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TO: ASMFC Summer Flounder, Scup, and Black Sea Bass Management Board Members
Mid-Atlantic Fishery Management Council Members

FROM: Nichola Meserve, ASMFC Board Member, Massachusetts

DATE: January 25, 2021

RE: **Proposed State Allocation Approach for Option F (Commercial Black Sea Bass)**

In advance of our upcoming action on Black Sea Bass Addendum XXXIII/Commercial State Allocation Amendment, I am sharing a proposal for the selection of an allocation approach using Option F, where a fixed percentage of the coastwide quota is distributed based on regional biomass distribution. Notably, this proposal is not MA DMF's top preference, but secondary to an approach that would apply Option C, the Dynamic Adjustments to Regional Allocations (DARA) approach, given its ability to phase in the allocative revisions in recognition of the socio-economic consequences of doing so. Should the DARA approach be unable to garner majority support, MA DMF supports the use of Option F over any of the trigger approaches in Options D or E, to ensure that the new allocations incorporate regional biomass distribution at every level of coastwide quota.

This proposal is similar to that recommended by Council staff (1/15/21 memo) using Option F, with 75% of the state quotas being based on the initial allocations; 25% of the state quotas being based on regional biomass distribution; the distribution of regional allocation to states being in proportion to the initial allocations within each region (except ME and NH sharing 1% in the northern region); and NJ being treated as a stand-alone region. However, it incorporates two modifications to the staff-recommended configuration of Option B: increasing Connecticut's initial allocation by 2% rather than by 4%; and also increasing New York's initial allocation by 2%.

This configuration of the allocation approach would adopt the following options:

- **Modified Alternative B**: Increase CT's allocation to 3% and NY's allocation to 9%.
- **Alternative F**: Percentage of coastwide quota distributed based on initial allocations:
  - **Sub-alternative F1-B**: 75% of the coastwide quota allocated using the initial allocations.
  - **Sub-alternative F2-B**: Remaining quota (25%) allocated based on regional biomass from the stock assessment.
  - **Sub-alternative F3-B**: Proportional distribution of regional quota.
- **Sub-alternative G2**: Establish three regions: 1) ME-NY; 2) NJ; and 3) DE-NC.

Rationale for Option F: The allocation approach described above seeks to better align the allocations with current stock distribution while accounting for the historical dependence of the states on the commercial black sea bass fishery. A fixed percent (25%) of the coastwide quota would be reallocated regardless of the level of coastwide quota. This contrasts the Trigger approach's variable reallocation percent, from 0% of the quota—even if all the biomass were in one region (suggesting an approach that does not achieve the objective of this action)—to possible levels much greater than 25%. Adoption of a

Trigger approach at this time is also complicated by the ongoing commercial/recreational allocation amendment and its effect on the coastwide commercial quota; this argues for an approach not dependent on a particular amount of coastwide quota. While MA DMF would ultimately prefer more than 25% of the allocations being based on biomass distribution, this amount represents a meaningful step in that direction in the spirit of compromise.

The table below provides the resulting state allocation percentages under this proposal and using the 2018 biomass distribution information (84% SSB in the north, and 16% SSB in the south). No state would lose more than 4.21% of the coastwide quota and no state would gain more than 3.9% of the coastwide quota. The allocations would decline by no more than 21% (well within the recent quota increase of 59%); and other than CT and NY, no state would have an allocation increase of more than 16%.

State	Current Allocation	Initial allocations (CT to 3%, NY to 9%)	Revised Allocations under 2018 biomass distribution	Difference between current and revised allocations	% Change in Allocation
ME	0.50	0.25	0.40	-0.10	-21%
NH	0.50	0.25	0.40	-0.10	-21%
MA	13.00	12.47	15.11	2.11	16%
RI	11.00	10.55	12.78	1.78	16%
CT	1.00	3.00	3.63	2.63	263%
NY	7.00	9.00	10.90	3.90	56%
NJ	20.00	19.19	19.51	-0.49	-2%
DE	5.00	5.00	4.11	-0.89	-18%
MD	11.00	10.55	8.68	-2.32	-21%
VA	20.00	19.19	15.79	-4.21	-21%
NC	11.00	10.55	8.68	-2.32	-21%

Paramount to this approach however is that the allocations change as biomass distribution does, in either a more southerly or more northerly direction. While neither of these scenarios is likely, the table below gives the allocations based on 100% of the biomass being in either the southern or northern region to help describe the possible range of implications from selecting this allocation approach.

