

Comments on Staff Comments on review of “Short Term Economic Impacts of Scallop Framework 21” UMASS study prepared by Dan Georgianna

I understand that the Council economic analysis is obligated to follow the OMB guidance in estimating cost and benefits over the long run. But bureaucratic guidelines don't necessarily produce accurate results. I simply think that such a long run analysis is highly speculative because too many variables that are assumed constant can change causing large errors in long run predictions.

The loss of a closed area trip is the main difference between 2009 expected landings (56 million pounds, Framework 21, p. vii) and No Action as described in FW21. The staff's document for FW21 argues that No Action implies 4 rather than 5 closed-area trips, but the document defines No Action as “measures from the most recent fishing year” (Framework 21, p. 16). The regulations from the most recent fishing year (2009) included 5 closed area trips, which would have made short-term analysis for No Action similar to estimated landings for 2009.

The “Staff Comments” argues that my analysis does not include stock effects (which I state in my analysis) but estimated landings for 2009 fall within the SSC's overfishing limit (based on the analysis presented at the SSC meeting by the PDT) and below Acceptable Biological Catch (ABC) set by the SSC. The landings associated with $F=0.24$ fall far below the ABC. Furthermore, current stock size for sea scallops is estimated at 1.5 times B_{msy} . Catch rates below F_{msy} cause a deadweight loss in terms of natural mortality and reduced growth rates due to high density. The stock assessment workshop this spring will estimate if 2009 landings reduced the stock below B_{msy} .

The “Staff Comments” argue that regional impact analysis is less appropriate method for estimating economic impact, but I applied regional impact analysis from the documents prepared for the Scallop Advisory Panel meeting on September 15, 2009. I think that models used for economic analysis should be consistent in order to test their accuracy after the management actions take place.

I agree with the “Staff Comments” and wrote that that the estimated average exvessel price for No Action from Framework 21 probably overstates the estimated price for the estimated catch in 2009. I don't know by how much because Framework 21 does not estimate the price for the estimated 2009 catch.

I also agree with the “Staff Comments” that the Framework 21 economic impact analysis adjusted their estimated prices and value for inflation while my analysis included inflation. The differences between inflation adjusted and unadjusted analysis for $F=0.20$ and $F=0.24$ are quite small, however, within a few percent of each other. It is not clear to me if this analysis should be adjusted for inflation or not. I think that both results should be presented.

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