that range. Are the proposed ranges of sub-options appropriate?

Potential management approaches

The potential management approaches summarized below are based on PDT recommendations, previous Council and Board input, and staff recommendations.

A. Status quo (current commercial state allocations)

This option would maintain the current state allocation percentages (Table 1). This alternative must be included in the amendment/addendum.

B. Increase Connecticut quota to 5%

This option aims to increase Connecticut's 1% allocation to 5% as a standalone option or prior to applying other options described below. Connecticut has experienced a notable increase in black sea bass abundance in state waters over the last several years. This option attempts to reduce the disparity between the abundance of black sea bass in Connecticut waters and Connecticut's current 1% allocation by increasing Connecticut's allocation to 5%, using the following approach:

1. Hold New York and Delaware allocations constant. New York has experienced a similar increase in black sea bass abundance in state waters as Connecticut; therefore, a reduction to the New York allocation is not proposed under this approach. Delaware's current allocation is 5%. This option does not seek to make Connecticut's allocation larger than any other state (except Maine and New Hampshire, see below).
2. Move 1/2 of the Maine and New Hampshire allocations to Connecticut. Since 2012, neither Maine nor New Hampshire has reported commercial black sea bass landings, and neither state has a current declared interest in the fishery.
3. Move allocation from the remaining states proportional to each state's current allocation.

C. Dynamic Adjustments to Regional Allocations (DARA)

The Dynamic Adjustments to Regional Allocations (DARA) approach is a dynamic, formulaic method that aims to balance stability based on historical allocations with gradual allocation adjustments based on regional shifts in stock distribution derived from stock assessments or

surveys.¹ There are two phases to this approach. The first is the transition phase, during which the initial allocations (i.e. current, or modified through option B) are gradually adjusted to allocations partially based on distribution of the stock. After the transition phase is complete, the component of the allocations that is based on stock distribution is updated on a regular basis in response to updated distribution information.

As described below, there are various sub-options to set the scale and pace of the change in allocations both during and after the transition period. The sub-options for each component represent the minimum and maximum bounds on the range of options recommended by the PDT. The Council and Board could select final options from within this range.

Sub-options for relative importance of historical allocations compared to resource distribution

The PDT recommends the options below to determine the final relative importance of the historical allocations compared to stock distribution at the end of the transition period. It is intended that the Council and Board could chose values from within the range of the two options listed below. The length of the transition period will depend on other options chosen.

- **Allocations based 90% on stock distribution and 10% on historic allocations.** This could result in more change from the starting allocations compared to the following option.
- **Allocations based 50% on stock distribution and 50% on historic allocations.** This could result in less change from the starting allocations compared to the previous option.

Sub-options for change in relative importance of historical allocations and stock distribution per adjustment

The transition to allocations based on a combination of the historical allocations and stock distribution would occur through incremental adjustments to the relative importance of each factor. The Board and Council would determine the degree of the change in relative weights of each factor per adjustment. Larger adjustments could result in a faster transition to the final weighting scheme (see above).

- **The PDT recommends that the change in the relative importance of each factor fall within the range of 5% to 20 % per adjustment.**

Sub-options for frequency of adjustments to allocations

As previously noted, the DARA approach would result in dynamic allocations. The Board and Council should determine how frequently the allocations would be revised both during and after the transition period. During the transition period, the revisions would be based both on incremental changes in the relative importance of the historical allocations compared to distribution information, as well as based on updated distribution information, if available. After the transition period, the adjustments would be based only on updated distribution information, if available.

- **The PDT recommends consideration of alternatives for allocation adjustments either on an annual basis, or every other year.**

¹ This option is modeled after the Transboundary Management Guidance Committee (TMGC) approach, which was developed and used for the management of Georges Bank resources shared by the United States and Canada (NEFMC, 2003).

Sub-options for maximum regional allocation change per adjustment

A cap could be set for the maximum amount by which the regional allocations could change per adjustment.

- **If a cap is desired, the PDT recommends consideration of caps ranging from 3% to 10%.**

D. Trigger approach

Under this approach, a minimum level of coastwide quota in pounds would be established as a trigger for a change in the state allocations. The amount of coastwide quota up to and including the trigger value would be distributed to the states according to the base allocations. Any remaining quota above the trigger would be distributed differently (see sub-options below).

