Cost Recovery Amendment

Freehold, NJ
June 10, 2014

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FISHERY MANAGEMENT COUNCIL

4 Actions - Apply to both Species

- Cost Recovery
- Mechanism to update BRPs in FMP
- OY Range
- EFH Updates

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Timeline

- Expected to be EA
- Committee review alternatives; back to FMAT
- Review and/or approve PHD in October 2014
- Public hearings, review/approval, rulemaking and implementation (longer for this type of action)
- Final rule by Jan. 1, 2016

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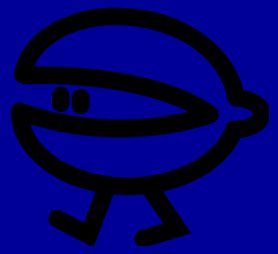
Cost Recovery Draft Alternatives

- 1: No Action - No Cost Recovery
- 2: ITQ tag holder pays via dealer
- 3: Shareholder pays directly; equal fee per tag
- 4: Tagholder; two tiered approach
- 5: Shareholder pays; "tilefish model"



Alternative 1 (No action - No Cost Recovery)

- Contrary to Congressional mandate to collect fees for ITQ programs (MSA)

Alternative 2 (ITQ tag holder pays via dealer)

- Federal dealers would collect the fee at point of purchase.
- Person that submits tags at point of purchase pays fee
- Fee determined by multiplying ex-vessel value of each ITQ landing by % fee

Alternative 3 (Shareholder pays directly; equal fee per tag)

- Shareholder would pay NMFS directly
- Fee shared by all shareholders regardless of whether tag was fished
- Fee determined by multiplying ITQ fee percentage by total ex-vessel value for landings, then divided by number of ITQ tags. Fee paid for all held shares.

Alternative 4 (Tagholder; two-tiered approach)

- % of fee assessed to tag holders to keep permits and tags
- Remaining part ("not half") of the fee would be paid via dealers when the tags are used to land
- Fee determined by multiplying ex-vessel value of each ITQ landing by % fee

Alternative 5 (Shareholder pays; tilefish model)

- Shareholder would pay NMFS directly
- Fee based on landed value associated with shares owned
- Fee determined by multiplying ex-vessel value of ITQ landings by % fee. Fee paid for all held shares directly to NMFS

Provisions that apply to all Alternatives

- Maximum percent fee is 3-percent
- Fees collected deposited in LASAF fund
- Separate accounts to ensure the funds only pay for SCOQ ITQ Programs
- Annual ITQ report generated

Provisions that apply to all Alternatives

- Ex-vessel value is sum of all payments
- NMFS will mail bill for fees; payments made electronically; early payment (maybe?)
- NMFS will estimate % fee for first year based on prior year costs
- RA will adjust fee; notice the fee each year

Adjusting Fee vs Refunds/Rebills

- FMAT preferred approach is adjusting fee % each year if too much or too little of the costs is recovered
- GC leaning towards issuing refunds or rebills each year (increase time/admin. costs)
- GARFO staff and GC exploring issue further

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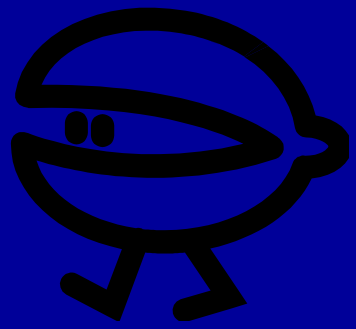
Administrative Mechanism to Update Biological Reference Points Alternatives

- 1: No Action
- 2: Redefine Status Determination Criteria



Alternative 2

- No associated regulations, just FMP text
- Just describes NS1 guidelines for MFMT and MSST
- Described peer review that is considered acceptable
- Acknowledges SAW/SARC is dominant process

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Alternative 2

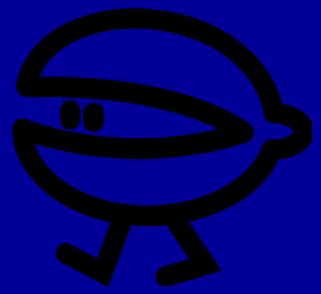
- MAFMC Science and Statistical Committee (SSC) Review
- MAFMC Externally Contracted Reviews with Independent Experts (e.g., CIE)
- NMFS Internally Conducted Review (e.g., Comprised of NMFS Scientific and Technical Experts from NMFS Science Centers or Regions)
- NMFS Externally Contracted Review with Independent Experts (e.g., CIE)

All Plans are Being Updated with this Process

- Already in SFSCBSB and Dogfish FMPs
- Proposed here for SC and OQ FMP
- ABC Framework addressing remaining plans; Tilefish, SMB, Bluefish
- Makes plans more adaptive/responsive to new science

Optimum Yield (OY) Range Alternatives

- 1: No Action
- 2: Eliminate the OY Range
- 3: Link upper end of OY Range to ABC