State	Current Allocation	Revised Allocation if 100% of Biomass is in South	Difference Between Current and Revised	Revised Allocation if 100% of Biomass is in North	Difference Between Current and Revised
ME	0.50	0.19	-0.31	0.44	-0.06
NH	0.50	0.19	-0.31	0.44	-0.06
MA	13.00	9.35	-3.65	16.20	3.20
RI	11.00	7.91	-3.09	13.71	2.71
CT	1.00	2.25	1.25	3.90	2.90
NY	7.00	6.75	-0.25	11.69	4.69
NJ	20.00	18.76	-1.24	19.66	-0.34
DE	5.00	6.03	1.03	3.75	-1.25
MD	11.00	12.72	1.72	7.91	-3.09
VA	20.00	23.13	3.13	14.39	-5.61
NC	11.00	12.72	1.72	7.91	-3.09

Rationale for Modified Option B: Option B seeks to address problems with the current allocations specific to certain states. CT has demonstrated a drastic increase in black sea bass availability in Long Island Sound that occurred after the historical reference period. While other states have likewise experienced increases, CT's meager 1% allocation means the various options provide little relief to the state without an initial adjustment. Consider that the approach herein would only increase CT's allocation from 1% to 1.24% (assuming the 2018 biomass distribution) without an initial adjustment; that's less than an additional 15,000 pounds (from ~60K to ~75K) at the 6.09-mlb coastwide quota. The initial 2% increase to CT proposed here is less than requested by CT in Option B but as acknowledged by CT at a previous meeting, 5% could be considered an upper bound on a range of appropriate initial increase to the state's quota, especially when paired with another option incorporating stock distribution.

NY has contended that their historical reference period landings are incomplete due to missing records, an argument inherently difficult to substantiate but one that the state and its stakeholders have steadfastly maintained as a matter of fact. Additionally, the state's fishery has experienced the same resource expansion into Long Island Sound as Connecticut. In support of the ASMFC tenet of interstate cooperation, MA DMF supports an increase to NY of 2% as requested by the state in Option E. This aligns with that proposed for CT. While an initial increase to NY was not a part of Option B, the concept was scoped in Option E; furthermore, the combination of 2% to CT and 2% to NY has the same outcome on all other states' quotas as the initial Option B's 4% increase to CT that was taken to public comment.

Rationale for Sub-Option G2: Establishing NJ as its own region recognizes the state's unique position of straddling the two regions given the delineation at Hudson Canyon for the stock assessment. This option allows the portion of NJ's allocation that is based on biomass distribution to reflect potential changes in both regions. Not surprisingly then, NJ's allocation is minimally affected by stock redistribution, as demonstrated in the table above. NJ's allocation does not drop more than 1% (i.e., to be below 19%) unless 74% or more of the biomass is in the southern region.

Resulting State Quotas
This last table provides the potential state quotas in pounds under this proposal, assuming a 6.09-mlb coastwide quota and the 2018 biomass distribution (in contrast with the existing 2021 state quotas).

State	2021 Quotas	Potential Quotas	Difference
ME	30,450	24,208	-6,242
NH	30,450	24,208	-6,242
MA	791,700	919,932	128,232
RI	669,900	778,404	108,504
CT	60,900	221,298	160,398
NY	426,300	663,895	237,595
NJ	1,218,000	1,188,380	-29,620
DE	304,500	250,567	-53,933
MD	669,900	528,814	-141,086
VA	1,218,000	961,479	-256,521
NC	669,900	528,814	-141,086

Thank you for your consideration. I'd welcome an opportunity to discuss this approach with any of you in advance of the meeting.

Configuration of the DARA approach for Board consideration

The following is a proposed configuration for DARA that is believed to allow both a transition to a more dynamic, biological based allocation structure, while at the same time easing the change over a number of years and allowing the historical allocations to continue to have high weight in the formula. Below is a listing of the how the options were configured, followed by a table with allocations for 2020 through 2030 under the assumption that the current biomass structure of the stock will remain consistent for the next 10 years.

Proposed regions:

The choice for regional configuration has four regions: 1. ME – NH, 2. MA - NY, 3. NJ, and 4. DE - NC. NJ splits its allocation half from the northern region and half from the southern region.

Proposed values for historical participation/initial allocation:

Initial allocations increase the CT and NY base allocation by 1% in each of the first two years.

Proposed values for stock distribution:

Proposal is to use the distribution in the two regions based on the stock assessment exploitable biomass calculations. These are 68% in region 2, 23% in region 3 (NJ), and 9% in region 4. Region 1 remains static at their current allocations.

Proposed percentage weighting values for initial allocation and stock distribution:

The initial sharing formula is proposed to be based on the weighting of initial allocation (from historical allocations) by 95% and the weighting of stock distribution by 5%. By the end of the transition (10 years) the shares will be equal; initial allocation at 50% and stock distribution at 50%.