Sub-options for trigger value

The PDT recommends consideration of trigger values ranging from 3 to 4 million pounds. See Figure 2 for a comparison of these trigger values to past black sea bass commercial quotas.

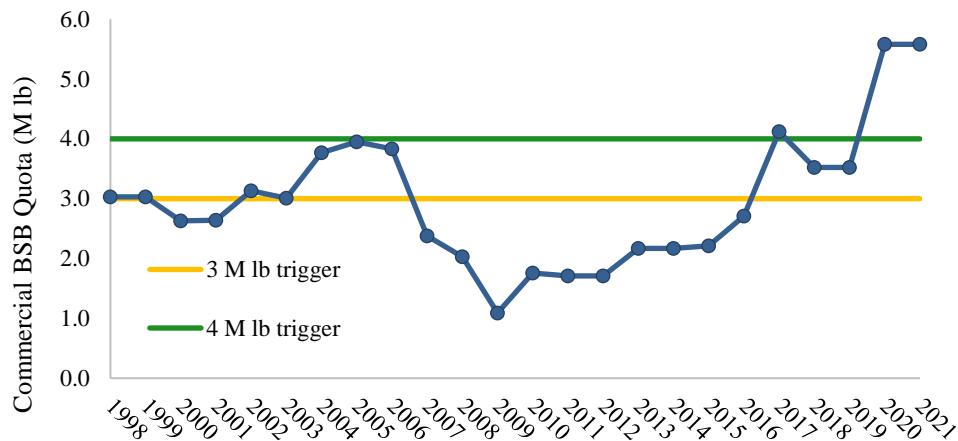


Figure 2: Black sea bass commercial quotas, 1998-2021 compared to potential 3 million and 4 million pound trigger values.

Sub-options for distribution of surplus quota

Quota up to and including the trigger value would be distributed to the states according to the base allocations. Surplus quota above the trigger could be distributed according to one of the following options:

- **Even distribution of surplus quota** among the states of Massachusetts through North Carolina. Maine and New Hampshire would each receive 1% of the surplus based on their historically low participation in the fishery.
- **Distribution of surplus quota among regions based on regional biomass from stock assessment.** The regional allocations would then be divided among the states within each region by either dividing quota evenly among states within a region, or in proportion to base allocations. It is proposed that Maine and New Hampshire would each receive 1% of the northern region surplus quota to account for their historically low participation in the fishery.

Sub-options for static or dynamic base allocations

If surplus quota is distributed based on regional biomass from stock assessment, **the Board and Council could consider either static or dynamic base allocations under the trigger approach.**

- **Static base allocations** would mean the quota up to and including the trigger amount would be allocated every year according to either the current allocations or the allocations as modified by option B.
- **Dynamic base allocations** would mean the quota up to and including the trigger amount would be allocated according to the previous year's final state allocations. This has the potential to change allocations much more quickly than the static base allocations sub-option. The PDT has raised some concerns about the potential pace of allocation changes under this approach.

E. Trigger approach with increase in Connecticut and New York allocations prior to adjusting other states

An option was proposed for a 3 million pound trigger (see previous section), with quota up to and including 3 million pounds distributed based on the current allocations (Table 1). Surplus quota above 3 million pounds would first be used to increase Connecticut's allocation to 5% of the overall quota, and then to increase New York's allocation to 9%. Any remaining additional quota would be split among regions according to the proportion of biomass in each region based on the most recent stock assessment information and allocated among states within each region in proportion to the initial allocations.

F. Percentage of coastwide quota distributed based on historical allocations

This approach would allocate a percentage of the annual coastwide quota using the base allocations (i.e., either the current allocations or the allocations as modified by option B as previously described). The remaining quota would be distributed based on the sub-options described below. Fluctuations in the annual quota would result in similar fluctuations in the number of pounds allocated using the base allocations.

Sub-options for percentage of quota to be allocated using base allocations

- **The PDT recommends consideration of alternatives to allocate 25% to 75% of the commercial quota according to the base allocations.** This range could be modified based on Board and Council feedback.

Sub-options for distribution of remaining quota

Similar to the trigger approach, the remaining percentage of quota could be distributed using one of the following options:

- **Equal distribution of surplus quota** among the states of Massachusetts through North Carolina, with Maine and New Hampshire each receiving 1% of the surplus based on their historically low participation in the fishery.
- **Distribution of surplus quota among regions based on regional biomass from stock assessment.** The regional allocations would then be divided among the states within each region by either dividing quota evenly among states within a region, or in proportion to base allocations. It is proposed that Maine and New Hampshire would each receive 1% of the northern region surplus quota to account for their historically low participation in the fishery.

