



## *New England Fishery Management Council*

### *Press Backgrounder – January 5, 2009*

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#### **NE Fishery Council Scallop Framework Adjustment 21 Deliberations and Rationale**

Recent reports in the press prompt a clear statement from the New England Fishery Management Council about its recent activities concerning sea scallops. The rationale behind the Council's Framework 21 vote is provided below. In short, the fishing activities of the fleet exceeded the expected landings set forth in the Scallop Plan for 2008 and 2009, a circumstance that led to increased harvests that were at or above the scallop overfishing level. Landings in 2009 are calculated to increase over 20 percent above levels projected, and revenues for the fleet will increase by around \$65 million beyond what was originally estimated. The 2010 catch will be reduced in the framework, but the action is expected to result in 5 million additional pounds of scallops over several years and should increase annual fishery revenues by about \$10 million from 2011-2016.

1. **Council Meeting Agenda** - As is always the case, the Council's Executive Committee was provided with a draft agenda prior to the January 26-28 meeting. After consultation with Executive Committee members about issues related to Framework 21, NEFMC Chairman John Pappalardo, according to long-standing protocols concerning agenda-setting for Council meetings, made the final decision that the Council would not revisit that decision again in late January. Final approval of Framework 21 passed at the November meeting by a 16-0-1 vote with one abstention.
2. **Background** - If approved by the Secretary of Commerce, Framework 21 will adjust scallop days-at-sea (DAS) and set the area rotation schedule for the 2010 fishing year beginning this March. The action includes an overall fishing mortality target of 0.20, as well as four access area trips and 29 open area DAS for full-time limited access vessels.
3. **Status of the scallop resource** - As Framework 21 explains, based on results from the most recent formal stock assessment, the scallop resource is not overfished and overfishing is not occurring. The resource is generally assessed every three years, with the next formal assessment scheduled for spring 2010. For the years in between, the Scallop Plan Development Team (PDT) assesses the condition of the scallop resource as part of requirements outlined in the Scallop FMP. Framework 21 includes an evaluation of updated estimates of actual fishing mortality for 2008 and 2009, but the official status of the scallop resource does not change until it is updated by a stock assessment or update from the Northeast Fisheries Science Center in Woods Hole, MA.
4. **Preventing Overfishing** - The Council's choice of a 0.20 fishing mortality target for 2010 was influenced by the high fishing mortality rates that were estimated to have occurred in 2008 and 2009. (Fishing mortality rates represent the percentage of a stock removed by fishing each year.)

To review, a target of 0.20 was set for 2008-2009, but recent Scallop PDT analyses indicated fishing was actually occurring at much higher rates that were at or just above the overfishing threshold of 0.29. While the result has been two banner years for the scallop fleet in terms of yield and revenue, fishing mortality above the threshold produces overfishing – an outcome the Council is required to prevent. Further, motions made at the November Council meeting calling for higher fishing mortality rates than 0.20 failed to pass in two formal Council votes.

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5. **SSC Advice** - The Council based its decision on information provided by its Scientific and Statistical Committee last fall, an Acceptable Biological Catch (ABC) of 65.2 million pounds. As was made clear in November, that value includes over seven million pounds for scallop discards and incidental mortality in the fishery, leaving the Council an actual ABC of 57.8 million pounds.

The reality is that a 0.20 fishing mortality target in 2009 is expected produce 56 million pounds of sea scallops --- an amount not only very close to the ABC level for 2010, but clearly well above the 46 million pounds that were calculated based on the scallop program management measures.

6. **Minimizing economic impacts** - Following the November Council meeting there has been some criticism of the economic analyses provided in Framework 21. Overall it should be clarified that the objective of the analyses in Council documents is not to predict actual revenues or prices in the future since many factors that influence prices, including future import prices, disposable income of consumers, demand for exports cannot be predicted with certainty. Instead, these analyses are conducted to enable managers and the public to compare the relative impacts of the management measures. The analyses in the framework are consistent with both Office of Management and Budget and National Marine Fisheries Service guidelines in terms of the types of analyses that should be conducted, the length of time analyses should address, as well as specific economic parameters and values that should be used.

Ultimately, the Council decision to support the lower F option of 0.20 was influenced by higher projected long-term economic benefits. The proposed action estimates a short-term loss of revenue of about \$40 million in 2010 compared to the higher F alternative (0.24); total revenue for proposed action is estimated to be \$304 million compared to \$344 under higher F option for 2010. However, for 2011 through 2016, the proposed landings will exceed the higher F option by about 10.3 million pounds, and the overall gain is projected to be 4.5 million pounds for the proposed action compared to the higher F option for 2010 through 2016. For the same time period, total net economic benefits to the nation are estimated to be \$20 million higher for the proposed action compared to the higher F option. In short, a single year of limited landings and revenues, preceded by several exceptional years, is expected to produce higher profits in the future.

7. **Reducing negative impacts on yellowtail flounder and sea turtles** - Finally, the Council's decision was based on area swept projections, a method that allows comparisons of impacts within a particular area of interest. Several Council members cited the lower area swept associated with a 0.20 target as the main reason they supported the lower fishing mortality rate when compared to a rate of 0.24. The lower the area swept, the fewer negative consequences for both the rebuilding Southern New England yellowtail flounder stock and endangered and threatened sea turtles that interact with the fishery.
8. **Consequences of revisiting Framework 21** - Framework 21 was approved by the Council based on complete and accurate information. It was submitted to the National Marine Fisheries Service, which acts on behalf of the Secretary of Commerce to formally approve all Council actions, on December 18, 2009. The agency is fully capable of taking any credible information into account during its approval process, as well as approving or disapproving all or part of the framework.

Finally, few Council members have expressed interest in deviating from the Council's public, inclusive and well-understood process, to revisit Framework 21. If changes were adopted by the Council, the revised action would require not only a re-analysis of a number of elements in the approved document, but also would be a drain on staff resources that are now fully engaged in the development of Scallop Amendment 15, an action that will address mandated deadlines for accountability measures. Revised measures also would delay Framework 44 to the Groundfish FMP, also approved in November, which defines the allocation of yellowtail flounder taken by the scallop fleet as bycatch and would impact groundfish sector allocations.

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