

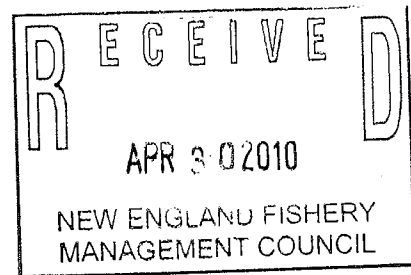
# New Sector Proposals



# NORTHEAST SEAFOOD COALITION

April 30, 2010

John Pappalardo  
New England Fishery Management Council  
50 Water Street, Mill 2  
Newburyport, MA 01950



Dear John,

The Northeast Seafood Coalition ("NSC") submits the following application for Northeast Fishery Sector XIV to the New England Fishery Management Council for approval to operate in fishing year 2011.

The Northeast Fishery Sector ("NEF") XIV is to be comprised of inactive members. The primary intent of NEF XIV is to transfer ACE to and from other Sectors in order to maintain the economic stability of the individuals and their sectors. Although this is the intended goal, NSC also expresses our interest in having this sector be comprised of active membership in the future if such action is deemed necessary.

Attached please find a copy of the Draft Operations Plan and Environmental Assessment for Northeast Fishery Sector XIV. Final documents will be submitted by September 1, 2010.

Sincerely,

*Jackie Odell*

Jackie Odell  
Northeast Seafood Coalition



## PRELIMINARY SECTOR OPERATIONS PLAN AND AGREEMENT NORTHEAST FISHERY SECTOR XIV

This Preliminary Operations Plan is submitted to the New England Fisheries Management Council in compliance with Amendment 16, which states that in order for a new sector to be authorized, "A sector must submit its preliminary operations plan to the Council no less than one year prior to the date that it wants to begin operations" (75 FR 1826; April 9, 2010). Therefore, the Northeast Seafood Coalition submits the following Preliminary Operations Plan on behalf of Northeast Fishery Sector XIV (NEFS-XIV).

### HARVESTING RULES

#### Lease-only Sector / No Active Vessels

Fishing Year 2011 (May 1, 2011 to April 30, 2012)

*The members of NEFS-XIV agree to be legally bound to follow the Harvesting Rules for the Fishing Year (FY) 2011 as described the Sector's Operations Plans and Agreement<sup>1</sup> (herein "Agreement"), notwithstanding those rules and regulations applicable to the common pool Northeast multispecies vessels. The members will not harvest Sector annual catch entitlement (ACE) or engage in other fishing activity for FY 2011-2012. The Sector ACE will only be utilized through inter-sector ACE transfers to other NEF Sectors.*

### **ANNUAL CATCH ENTITLEMENT:** (as determined by NMFS)

GOM Cod	GB Cod	GOM Haddock	GB Haddock	CC/GOM Yellowtail Flounder	GB Yellowtail Flounder:	SNE/MA Yellowtail Flounder
	Eastern:		Eastern:			
	Western:		Western:			
Pollock	Redfish	White Hake	American Plaice	GOM Winter Flounder	GB Winter Flounder	Witch Flounder

1. **ANNUAL CATCH ENTITLEMENT:** The members agree that they will not collectively lease/transfer more than the Sector ACE, as adjusted by transfers, for any allocated groundfish stocks.

2. **QUOTA MANAGEMENT:** Sector members will use a PC based software for collecting data, reporting transfers, and logbook information.

3. **DAYS AT SEA:** Each participating permit and participating vessel will be allocated Days-At-Sea (DAS) by the Regional Administrator (RA). Sector Member permits will not be subject

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<sup>1</sup> A completed draft Operations Plan will be submitted to NMFS by September 1, 2010.

to the DAS reduction proposed in Amendment 16 for common pool vessels. Members will be allowed to lease DAS to other sectors/members.

**4. VESSEL LOGBOOKS (VTRs/e-VTR):** All sector members will comply with applicable reporting requirements including submission of Vessel Trip Reports (VTRs). If Electronic Vessel Trip Reports (e-VTRs) are approved by the RA, Sector Members will submit e-VTRs in the format required by the FSO and NERO. Sector Members will execute all documents necessary to meet legal requirements for the purpose of facilitating e-VTR service.

**5. WEEKLY REPORTS:** The Sector Manager will submit weekly sector reports of all transfers of ACE by the Sector. The Sector will submit required reports using the format and procedure prescribed by NMFS. The Sector will continue to work with NMFS to improve the weekly reporting system and requirements.

**5.1 REPORTING THRESHOLDS THAT TRIGGER DAILY REPORTING:**

Because no participating vessels will catch groundfish, no increased reporting frequency is required.

**6. ANNUAL REPORT:** Within sixty (60) days of the end of the fishing year the Sector Manager will submit an annual report to NMFS and the Council that summarizes: fishing (Leasing/ Transferring) activities of Members, including harvest levels of all species by sector vessels (landings and discards by gear types); enforcement actions; and any other relevant information required to evaluate the performance of the Sector. The sector will submit required reports using the format and procedure prescribed by NMFS.

**7. DATA RECONCILIATION:** The Sector Manager will verify that ACE transfers are reconciled with the Sectors that have participated with the sector for consistency. The Sector will receive the data electronically to expedite and automate data reconciliation. If a discrepancy is detected, the Sector Manager will notify the other sector(s) and NMFS of the discrepancy and will note discrepancies on the weekly report until resolved.

**8. DATA MANAGEMENT:** All data necessary for sector ACE management, including all elements of VTR logbook and daily / weekly reporting requirements will be input electronically. Notwithstanding reporting requirements that cannot be altered by a sectors operations plan, the Sector's server will be capable of collecting, storing, converting and relaying all data elements necessary to meet all reporting requirements in the formats required by the recipients

**9. PROOF OF SECTOR MEMBERSHIP:** For FY 2011, no members / vessels of NEFS-XIV will be authorized to harvest the Sector's ACE. Therefore, Letters of Authorization (LOA) would not be a necessary component of this Sector's operations.

**10. SECTOR SPECIFIC EXEMPTIONS:** *TBD*

**11. SECTOR UNDERSTANDING AND ACKNOWLEDGMENTS:** Sector Members understand and acknowledge that the following provisions have been interpreted by NMFS as applicable to all operating sectors. Sector Members acknowledge this applicability and where appropriate utilize these universal interpretations within their sector management and operations:

**11.1 INTRA-SECTOR DAYS AT SEA (DAS) LEASING:** DAS may be leased intra-sector (between members) within the guidelines and procedures contained in the FMP

and as amended by Amendment 16. The Sector would accept any future relief in the length and horsepower constraints of the program that may be authorized by the RA in the future.

**11.2 INTER-SECTOR DAYS AT SEA (DAS) LEASING:** Members who wish to lease DAS outside of the Sector are authorized under this provision to do so, only with members of other sectors whom are similarly exempt. Members acknowledge that such DAS leasing would not be exempted from existing length and horsepower constraints as currently contained in applicable regulations.

**11.3 PAPER VTR:** Members acknowledge that they are bound to all applicable reporting requirements. Sector vessels shall continue using paper VTRs, as required by regulations. However, should e-VTR systems for transmission and submission of required VTR reports be authorized by the RA for FY 2011, this Sector reserves the option to utilize this reporting method.

**11.4 ADDITIONAL REQUESTS:** It is the understanding of the Sector that they may be able to request additional exemptions in the event other NMFS approved measures are deemed applicable and available to sectors for Fishing Year 2011.

**Dockside Monitoring and At-Sea Monitoring:** This Sector will operate as a Lease-Only Sector in FY 2011. No members of NEFS-XIV will actively engage in fishing activities with the MRI permits or vessels listed as "Members" in exhibit A.





*Northeast Fishery Sector XIV*  
Preliminary Environmental Assessment

Prepared by:  
*Northeast Seafood Coalition*

Lead Agency:  
*National Marine Fisheries Service*

April 2010

## 1.0 INTRODUCTION

Amendment 16 to the Northeast Multispecies Fishery Management Plan (FMP) allows for the modification of existing sectors and authorizes the implementation of additional sectors, which is defined in the text box below. Sectors provide participants the opportunity to shift away from the current regulatory effort control management system to an output system that may substantially enhance the long-term sustainability of this fishing community and the groundfish stocks they rely on.