Alternative 1 (No action)

- Bounds Council to only setting commercial quotas to OY ranges; developed in 1980's
- Surfclam OY range from 1.85 - 3.40 million bushels or 14,265 - 26,218 mt
- Ocean quahog OY range from 4.00 - 6.00 million bushels or 18,144 - 27,216 mt
- SCOQ plan is only plan with OY ranges

Alternative 2 (Eliminate the OY Range)

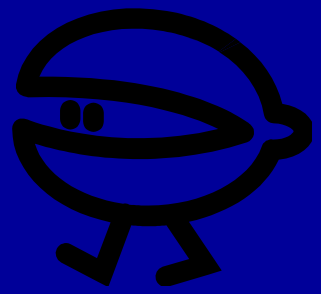
- Eliminate OY range
- Current catch limit system (ABCs, ACL, Quotas, etc.) in place continues as is
- Nothing precludes Council from setting commercial quotas similar to present if less than ABC

Alternative 3 (Link Upper OY Range to ABC Recommendations)

- Upper end of OY range is equal to ABC
- Already reg. language that indicates that quotas can be less than OY range if ABC is less than OY range
- Alt. 3 does the same thing as alt. 2 (can set quotas above or below OY range, but must be less than ABC (statutory requirement))

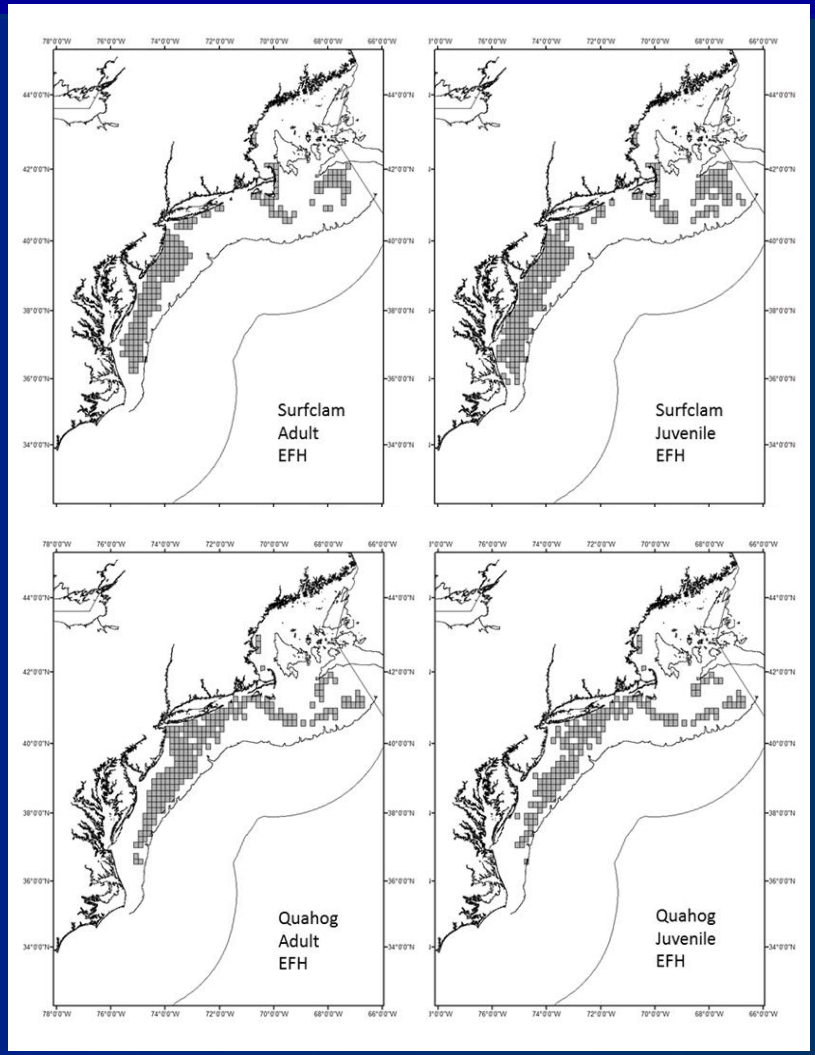
Essential Fish Habitat Alternatives

- 1: No Action
- 2: Placeholder (for now)



Alternative 1 (No action)

- Text description (only juv and adult)
- Maps by TMS
- Figures, Page 11 and 12



Alternative 2 (Placeholder)

- Previous FMAT presented analyses through 2008
- Text description (eggs/larvae and juv/adult)
- Refined temperature and depth ranges
- Revised maps

Alternative 2 (Placeholder)

- New FMAT working with NEFSC staff to:
  - update time series (1980-2013)
  - map survey catch by percentiles
  - review science literature
  - re-evaluate alternatives for text and maps and present to Committee/Council by October
  - provide Council most up to date information on which to base a preferred alt.

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Questions? Comments?