G. Options for regional configurations

Many of the approaches listed above consider changing the current state allocations to incorporate regional distribution information, which would require a regional configuration to be established. The following sub-options consider different regional configurations. Both would allow for consideration of distribution information from the stock assessment. Other regional configurations may require the use of different data (e.g., trawl survey data).

- **MA-NY and NJ-NC**
- **MA-NY, NJ, and DE-NC.**

These two regional options generally align with those used for the assessment, which used Hudson Canyon as the dividing line between the spatial sub-units of the stock. The second option would treat New Jersey as its own region, considering its geographic location straddling the border between the northern and southern spatial sub-units used in the stock assessment.

Under both sub-options, Maine and New Hampshire's allocations would each remain at 0.5% (or 0.25% if option B is selected) as they do not currently have a declared interest in the fishery.

H. Hybrid approach

A hybrid approach could be developed to allocate the coastwide quota among the states using two or more of the above methods. Combining several approaches could offer flexibility and/or compromise for different perspectives, but at the cost of increased complexity. The development of this option would require specific guidance from the Council and Board and additional analysis by the PDT. **The PDT recommends that the Council and Board consider removing hybrid approaches from further consideration through this action** because they may not add additional benefits beyond the other alternatives already under consideration, and they would add additional complexity.

I. Federal management of state allocations

This action will also consider whether the state allocations should be added to the Council's FMP or if they should remain only in the Commission's FMP. Other changes could also be considered if the allocations are added to the Council's FMP (see sub-options below). If the allocations are added to the Council's FMP, both groups would vote on future changes to the allocations. It would also require that GARFO monitor landings at the state level. Transfers of quota between states would continue to be allowed, but would be managed by GARFO, rather than the Commission.

Sub-options for response to state quota overages under Council FMP

Staff recommend consideration of the following two options related to paybacks of state quota overages.

- **Paybacks only if coastwide quota is exceeded.** Under this option, states would only pay back quota overages if the entire coastwide quota is exceeded. This is the current process for state-level quota overages under the Commission's FMP. No changes would be made to the current commercial accountability measures.
- **States always pay back overages.** Under this option, the exact amount in pounds by which a state exceeds its allocation would be deducted from their allocation in a following year. This is similar to how state quota overages are addressed for summer flounder. All other aspects of the commercial accountability measures would remain unchanged.

Sub-alternatives for in-season closures

Staff recommend consideration of the following two options related to federal in-season closures.

- **No action - coastwide federal in-season closure when the coastwide quota is projected to be exceeded.** Under this alternative, individual states would close in-season if their allocations are reached prior to the end of the year, as is currently required under the Commission's FMP. The entire fishery would close in-season for all federally permitted vessels and dealers, regardless of state, once the coastwide quota is projected to be landed, as is currently required under the Council's FMP.
- **Coastwide federal in-season closure when the commercial ACL is projected to be exceeded.** Under this alternative, individual states would close in-season if their allocations are reached prior to the end of the year, as is currently required under the Commission's FMP. The entire fishery would close in-season for all federally permitted vessels and dealers, regardless of state, once the coastwide commercial ACL is projected to be landed, rather than when the quota is projected to be landed under the current regulations. Discards in weight cannot be monitored in-season using current discard estimation methods. Therefore, in practice, this option would require GARFO to either make assumptions about discards in the current year, or to close when landings alone are projected to exceed the ACL. States would continue to close when their individual allocations are reached; therefore, it is not anticipated that this option would result in major ACL overages. Depending on how current-year discards are addressed, this option may slightly reduce the likelihood of an in-season closure occurring. However, it should be noted that an in-season federal closure has not occurred to date under the current process.

Next steps

It is anticipated that the Council and Board will approve a final range of management alternatives and a draft addendum document during their joint August 2020 joint meeting. Public hearings could take place in the fall of 2020. The Council and Board could then take final action during their joint meeting in December 2020. Any changes to the Commission's FMP could be implemented for the 2021 fishing year. Changes to the Council's FMP will require an additional federal rulemaking period and could be implemented mid-2021.