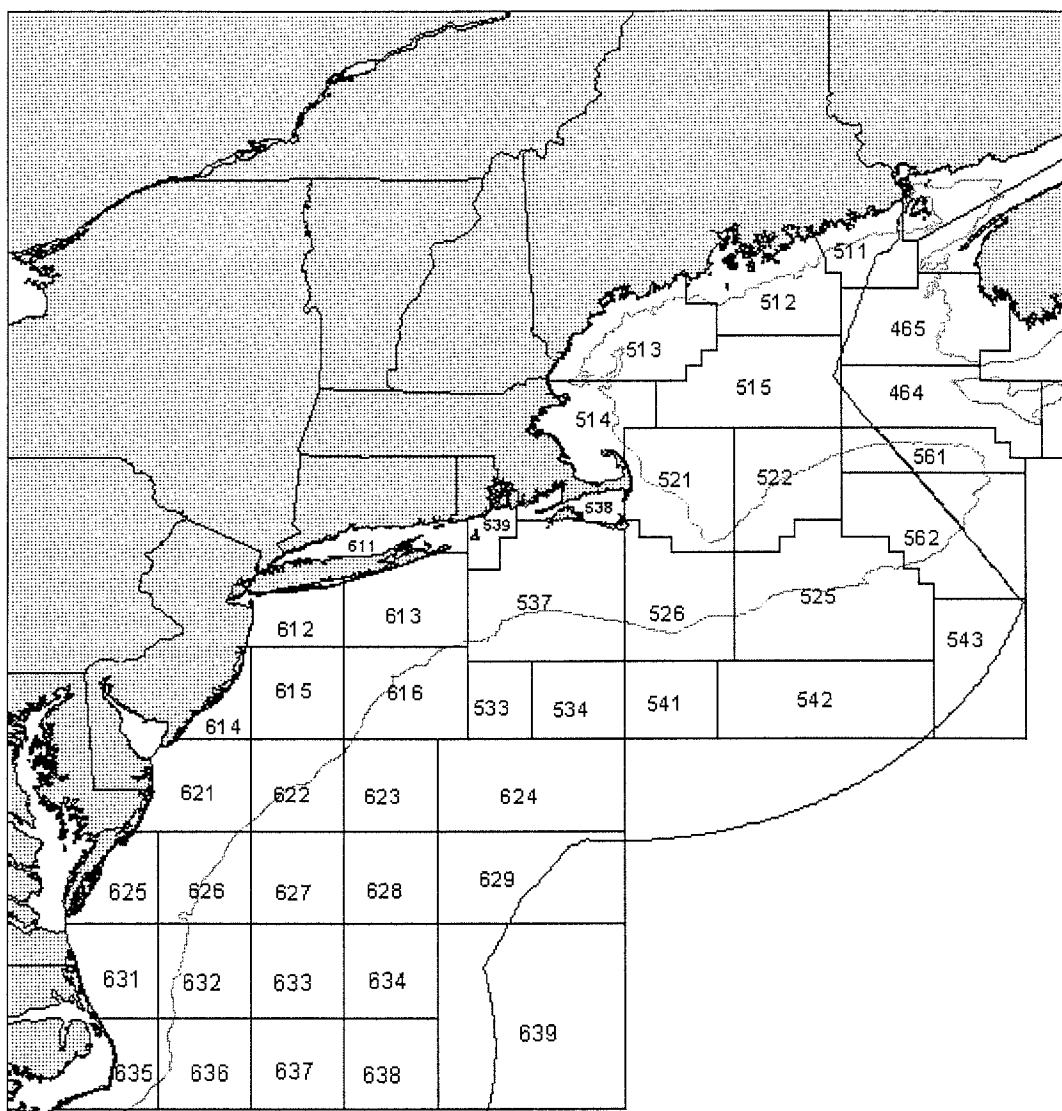
**A Sector is defined as:**

a group of persons holding limited access vessel permits who have voluntarily entered into a contract and agree to certain fishing restrictions for a specified period of time, and which has been granted an annual catch entitlement in order to achieve objectives consistent with applicable FMP goals and objectives. In the formation of a sector, sector participants can select who may participate (NEFMC 2009a).

The Northeast Fishery Sector XIV or NEFS-XIV (lease-only sector) is preparing an Operations Plan for submittal to the National Marine Fisheries Service (NMFS) and requests an annual catch entitlement (ACE) of those stocks of fish managed under the Northeast Multispecies FMP for the 2011 fishing year that the New England Fisheries Management Council (NEFMC or Council) determines have adequate biomass to be allocated to the fishery. If approved, the fishing year (FY) 2011 would be the first year that this Sector would operate.

NEFS-XIV would be a lease only sector, which means there would be no active vessels fishing these permits. The ACE held by this sector would primarily be leased to other Northeast Fishery (NEF) Sectors. Provided that the gear composition of the 12 existing NEF Sectors varies by sector, the gear utilized to catch quota leased from this sector would also vary. While there are no active vessels in the NEFS-XIV, all vessels that may lease quota from NEFS-XIV would operate within the U.S. Exclusive Economic Zone (EEZ), which extends 3 to 200 nautical miles offshore the coast of the Northeast United States (Figure 1-1).

This Environmental Assessment (EA) was prepared as required by the National Environmental Policy Act (NEPA) of 1969, and in compliance with the new sector regulations as described in Amendment 16 to the Northeast Multispecies FMP. This EA describes the potential impacts on the human environment from approval of NEFS-XIV. The analysis in this EA tiers off the information and analysis contained in the Environmental Impact Statement (EIS) for Amendment 16 to the Northeast Multispecies FMP. The latter document analyzes measures to achieve mortality targets, provide opportunities to target healthy stocks, mitigate the economic impacts of the measures, and improve administration of the fishery. In that EIS, 19 sectors have been established and criteria were set for developing their Operations Plans. The impacts associated with the specific actions of each sector are captured in the individual EAs (such as this one), while the impacts associated with Amendment 16 (the regulation authorizing the formation of sectors) are more broadly analyzed in the corresponding EIS. As stated in the Council on Environmental Quality's (CEQ) Regulations for Implementing the Procedural Provisions of NEPA (40 CFR Part 1502.20), "tiering" is encouraged to eliminate repetitive discussions of the same issues and focuses on the actual issues ripe for decision at each level of environmental review.



**Figure 1-1 – Northeast Statistical Areas**

## **1.1 MULTISPECIES FISHERY**

In 1986, pursuant to the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), the Council implemented the Northeast Multispecies FMP with the goals of reducing fishing mortality of heavily fished groundfish stocks and promoting rebuilding of those stocks to sustainable biomass levels. Fifteen species of groundfish were originally managed under this plan. With the implementation of Amendment 16 to the Northeast Multispecies FMP which adds Atlantic wolffish, there will be thirteen species (twelve of which are large-mesh) managed together based on fish size and type of gear used to harvest the fish: Atlantic cod, haddock, pollock, yellowtail flounder, witch flounder, winter flounder, windowpane flounder, American plaice, Atlantic halibut, redfish, ocean pout, white hake, and wolffish. Three other species (silver hake [or whiting], red hake, and offshore hake) are now managed under a separate small-mesh multispecies program pursuant to Amendment 12 of the Northeast

Multispecies FMP. Several large-mesh species are managed as two or more separate stocks, based on geographic region. For example, Atlantic cod is managed as two stocks: Georges Bank (GB) cod and Gulf of Maine (GOM) cod. This large-mesh multispecies fishery is administered with a variety of management tools, including DAS, Closed Areas, trip limits, minimum fish sizes, gear restrictions, and sectors.

## 1.2 SECTORS AS A MANAGEMENT TOOL

The final rule implementing Amendment 13 to the Northeast Multispecies FMP (69 FR 22906, April 27, 2004) articulated a process for the formation of sectors within the Northeast multispecies fishery and for the allocation of total allowable catch<sup>1</sup> (TAC) for a specific groundfish species or for DAS. Amendment 13 also authorized and implemented the first sector, the Georges Bank Cod Hook Sector. In November 2006, Framework (FW) 42 to the Northeast Multispecies FMP authorized a second sector, the Georges Bank Cod Fixed Gear Sector. In addition to establishing the various elements of the Georges Bank Cod Hook Sector, Amendment 13 implemented restrictions that apply to all sectors.

Amendment 13 also laid out the rebuilding plans for certain stocks managed under the Northeast Multispecies FMP. Two benchmark assessments were required as part of the rebuilding plans in 2005 and 2008 (Groundfish Assessment Review Meeting or GARM II and GARM III [Mayo and Terceiro 2005, NEFSC 2008]) to check rebuilding progress and ensure rebuilding targets would be met as planned. Based on the results of the second assessment (GARM III) if any of the rebuilding plans required any adjustments, then new management measures would be implemented through an amendment in time for the FY 2009 (halfway through the rebuilding plan for most stocks) (NEFSC 2008). Amendment 16 is the management action that was scheduled to be implemented by May 1, 2009, which addresses the findings of the GARM III and revises the Northeast Multispecies FMP as needed to keep the rebuilding plans on track; however due to various reasons Amendment 16 will not be implemented until May 1, 2010. The Final Amendment 16 was issued on October 16, 2009, including the Final EIS. The proposed rule for Final Amendment 16 was issued on December 31, 2009, and the final rule was issued on April 9, 2010.