Proposed increments of change in the weighting values from one adjustment period to the next:

Proposed to change by 5% per period. Thus, 95:5 (historical allocation : biomass distribution) to begin, then: 90:10, 85:15, 80:20, 75:25, 70:30; 65:35; 60:40; 55:45, concluding at 50:50.

Proposed periodicity of the adjustments:

The periodicity of the weighting adjustments is proposed to occur annually, but the biomass structure will be based on stock assessment updates, which occur bi-annually.

Overall time horizon for the transition:

The proposal would conclude in 10 years. If commenced in 2021, it would conclude in 2030.

Allocation adjustment cap:

This proposal will maintain an adjustment cap of 5%, meaning any annual adjustment would be capped at a maximum of a 5% change and would not be allowed to go higher.

Table 1 - Change in allocations under the defined DARA approach above for all states from 2020 through 2030.

State	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Maine	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005
New Hampshire	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005
Massachusetts	0.13	0.132	0.135	0.15	0.167	0.162	0.185	0.179	0.173	0.203	0.21
Rhode Island	0.11	0.112	0.113	0.126	0.14	0.136	0.155	0.15	0.145	0.171	0.177
Connecticut	0.01	0.021	0.033	0.036	0.04	0.039	0.045	0.043	0.042	0.049	0.033
New York	0.07	0.083	0.098	0.109	0.121	0.117	0.134	0.13	0.126	0.147	0.132
New Jersey	0.2	0.195	0.195	0.197	0.2	0.192	0.2	0.207	0.198	0.209	0.216
Delaware	0.05	0.045	0.04	0.035	0.029	0.03	0.023	0.022	0.023	0.016	0.016
Maryland	0.11	0.102	0.093	0.081	0.069	0.071	0.055	0.053	0.055	0.039	0.037
Virginia	0.2	0.188	0.173	0.152	0.128	0.133	0.103	0.099	0.102	0.072	0.068
North Carolina	0.11	0.102	0.093	0.081	0.069	0.071	0.055	0.053	0.055	0.039	0.037

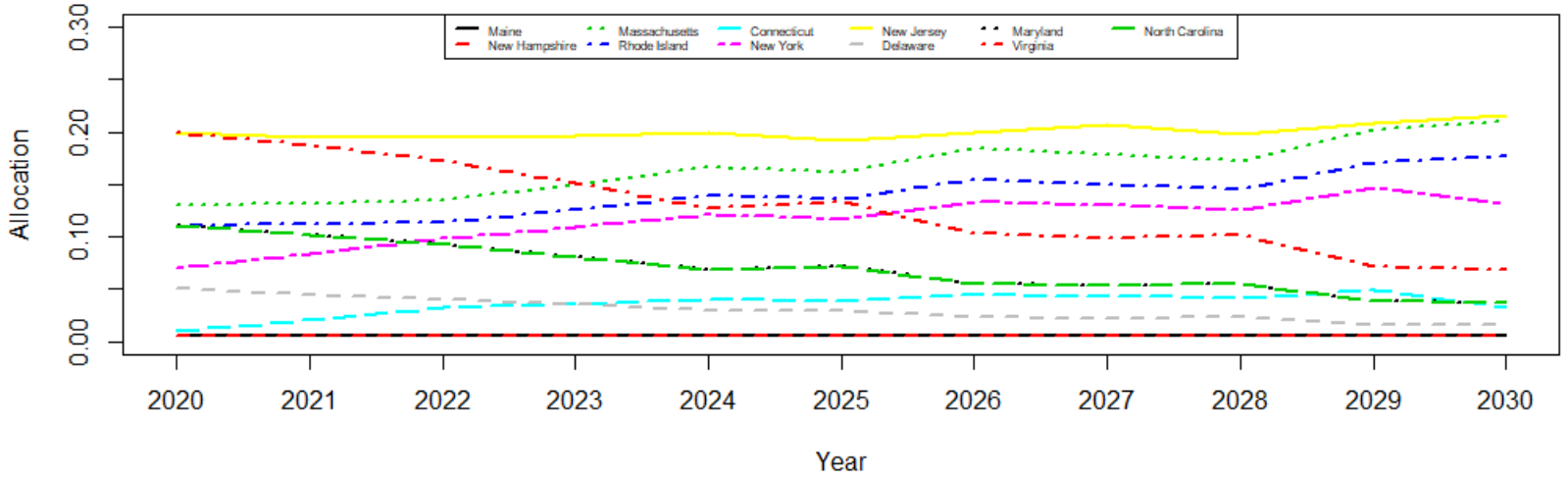

Figure 1 – Change in allocations under the defined DARA approach above for all states from 2020 through 2030.