**Annual Catch Limits (ACLs)** are the amount of catch allowed for the entire Northeast multispecies fleet. These levels are set to ensure that overfishing does not occur. In the Northeast multispecies fishery, this level is set below the Acceptable Biological Catch (ABC) of the fishery, to account for management and scientific uncertainty. When permit holders join a sector, they bring a Potential Sector Contribution (PSC), which is a share of the ACL for a stock. PSC is based on the fishing history attached to each permit joining that sector in a given year. To determine the weight (in pounds) that a sector can harvest for each stock, all of the sector member's PSCs (a percentage) are multiplied by the ACL. This amount is the sector's Annual Catch Entitlement, or ACE

In 2007, the Magnuson-Stevens Act was reauthorized updating both the original Magnuson-Stevens Act and the Sustainable Fisheries Act of 1996 (SFA). The updated Magnuson-Stevens Act contained several new provisions that introduced new legal requirements for fishery management including the establishment of Annual Catch Limits (ACL) to prevent overfishing and Accountability Measures (AM) in each fishery management plan that document

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<sup>1</sup> TAC is defined as a catch limit set for a particular fishery, generally for a year, or part of a year. This term has been usurped by Annual Catch Limit (ACL) as per the revised 2006 Magnuson-Stevens Act, but is still used in reference to stocks jointly managed by U.S. and Canada and is referenced by older regulations such as Amendment 13 to the Northeast Multispecies FMP.

what action will be taken in the event of an overage of harvest level. After lengthy discussions and considerable public input on alternative management strategies for consideration in Amendment 16, concern was raised that there was not enough time, staff, or resources available to address many of the alternatives proposed in Amendment 16 (NEFMC 2007). With acknowledgment of the strain additional management alternatives would take on the Amendment process, the NEFMC Groundfish Oversight Committee recommended that the Council utilize Amendment 16 to modify the current DAS system in order to meet the required groundfish mid-term rebuilding targets for 2009, consistent with Magnuson-Stevens Act. Based on this recommendation, the Council focused Amendment 16 alternatives on modification of the current DAS system including an allocation of ACE. In addition, new sectors and modifications to existing sectors using a fixed qualification baseline were considered in Amendment 16.

Sectors are intended to allow local fishery management, monitoring, and oversight of the multispecies complex of groundfish while complying with fishing regulations and the fishery stock rebuilding provisions of the Magnuson-Stevens Act. Approved sectors are subject to general requirements specified in the Amendment 16 regulations as well as any specific requirement for that sector implemented through the framework action approving such sector. In exchange for agreeing to operate under an ACE for all allocated target stocks and developing a legally binding operations plan and an EA, sector members are exempt from certain regulatory restrictions in Amendment 16, including DAS, differential DAS counting areas, trip limits on allocated stocks, and seasonal closed areas, which at present only includes the May closure on Georges Bank.

In accordance with Amendment 16, sectors must submit annually an Operations Plan and sector contract to the Regional Administrator of NMFS for approval in order for a sector to be allocated an ACE and authorized to fish. The operations plan and sector contract must contain certain elements, including a contract signed by all sector participants and a plan containing the management rules that the sector participants agree to abide by to avoid exceeding the allocated ACE. An analysis of the environmental impacts of the sector's proposed operation and harvesting rules is required to comply with NEPA. The present document is an EA of the NEFS-XIV's proposed operation and harvesting rules in compliance with NEPA.

### **1.3 NORTHEAST FISHERY SECTOR XIV**

The mission of this Sector is to hold a sufficient amount of ACE for all allocated target species that can be leased out to fishermen in the network of NEF Sectors, in order to maintain the economic stability of these sectors and their members. The NEFS-XIV would be a group of at least three limited access Northeast multispecies (groundfish) permit holders who are voluntarily working together as a Sector under the terms described in the Amendment 16 to the Northeast Multispecies FMP, as defined in Section 1.0 (NEFMC 2009a). The NEFS-XIV requests approval from NMFS of their Preliminary Operations Plan and allocation of ACE of those stocks of fish managed under the Northeast Multispecies FMP for FY 2011 that the Council determines have adequate biomass to be allocated to the fishery. If approved, the FY 2011 would be the first year the Sector would operate.

#### **1.3.1 Intent and Goals of the Northeast Fishery Sector XIV**

The primary intent and goal of NEFS-XIV is to transfer ACE to members of other NEF Sectors, in order to maintain the economic stability of these individuals, their sectors, and the Northeast Sector Services Network (NESSN). Additional goals are described in Section 2.0.

Implementation of the NEFS-XIV Operations Plan would mitigate potentially adverse economic impacts that have been experienced because of Amendment 13 and subsequent framework actions to the Northeast Multispecies FMP by conveying environmental, social, and economic benefits directly to the Sector and the communities in which it operates.

## **2.0 PURPOSE AND NEED FOR THE PROPOSED ACTION**

The **need** for this action is to provide an opportunity for flexible fisheries management through local decision making, self-monitoring, and enforcement. The **purpose** of the action is to approve an Operations Plan to allocate ACE of regulated groundfish stocks, including, but not limited to: GOM cod, GB cod, GOM haddock, GB haddock, American plaice, witch flounder, GOM winter flounder, GB winter flounder, Cape Cod/GOM yellowtail flounder, GB yellowtail flounder, southern New England/Mid-Atlantic (SNE/MA) yellowtail flounder, redfish, pollock, and white hake to the NEFS-XIV, consistent with Amendment 16.<sup>2</sup> The intent is to allow Sector members to alleviate social and economic hardships while still meeting biological objectives of the Northeast Multispecies FMP through management rules by which the Sector participants agree to abide.

The NEFS-XIV has established a set of goals that are designed to meet many of the goals and objectives set forth by the NEFMC in Amendment 16. The Sector's goals and the relevant Amendment 16 goals and objectives are listed below. NEFS-XIV goals support Amendment 16 goals and objectives in a multitude of ways and selected concurrences are outlined in this section.

The NEFS-XIV goal to sustain a viable commercial groundfish fishery (Goal 1) supports the Amendment 16 Goal 3 to maintain a directed commercial and recreational fishery for Northeast multispecies, and Objective 8 to develop measures for success that ensure accountability in achieving fishery management objectives. NEFS Goal 2 to minimize the adverse impacts on fishing communities and shore-side infrastructure is aligned with Goal 4 of Amendment 16 "Minimize, to the extent practicable, adverse impacts on fishing communities and shore-side infrastructure." NEFS Goal 3 and Amendment 16 Goal 2 are one and of the same, as are NEFS Goal 5 and Amendment 16 Goal 6. NEFS Goal 4 is aligned with Goal 2 and Objective 3 of Amendment 16, which are centered on the management system. NEFS Goal 6 supports Amendment 16 Goal 1 Objective 1. NEFS Goal 7 is well aligned with Goal 5 of Amendment 16, to provide reasonable and regulated access to the groundfish species covered in this plan to all members of the public of the United States.

### **The Northeast Fishery Sector XIV has the following unique goals:**

- **Goal 1:** Sustain a viable commercial groundfish fishery.
- **Goal 2:** To minimize the adverse impacts on fishing communities and shore-side infrastructure.
- **Goal 3:** Maintaining a fleet capacity that is commensurate with resource status so as to achieve goals of both economic efficiency and biological conservation that encourages diversity within the fishery.

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<sup>2</sup> The following six stocks of groundfish that are managed under the Northeast Multispecies FMP would not be allocated to sectors under Amendment 16: ocean pout, Atlantic halibut, northern and southern windowpane flounder, Atlantic wolffish and SNE/MA winter flounder (note SNE/MA winter flounder may become available in future biannual framework adjustments if future stock assessments determine ACE can be allocated).

- **Goal 4:** Implement community based fisheries management in New England.
- **Goal 5:** Promote stewardship within the fishery.
- **Goal 6:** Achieve on a continuing basis, optimum yield for the U.S. Fishing industry.
- **Goal 7:** Create new opportunities for Sector participants and recipients of leased quota, such as opportunities to pursue healthy or rebuilding groundfish stocks; and strengthen the ability of participants to develop long term business models.

**The following Amendment 16<sup>3</sup> goals and objectives are consistent with the goals of the Northeast Fishery Sector XIV:**

- **Goal 1:** Consistent with the National Standards and other required provisions of the Magnuson-Stevens Act and other applicable law, manage the Northeast multispecies complex at sustainable levels.
  - **Goal 2:** Create a management system so that fleet capacity will be commensurate with resource status so as to achieve goals of economic efficiency and biological conservation and that encourages diversity within the fishery.
  - **Goal 3:** Maintain a directed commercial and recreational fishery for Northeast multispecies.
  - **Goal 4:** Minimize, to the extent practicable, adverse impacts on fishing communities and shore-side infrastructure.
  - **Goal 5:** Provide reasonable and regulated access to the groundfish species covered in this plan to all members of the public of the United States for seafood consumption and recreational purposes during the stock rebuilding period without compromising the Amendment 13 objectives or timetable. If necessary, management measures could be modified in the future to ensure that the overall plan objectives are met.
  - **Goal 6:** To promote stewardship within the fishery.
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- **Objective 1:** Achieve, on a continuing basis, optimum yield for the U.S. fishing industry.
  - **Objective 3:** Adopt fishery management measures that constrain fishing mortality to levels that are compliant with the SFA.
  - **Objective 4:** Implement rebuilding schedules for overfished stocks, and prevent overfishing.
  - **Objective 5:** Adopt measures as appropriate to support international transboundary management of resources.
  - **Objective 7:** To the extent possible, maintain a diverse groundfish fishery, including different gear types, vessel sizes, geographic locations, and levels of participation.
  - **Objective 8:** Develop biological, economic, and social measures of success for the groundfish fishery and resource that insure accountability in achieving fishery management objectives.

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<sup>3</sup> Excerpt from October 16, 2009 Final EIS for Amendment 16.

- **Objective 10:** Identify and minimize bycatch, which include regulatory discards, to the extent practicable, and to the extent bycatch cannot be avoided, minimize the mortality of such bycatch.

### 3.0 PROPOSED ACTION AND ALTERNATIVES

This section of the EA describes the fishing alternatives, including existing fishing conditions under the No-Action Alternative and the Proposed Action (Alternative 1), which is approval of the NEFS-XIV Operations Plan. NEPA only requires that reasonable alternatives be considered in an EA, in addition to the No-Action Alternative which describes the baseline against which to assess the impacts of other alternatives.

#### 3.1 ALTERNATIVE 1 - IMPLEMENTATION OF THE NORTHEAST FISHERY SECTOR XIV OPERATIONS PLAN FOR FISHING YEAR 2011

A summary of the NEFS-XIV Operations Plan (Proposed Action) is presented in Table 3.1-1, and further described in the subsections below. This table includes general information on Sector operations and requested exemptions, as well as detailed information on their allocations, including PSC. PSC, or permit history, is a share of the ACL for each stock that is allocated to a sector, which is based on landings history from 1996-2006. To determine the weight (in pounds) that a sector can harvest for each stock, all of the sector member's PSCs (a percentage) are multiplied by the ACL. This amount is the sector's ACE.

**"Allocated target species"** are the groundfish species for which the Sector would receive an ACE. **"Non-allocated Target Species"** refers to species which the Sector member would also be targeting, but for which no ACE is allocated. These other fish species (non-allocated target) may be caught by the same gear while fishing for allocated target species, and brought to shore and sold to dealers (i.e., "landed"), assuming the fisherman has proper authorization or permit(s). These non-allocated target species may also be managed under the Northeast Multispecies FMP (e.g., halibut and whiting) or another Fishery Management Plan (e.g., Monkfish FMP). As defined in the Magnuson-Stevens Act, **"bycatch"** refers to "fish which are harvested in a fishery, but which are not sold or kept for personal use, and includes economic discards and regulatory discards." For the purposes of this EA, the discussion of non-allocated target species and bycatch refers primarily to skates, monkfish, and dogfish. These species predominate bycatch (i.e., dogfish) or are the primary alternate species that are landed by groundfishermen (i.e., monkfish and skates).



**TABLE 3.1-1**  
**Summary of the Northeast Fishery Sector XIV Operations Plan Fishing Year 2011**

Sector Parameters	Description
Location (representative of the location of fishing activities by vessels that NEFS-XIV may lease ACE to)	U.S. EEZ
Timeframe	May 1, 2011 to April 30, 2012
Gear (representative of the gear utilized by vessels that NEFS-XIV may lease ACE to)	Primary: gillnet and trawl Secondary: longline
Allocated target species and Potential Sector Contribution (PSC)	GOM Cod: TBD GB Cod: TBD GOM Haddock: TBD GB Haddock: TBD Cape Cod/GOM Yellowtail Flounder: TBD GB Yellowtail Flounder: TBD SNE/MA Yellowtail Flounder: TBD Pollock: TBD Redfish: TBD White Hake: TBD American Plaice: TBD GOM Winter Flounder: TBD GB Winter Flounder: TBD Witch Flounder: TBD
Non-allocated target species and bycatch	Monkfish, dogfish, skates <sup>a</sup>
Exemptions requested	All universal exemptions
Number of participants	X permits, 3 people
Expected catch (including allocated and other landed species)	Assumed to be equal to the ACE (= PSC x ACL) for each stock
Note: <sup>a</sup> As FY2011 would be the first operational year for the Sector, data on the actual non-target species and bycatch are unavailable. These three species are utilized as the default species because Amendment 16 identifies them as comprising the top 5 percent of bycatch in the multispecies fishery.	

### **3.1.1 Description of the Northeast Fishery Sector XIV and Proposed Operations**

The NEFS-XIV would consist of X permits, which would not be actively fished by this Sector as it is lease only. The NEFS-XIV requests an allocation of each of the following stocks of Northeast large-mesh multispecies (also referred to as “allocated target species”) based on the landings history of the Sector permits:

1. GOM Cod
2. GB Cod
3. GOM Haddock
4. GB Haddock
5. Redfish
6. Pollock
7. White Hake
8. Cape Cod/GOM Yellowtail Flounder
9. GB Yellowtail Flounder
10. SNE/MA Yellowtail Flounder
11. GOM Winter Flounder
12. GB Winter Flounder
13. Witch Flounder
14. American Plaice

NEFS-XIV may request an allocation of additional stocks if the Council approves the allocation of such stocks.

#### **3.1.1.1 Location / Timeframe and Gear of the Northeast Fishery Sector XIV**

While there are no active vessels in this Sector, all of the vessels that would lease quota from this Sector fish in all areas in the U.S. EEZ that are within the range of allocated groundfish stocks. The landing ports would be limited to those identified in the EAs for the other NEF Sectors. The majority of the vessels that would lease quota from NEFS-XIV would utilize trawl gear and gillnets, and hook gear to a lesser extent.

#### **3.1.1.2 Fishing Year 2011 (May 1, 2011-April 30, 2012) Northeast Fishery Sector XIV Operations Plan Harvesting Rules**

As NEFS-XIV would be a lease only sector in FY 2011, it would adhere to harvesting rules associated with allocation of ACE, ACE transfers, data management, and reporting. Representative harvesting rules for NEFS-XIV are summarized below. The harvesting rules

associated with vessel operations, monitoring, and gear restrictions would be based on the NMFS-approved harvesting rules in the sector agreements for those sectors that would lease the ACE from NEFS-XIV.

## **HARVESTING RULES**

### **1.0 QUOTA MANAGEMENT**

**1.1 ANNUAL CATCH ENTITLEMENT:** *The members agree that they will not collectively lease/transfer more than the Sector ACE, as adjusted by transfers, for any allocated groundfish stocks.*

**1.2 QUOTA MANAGEMENT:** *Sector members will use a PC based software for collecting data, reporting transfers, and logbook information.*

**1.3 VESSEL LOGBOOKS (VTRs/e-VTR):** *All sector members will comply with applicable reporting requirements including submission of Vessel Trip Reports (VTRs). If Electronic Vessel Trip Reports (e-VTRs) are approved by the Regional Administrator, Sector Members will submit e-VTRs in the format required by the FSO and NERO. Sector Members will execute all documents necessary to meet legal requirements for the purpose of facilitating e-VTR service.*

**1.4 WEEKLY REPORTS:** *The Sector Manager will submit Weekly Sector Reports of all transfers of ACE by the sector. The sector will submit required reports using the format and procedure prescribed by NMFS. The Sector will continue to work with NMFS to improve the weekly reporting system and requirements.*

### **2.0 ADMINISTRATIVE**

**2.1 DATA MANAGEMENT:** *All data necessary for sector ACE management, including all elements of VTR logbook and daily / weekly reporting requirements will be input electronically. Notwithstanding reporting requirements that cannot be altered by a sectors operations plan, the Sector's server will be capable of collecting, storing, converting and relaying all data elements necessary to meet all reporting requirements in the formats required by the recipients*

**2.2 PROOF OF SECTOR MEMBERSHIP:** *For the FY 2011, no members / vessels of Northeast Fishery Sector XIV will be authorized to harvest the Sector's ACE. Therefore, LOAs would not be a necessary component of this Sectors operation.*

**2.3 ANNUAL REPORT:** *Within sixty (60) days of the end of the FY the Sector Manager will submit an annual report to NMFS and the Council that summarizes: fishing (Leasing/ Transferring) activities of Members, including harvest levels of all species by sector vessels (landings and discards by gear types); enforcement actions; and any other relevant information required to evaluate the performance of the Sector. The sector will submit required reports using the format and procedure prescribed by NMFS.*

**2.4 SECTOR UNDERSTANDING AND ACKNOWLEDGMENTS:** *Sector Members understand and acknowledge that the following provisions have been interpreted by NMFS as applicable to all operating sectors. Sector Members acknowledge this applicability and where appropriate utilize these universal interpretations within their sector management and operations:*

**2.4.1 INTRA-SECTOR DAYS-AT-SEA (DAS) LEASING:** *DAS may be leased intra-sector (between members) within the guidelines and procedures contained in the FMP and as amended by Amendment 16. The Sector would accept any future*

*relief in the length and horsepower constraints of the program that may be authorized by the RA in the future.*

**2.4.2 INTER-SECTOR DAYS-AT-SEA (DAS) LEASING:** *Members who wish to lease DAS outside of the Sector are authorized under this provision to do so, only with Members of other Sectors whom are similarly exempt. Members acknowledge that such DAS leasing would not be exempted from existing length and horsepower constraints as currently contained in applicable regulations.*

**2.4.4 PAPER VTR:** *Members acknowledge that they are bound to all applicable reporting requirements. Sector vessels shall continue using paper VTRs for FY 2011, as required by regulations. However, should e-VTR systems for transmission and submission of required VTR reports be authorized by the Regional Administrator in FY 2011, this Sector reserves the option to utilize this reporting method.*

**2.4.5 ADDITIONAL REQUESTS:** *It is the understanding of the Sector that they may be able to request additional exemptions in the event other NMFS approved measures are deemed applicable and available to Sectors for FY 2011.*

**2.5 DAYS-AT-SEA:** *Each participating permit and participating vessel will be allocated DAS by the Regional Administrator. Sector Member permits will not be subject to the DAS reduction proposed in Amendment 16 for Common Pool vessels. Members will be allowed to lease DAS to other sectors/members.*

**2.6 SECTOR SPECIFIC EXEMPTIONS:** *TBD*

### **3.1.1.3 Consolidation of ACE and Redirection of Effort**

Scientific recommendations and new requirements under the Magnuson-Stevens Act will influence the level of consolidation that will take place in the groundfish fishery. The Sector members intend to utilize sector management to mitigate excessive consolidation that may occur in the effort controlled system where overall management measures are based upon the weakest stocks.

As there are no active fishing vessels, there would be no redirection of effort.

### **3.1.2 Requested Exemptions from Northeast Multispecies Fishery Management Plan Regulations and Rationale**

This section briefly describes the universal exemptions from the Northeast multispecies regulations as promulgated under Amendment 16.

#### **3.1.2.1 Universal Exemptions as Specified in Amendment 16**

Universal exemptions for sectors and the general effects of sector formation given these universal exemptions are analyzed in Amendment 16 to the Northeast Multispecies FMP (NEFMC 2009a). They include the following:

- Exemption from groundfish DAS requirements including DAS reductions, differential groundfish DAS counting, the 3/15 rule for gillnets, and 24-hour DAS counting.
- Exemption from trip limits on stocks for which a sector receives an allocation of, except for the following:

1. Halibut: trip limit would continue to be one fish per trip;
  2. No vessel, whether in the Common Pool or in any sector, would be allowed to possess any windowpane flounder (both stocks), ocean pout, wolffish, or SNE/MA winter flounder on board at any time. When caught, these species must be discarded.
- Exemption from the Georges Bank Seasonal Closure in May.
  - Exemption from any additional mortality controls adopted by Amendment 16, including additional seasonal or year-round closures<sup>4</sup>, gear requirements, DAS reductions, differential DAS counting, and/or restricted gear areas.
  - Gulf of Maine Rolling Closures in specific blocks as identified in Amendment 16 (specifically Section 4.2.3.9).<sup>5</sup>
  - Exemption from the requirement to use 6.5-inch mesh in the cod-end in haddock separator trawl/Ruhle trawl when targeting haddock in the Georges Bank Regulated Mesh Area (i.e., authorized to use 6-inch mesh in the cod-end).

In addition to the universal exemptions, there are differences in the way sectors interact with the U.S./Canada Area and SAPs. Section 4.2.3.3.3 of the EIS for Amendment 16 (October 16, 2009) addresses how sectors would be provided a separate ACE for those stocks that have a TAC specific to the Eastern U.S./Canada Area. At present, this only applies to GB cod and GB haddock, although this measure is intended to apply to other stocks if an area-specific TAC is defined. Section 4.2.3.8 of the EIS addresses sector participation in special management programs, and stipulates that sector vessels cannot participate in special management programs unless the sector has ACE for the stocks caught in an SAP, and that the ACE must be sufficient to account for the expected catch in the SAP. That EIS section also describes sector guidelines for participating in the following SAPs: Eastern U.S./Canada Haddock SAP, Closed Area II Yellowtail Flounder SAP, and Closed Area I Hook Gear Haddock SAP. Section 4.2.3.9 of the EIS describes the interaction of sectors with Common Pool vessels, including universal exemptions.

In accordance with the final for Amendment 16 published April 9, 2010 (75 FR 18262), the requirement for 72-hour pre-trip notification will be reduced to 48 hour observer notification for all groundfish vessels. A minimum of 48-hour notification is necessary because of the additional logistical demands imposed upon the NMFS Observer Program due to the projected increase in demand for at-sea monitoring.

### **3.1.2.2 Northeast Fishery Sector XIV – Requested Exemptions**

As NEFS-XIV is a lease only sector with no active vessels, the Sector is not requesting any additional exemptions. It is assumed that the sector vessels that lease quota from NEFS-XIV would adhere to their respective sector-specific authorized exemptions and related management requirements.

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<sup>4</sup> NMFS is granting year-round access to the Eastern U.S./Canada Area for yellowtail flounder as stipulated, but not specified, in Amendment 16."

<sup>5</sup> Amendment 16 would exempt sectors from all rolling closures except for: Blocks 124 and 125 in April; Blocks 132 and 133 in April-May; Block 138 in May; Blocks 139 and 140 in May-June; and Blocks 145, 146, 147, and 152 in June.

### **3.2 ALTERNATIVE 2 - NO-ACTION ALTERNATIVE**

The No-Action Alternative is the disapproval of the Operations Plan, which would result in all NEFS-XIV vessels operating under the regulations applicable the management system the permits/vessels were operating in during FY 2010. Under this alternative, the Sector would not have an allocation of Northeast multispecies to harvest or lease. The No-Action Alternative would subject all NEFS-XIV fishing effort to either input or output control measures, implemented by Amendment 16 to rebuild overfished stocks and end overfishing on those stocks where it is occurring. While the No-Action Alternative would not meet the purpose and need of the Proposed Action, it is required by NEPA (40 CFR 1502.14[d]) as a baseline for comparison of impacts anticipated by the Proposed Action.

The preferred alternatives for Common Pool operations are described in Amendment 16, Final Amendment 16 to the Northeast Multispecies FMP, including a Final Supplemental Environmental Impact Statement and Initial Regulatory Flexibility Analysis, and Framework 44, and are hereby incorporated by reference (NEFMC 2009a).

### **3.3 ALTERNATIVES CONSIDERED BUT REJECTED FROM FURTHER ANALYSIS**

TBD in draft EA (September 2010)

### **4.0 AFFECTED ENVIRONMENT**

TBD in draft EA (September 2010)

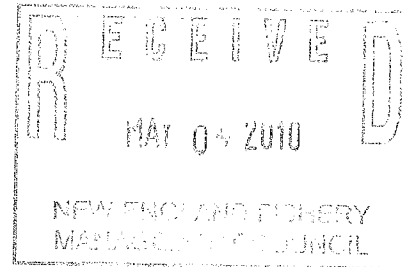
### **5.0 IMPACTS OF THE PROPOSED ACTION AND ALTERNATIVES**

TBD in draft EA (September 2010)



UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration  
NATIONAL MARINE FISHERIES SERVICE  
NORTHEAST REGION  
55 Great Republic Drive  
Gloucester, MA 01930-2276

Joshua Wiersma, Manager  
Northeast Fishery Sector XI  
4 Merrill Drive  
Hampton, NH 03842



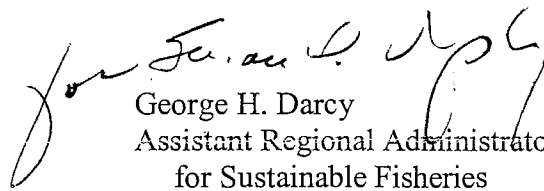
Dear Mr. Wiersma:

This letter approves your request; dated April 26, 2010, to amend the approved Northeast Fishery Sector (NEFS) XI operations plan for fishing year 2010 to add secondary landing ports. Your letter requested that Point Pleasant, NJ; Chincoteague, VA; and Greenbackville, VA be added as secondary ports of landing to support a seasonal fishery for four vessels in May and June.

After reviewing the documents submitted, the NOAA's National Marine Fisheries Service is approving this amendment. An addendum to the approved operations plan will be made to include these ports in the list of offloading ports. A copy of the addendum to be appended to your copies of the approved operations plan is enclosed.

If you have additional questions, please contact Mark Grant at 978-281-9145.

Sincerely,

  
George H. Darcy  
Assistant Regional Administrator  
for Sustainable Fisheries

cc. NEFMC  
enclosure

cc: Council, TN (5/5)







**ADDENDUM**

**AMENDMENTS TO**

**NEFS XI**

**FY 2010**

**OPERATIONS PLAN**

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## AMENDMENT 1 TO THE NEFS XI

APPROVED BY THE NATIONAL MARINE FISHERIES SERVICE APRIL 28, 2010

EFFECTIVE MAY 1, 2010, FOR THE 2010 FISHING YEAR

### 23.8 OFFLOADING PORTS:

The following list represents those ports where sector vessels are authorized to offload.

Additionally, sector vessels are authorized to land fish to trucks within these same locations.

Primary Port(s) of Landing	Secondary Port(s) of Landing
<u>New Hampshire:</u> Portsmouth; Seabrook; Rye; Hampton; <u>Maine:</u> Portland <u>Massachusetts:</u> Newburyport, Gloucester	<u>Maine:</u> York <u>Massachusetts:</u> New Bedford <u>Virginia:</u> Chincoteague; Greenbackville <u>New Jersey:</u> Point Pleasant

\*Please note the addition of three secondary ports of landing: Point Pleasant, NJ; Chincoteague and Greenbackville, VA. These ports were not included in the original operations plan, but there will be sector fishing activity starting May 1 at these locations.





JOHN ELIAS BALDACCI  
GOVERNOR

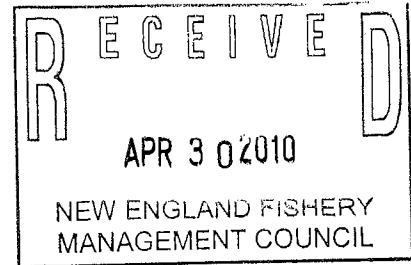
STATE OF MAINE  
DEPARTMENT OF  
MARINE RESOURCES  
21 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0021

GEORGE D. LAPOINTE  
COMMISSIONER

3

April 30, 2010

Paul Howard  
New England Fishery Management Council  
50 Water Street, Mill 2  
Newburyport, MA 01950



Dear Mr. Howard:

On behalf of the Maine Department of Marine Resources, I submit the enclosed application for the State of Maine Permit Banking Sector (MPBS) to the New England Fishery Management Council for approval to operate in fishing year 2011.

The purpose of the MPBS will be to facilitate operations of the State of Maine's Permit Banking Program. It will enable Permit Banking Program ACE to be distributed to eligible vessels in eligible sectors without the constraint that permits be placed within these eligible sectors. Approval of the MPBS will also enable the State of Maine to avoid the potentially complicated situation that could result from being required to become a member of a sector whose purpose differs from that of the Permit Banking Program as outlined in the MOA.

The Maine Permit Banking Program is not yet operational. DMR has not yet acquired permits, nor has it determined definitively if a Permit Banking Sector will be required. However, DMR does not wish to lose the opportunity to form a Permit Banking Sector, should it be deemed advisable. For this reason, the Draft Operations Plan and Draft Environmental Analysis submitted here are not complete. All missing information will be supplied in the near future, and final documents will be submitted by September 1, 2010.

I thank you for your consideration of this application, and will be happy to answer any questions you may have.

Yours truly,

Togue Brawn  
Resource Management Coordinator

Cc: Terry Stockwell, Tom Nies



State of Maine Permit Banking Program Sector  
Preliminary Environmental Assessment

Prepared by the Maine Department of Marine Resources  
April 30, 2010

## 1.0 Introduction:

The Maine Department of Marine Resources (DMR) is preparing an operations plan for the State of Maine Permit Banking Program Sector (MPBS) for submittal to the National Marine Fisheries Service (NMFS). DMR requests that the MPBS be assigned an annual catch entitlement (ACE) of those stocks managed under the Northeast Multispecies Fisheries Management Plan (FMP) for the 2011 fishing year (FY 2011). If approved, FY 2011 will be the first year that this Sector will operate. The MPBS will be a lease-only sector: its purpose will be to facilitate operations of the State of Maine Permit Banking Program.

## 1.1 Background and Summary:

As stocks and fishing opportunities have declined, Maine has lost much of its historic and valuable groundfishing industry. The loss of associated infrastructure has led remaining vessels to relocate to the few remaining ports offering support services. Although catch shares offer the potential for more cost-effective and efficient fishing practices, they also threaten to exacerbate this consolidation. Permit banking offers an opportunity to mitigate some of the adverse impacts of consolidation by preserving and restoring fishing opportunities for small-scale fishermen operating in small, rural fishing ports.

Working collaboratively with the National Marine Fisheries Service (NMFS), the Maine Department of Marine Resources (DMR) has signed a Memorandum of Agreement (MOA – see attachment) to implement a pilot permit banking program in order to preserve and restore fishing opportunities to Maine's fishermen and communities.

The MOA establishes the terms and conditions for the administration of the Permit Banking Program. Under this MOA, DMR will purchase federal limited access multispecies permits through a competitive bid process. The fishing access rights associated with these permits will then be distributed to fishermen who both meet the eligibility requirements detailed in the MOA, and agree to land their catch in Maine.

Amendment 16 allows ACE to be traded within and between sectors. The MPBS will help further the goals (as outlined in the MOA) of the Permit Banking Program by facilitating the distribution of ACE to eligible vessels in eligible sectors. Without the MPBS, current regulations would require DMR to place permits within (and therefore become a member of) any eligible sector(s) to which it would like to distribute ACE. Approval of the MPBS will enable DMR to avoid the complicated situation that may result from being required to become a member of a sector whose purpose differs from that outlined in the MOA. In addition, creation of the MPBS will streamline the administration, operation and efficiency of Maine's Permit Banking Program.



The MOA prohibits permits obtained by the ME DMR for the purposes of the Permit Bank from being held on active vessels. The ACE held by the MPBS will be leased to eligible vessels within other sectors that meet the eligibility requirements outlined in the MOA. Gear utilized to fish the ACE will vary, but will likely be limited to hook gear, otter trawl, and gillnets. All recipients of MPBS ACE will fish within the U.S. Exclusive Economic Zone (EEZ). Because the MOA requires recipients of Permit Banking ACE to be no more than 45 feet in registered length, and because the State of Maine will also require these vessels to land their catch in Maine, it is anticipated that all recipients of MPBS ACE will fish in the Northeast Statistical Areas 511, 512, and 513.

This Environmental Assessment (EA) was prepared as required by the National Environmental Policy Act (NEPA) of 1969, and in compliance with the new sector regulations as described in Amendment 16 to the Northeast Multispecies FMP. This EA describes the potential impacts on the human environment from approval of the MPBS.

## 1.2 State of Maine Permit Banking Sector Description

The MPBS will enable Permit Banking Program ACE to be distributed to eligible vessels in eligible sectors without the constraint that permits be placed *within* these sectors. Approval of the MPBS will enable the State of Maine to avoid the complicated situation that may result from being required to become a member of a sector whose purpose differs from that outlined in the MOA. It will also streamline the administration, operation and efficiency of Maine's Permit Banking Program.

The definition of a sector requires that it be composed of at least three persons. DMR is currently evaluating several options for how the MPBS might meet this requirement. Permit holders may consist of individuals from within several State of Maine agencies, or they may include individuals from other states' permit banking programs. DMR intends to work closely with the National Marine Fisheries Service (and the agency contacts from the other recipients of permit banking funds, if appropriate) to create a sector membership that best serves the goals of the Permit Banking Program(s). However it is constructed, the MPBS will be a group of at least three limited access Northeast multispecies permit holders voluntarily working together as a Sector under the terms described in Amendment 16 to the Northeast Multispecies FMP.

DMR requests approval from NMFS of the Preliminary MPBS Operations Plan. DMR also requests allocation of ACE of those fish stocks managed under the Northeast Multispecies FMP that the Council determines have adequate biomass to be allocated to the fishery in FY 2011. If approved, FY 2011 will be the first year the Sector will operate.

## 2.0 Purpose and Need for the Maine Permit Banking Sector:

As noted above, the purpose of the MPBS is to allow the distribution of ACE to eligible vessels in eligible sectors without the constraint that permits be placed *within* these sectors. Because the MPBS is designed to facilitate administration and operation of the Maine Permit Banking Program, it also shares its objectives, which are outlined in the MOA as follows:

- *To secure continued access to fishery resources for local, small-scale fishermen from small fishing communities throughout Maine;*
- *To create and protect sustainable local fisheries;*
- *To supplement existing access rights held by fishermen in small Maine communities; and*
- *To mitigate the effects of fishing effort consolidation on small-scale fishermen and rural fishing communities in Maine*

## 3.0 Proposed Action and Alternatives

This section describes the fishing alternatives, including existing fishing conditions under the No-Action Alternative and the Proposed Action (Alternative 1), which is approval of the MPBS Operations Plan.

### 3.1 Description of the State of Maine Permit Banking Program Sector and Proposed Operations

A Draft Operations Plan for the MPBS is included with this Document. The MPBS would consist of at least 3 permits (actual number to be determined by September 1, 2010), none of which would be actively fished. The MPBS will be operated as a lease-only sector. The MPBS requests an allocation of each of the following stocks of Northeast large-mesh multispecies (also referred to as “allocated target species”) based on the landings history of the Sector permits:

1. GOM Cod
2. GB Cod
3. GOM Haddock
4. GB Haddock
5. Redfish
6. Pollock
7. White Hake
8. Cape Cod/GOM Yellowtail Flounder
9. GB Yellowtail Flounder
10. SNE/MA Yellowtail Flounder
11. GOM Winter Flounder
12. GB Winter Flounder
13. Witch Flounder

#### 14. American Plaice

The MPBS may request an allocation of additional stocks if the Council approves the allocation of such stocks.

The MPBS will ensure its ACE is not exceeded by requiring regular reporting by all recipients of MPBS ACE (through their sector managers). In addition to the reporting requirements outlined in the MOA, recipients of MPBS ACE will be required to supply documentation that their landings were made in the State of Maine. The reporting mechanism has not yet been established, but will be sufficient to ensure leased ACE is not exceeded.

The decision concerning which permits will be entered into the MPBS will be made only after DMR acquires permits, which will take place in the summer of 2010.

Because all permits within the MPBS will be inactive permits held by the Permit Banking Program, DMR does not anticipate the need to notify NMFS if a member is expelled from the sector as a result of violation of sector regulations. DMR will require all recipients of MPBS ACE to sign a contract in which they agree to: 1.) abide by the terms and conditions of the MOA, and; 2.) land their catch in Maine. If it is determined that individuals have breached the terms of this contract, the NMFS will be immediately informed of the circumstances of the violation. In addition, the penalties (as described in the contract) will be administered.

##### 3.1.1 Location/Timeframe and Gear of the State of Maine Permit Banking Program Sector

As noted above, there will be no active vessels in the MPBS. Recipients of MPBS ACE will fish primarily in Northeast Statistical Areas 511, 512 and 513, but it is possible that they may fish anywhere within the U.S. EEZ. Recipients of MPBS ACE will be required to land their catch within the State of Maine. It is anticipated that all vessels that lease quota from the MPBS will utilize otter trawls, gillnets and hook gear.

##### 3.1.1.2 Fishing Year 2011 (May 1, 2011 – April 30, 2012) State of Maine Permit Banking Sector Operations Plan Harvesting Rules

The MPBS will be a lease-only sector, and will adhere to all rules associated with the allocation of ACE, ACE transfers, data management and reporting requirements. The harvesting rules associated with vessel operations, monitoring and gear restrictions will be based on the NMFS-approved harvesting rules in the sector agreements for those sectors that will lease ACE from the MPBS. These harvesting rules must also not conflict with the terms and conditions outlined in the MOA.

#### 3.2 Alternative 2 – No Action Alternative: TBD in draft EA (September 2010)

- 3.3 Alternatives Considered But Rejected From Further Analysis: TBD in draft EA (September 2010)
- 4.0 Affected Environment: TBD in draft EA (September 2010)
- 5.0 Impacts Of the Proposed Action and Alternatives: TBD in draft EA (September 2010)

## **Preliminary Sector Operations Plan and Agreement for the State of Maine Permit Banking Program (DRAFT VERSION)**

This Preliminary Operations Plan is submitted to the New England Fisheries Management Council in compliance with Amendment 16, which states that in order for a new sector to be authorized, *"A sector must submit its preliminary operations plan to the Council no less than one year prior to the date that it wants to begin operations"* (75 FR 1826; April 9, 2010). Therefore the Maine Department of Marine Resources (DMR) submits the following Preliminary Operations Plan on behalf of the State of Maine Permit Banking Sector (MPBS).

### Harvesting Rules

The MPBS will operate as a lease-only sector with no active vessels in Fishing Year 2011 (May 1, 2011 to April 30, 2012)

The members of the MPBS agree to be legally bound to follow the Harvesting Rules for fishing year (FY) 2011 as described in the MPBS' Operations Plan and Agreement. Sector ACE will only be utilized through inter-sector ACE transfers to sectors eligible to receive such ACE, as described in the Memorandum of Agreement (MOA) signed by the Maine DMR and the National Marine Fisheries Service that established the Maine Permit Banking Program.

### Annual Catch Entitlement (as determined by NMFS)

To be determined

1.) Annual Catch Entitlement: The members agree that they will abide by the terms of the MOA, and will also abide by any additional terms and conditions established through the Maine Permit Banking Program. No member permits will be actively fished in FY 2011.

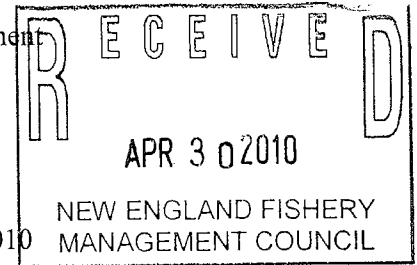
2.) Quota Management: Sector members will not actively fish in FY 2011. Management of ACE will take place through ensuring that recipients of MPBS ACE abide by the terms and conditions of both the MOA as well as the contract through which they leased the MPBS ACE.

3.) Days at Sea: Each participating permit and participating vessel will be allocated Days at Sea (DAS) by the Regional Administrator (RA). Sector Member permits will not be subject to the DAS reduction proposed in Amendment 16 for common pool vessels. The members agree that they will abide by the terms of the MOA, and will also abide by any additional terms and conditions established through the Maine Permit Banking Program. No member permits will be actively fished in FY 2011.

4.) Vessel Logbooks: The members agree that they will abide by the terms of the MOA, and will also abide by any additional terms and conditions established through the Maine Permit Banking Program. No member permits will be actively fished in FY 2011.

- 5.) Weekly Reports: The Sector Manager will submit required reports using the format and procedure prescribed by NMFS.
- 6.) Annual Report: Within sixty (60) days of the end of the fishing year the Sector Manager will submit an annual report to NMFS and the Council that summarizes: fishing activity (Leasing) of Members; enforcement actions; and any other relevant information required to evaluate the performance of the Sector. The sector will submit required reports using the format and procedure prescribed by NMFS.
- 7.) Data Reconciliation: The Sector Manager will verify that ACE transfers are reconciled with the Sectors that have participated with the sector for consistency. If a discrepancy is detected, the Sector Manager will notify the other sector(s) and NMFS of the discrepancy and will note discrepancies on the weekly report until resolved.
- 8.) Data Management: TBD.
- 9.) Proof of Sector Membership: According to the terms of the MOA, no members/vessels of the MPBS will be authorized to harvest the Sector's ACE. Therefore, Letters of Authorization (LOA) will not be a necessary component of MPBS operations.
- 10.) Sector Specific Exemptions: TBD
- 11.) Sector Understanding and Acknowledgements: Sector members understand and acknowledge that they will abide by the terms and conditions of the MOA as well as the terms and conditions determined necessary by the Maine Permit Banking Program.
- 12.) Dockside Monitoring and At-Sea Monitoring: The MPBS will operate as a Lease-Only Sector. No members of the MPBS will actively engage in fishing activities in FY 2011.
- 13.) The MPBS reserves the right to complete, and possibly amend, this document, subject to the determination of the DMR.

Rhode Island Department of Environmental Management  
Division of Fish & Wildlife  
Marine Fisheries Program  
3 Ft. Wetherill Rd.  
Jamestown, RI 02835



April 30, 2010

John Pappalardo, Chairman  
New England Fishery Management Council  
50 Water Street, Mill 2  
Newburyport, MA 01950

Dear Chairman Pappalardo:

Please consider this letter to be an application for a new Northeast Multispecies Sector as described in Amendments 13 and 16 to the Northeast Multispecies Fishery Management Plan. The Rhode Island Department of Environmental Management (RI DEM) is currently working with the Rhode Island Economic Development Corporation (EDC) to establish a Northeast Multispecies Permit Bank for the State of Rhode Island. This permit bank will initially be funded by a grant from the National Oceanic and Atmospheric Administration. Whereas a permit must be enrolled in a sector in order to have an annual catch entitlement (ACE) and to lease ACE out, the smooth operation of a permit bank would be enhanced by the creation of a sector whose sole function would be to hold permits for the purpose of leasing out ACE. Rhode Island may join with other states in the formation and operation of this sector, depending on further evaluation of the benefits of a common sector for multiple permit banks.

As you may know, NOAA has established criteria that will determine the eligibility of vessels to lease ACE or DAS from the state-run, NOAA-funded permit banks. Sectors also have their own rules regarding the transfer of ACE among member vessels and to vessels outside of the sector. Sectors rules may include sector reserves (ACE hold-backs), right of first refusal on ACE leasing, and joint and several liability for violations committed by any member of the sector. Sectors also have fees. Rhode Island vessels that may be eligible to lease ACE from a RI permit bank are scattered among numerous sectors. The operation of a RI permit bank could be very cumbersome if the permits held by the bank must be enrolled in one of the existing sectors.

The creation of a leasing-only sector for the state permit banks may not remove the obstacles facing the permit banks for fishing year 2011, because the permit banks will probably not be in a position to acquire permits prior to the September 1 deadline for sectors to submit their rosters for the 2011 FY. A permit acquired after that date will either have to stay in its prior sector or go into the common pool for 2011 unless the sector-switching deadlines are relaxed for 2011 as they were for FY 2010.

Please advise me of any additional information that the Council requires in order to move this sector application forward.

Thank you for your consideration of this request.

Sincerely,

*Robert J. Ballou*  
Robert Ballou  
Acting Chief, DFW

*cc: to Mr. Pappalardo*





## SUSTAINABLE HARVEST SECTOR

#10 N

PO Box 356, So. Berwick ME 03908 | 207-956-8497 | shsector@gmail.com

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April 22 2010

John Pappalardo  
New England Fishery Management Council  
50 Water Street, Mill 2  
Newburyport, MA 01950

Dear John,

Amendment 16 requires prospective groundfish sectors to submit an application for approval to the Council one year in advance of the fishing year the sector proposes to operate in. Enclosed are preliminary operations plans and environmental assessments for two new sectors.


The first sector, currently designated "Sustainable Harvest Sector II" would be a sector comprised of active groundfish fishing vessels, similar to the existing Sustainable Harvest Sector. We are receiving enough inquiries from prospective applicants that we believe an additional sector, or a restructuring of existing membership among different sectors, might ease administrative burden for sector participants.

The second sector, currently designated "Sustainable Harvest Sector III," would likely be comprised of members who choose to lease their groundfish allocation to other sectors. However, we would like to reserve the ability to switch this sector to an active sector as well. Unfortunately, working so far ahead of actual sector implementation, it is difficult to commit to an organizational structure.

Both prospective sectors request an allocation of all stocks managed under the Northeast Multispecies FMP as well as an allocation of all other stocks and species for which their members have catch history, as authorized under other FMPs managed by the NEFMC or jointly managed by the NEFMC and MAFMC.

We request the Council consider approving formation of these two sectors at its April meeting, for activation in fishing year 2011. We will then provide final operations plans and environmental assessments to the NMFS by September 1 2010.

Sincerely,



Hank Soule  
Sustainable Harvest Sector



**DRAFT OPERATIONS PLAN  
FISHING YEAR 2011  
SUSTAINABLE HARVEST SECTOR II,  
April 22, 2010**

**HARVESTING RULES**

**Quota Management**

**ACE and Annual Distribution**

1. Each Member agrees that the ACE of multispecies authorized by Amendment 16 and NMFS to the Sector (the "ACE") shall be harvested in accordance with the Harvesting Rules, which are set forth below.
2. Sector members will be allocated a portion of the Sector's total allocation based on the proportion of each stock that they contribute to the Sector's initial ACE. Those members who have more than one vessel enrolled in the Sector may decide to consolidate their fishing effort to one or more vessels.

**Reserve**

1. Each Member agrees that a reserve in the amount of 5% of each stock within the initial ACE will be established to ensure that the Sector remains in compliance with its ACE limit. The reserve shall be deducted from the ACE before such ACE is distributed among the Members, their Permits and their Participating Vessels.
2. Distribution of Reserve - If the Board determines that as of April 1, the ACE pursuant to Section 4.2 has not been fully harvested by the Participating Vessels, the Board may release and authorize the harvesting of the reserve by the Members, their Permits and their Participating Vessels provided all vessels report to the sector manager daily.

**Full Retention of Legal Sized Fish**

1. SHS II vessels will retain all legal sized groundfish of those stocks for which they have an allocation.
2. SHS II vessels will be required to discard SNE Winter flounder, Atlantic Wolfish, and both stocks of Windowpane flounder.
3. SHS II vessels will be allowed to keep one legal sized halibut per trip.

**Stock Area Declaration**

1. When they send the Hail trip start, and when they report (daily) to the sector manager, SHS II vessel operators will indicate which broad stock area they will be fishing in for the next 24 hours and which they have been fishing in during the previous 24 hours..
2. This will allow the sector manager to attribute catch appropriately and anticipate whether the sector is running low on a particular stock.

**Vessels Fishing Multiple Stock Areas**

- SHS II participating vessels fishing in multiple stock areas will report daily to the Sector Manager and in so-doing will indicate an estimate of their catch (including discards) from each stock area.

#### Fishing in US/Canada Areas

1. SHS II participating vessels intend to fish in the both the Eastern and Western US/Canada Areas.
2. When reporting their daily catch to the Sector Manager, the operators of all SHS II member vessels will specify the volume of catch and discard from each area.
3. Members electing to enter the Eastern US/CA area are still obligated to comply with the observer notification requirements. All requirements (observer notification, reporting and VMS) are maintained.

#### Closed Areas

- SHS II participating vessels will access the Closed Areas as authorized under the Multispecies FMP as revised by Amendment 16.

#### Catch Reports

1. SHS II member vessels will report via VMS (or other electronic means such as satellite phone, cellular phone, or NMFS approved reporting software) to the Sector Manager at least once in every 24 period that they are away from dock.
2. Daily reports will consist of permit number, vessel name, and operator's estimate of catch and discards of each allocated stocks, by stock and broad fishing area.

#### Vessel Logbooks

1. Operators of all SHS II participating vessels will turn one copy of their VTRs over to the Dockside Monitor (if one is assigned) at the time of offloading.
2. If there is no Dockside or Roving Monitor assigned to the offload, all participating vessel operators agree to send the Sector Manager one copy of their VTRs and a copy of their offload receipt to the Sector Manger within **24** hours of arriving in port.

#### Sector Reporting

1. The SHS II will report weekly to NMFS as required using data collected from vessels, VTRs, (and eVTRs when authorized), dealer reports, dockside monitoring reports and observer reports.
2. The reporting due date for the sector manager's weekly report will be increased to daily when either 80% of any of the sector's ACEs is reached, or when, for two consecutive weekly reporting periods 20% or more of the remaining portion any ACE is harvested, whichever occurs first.
3. An alternative threshold for increasing reporting frequency may be implemented during FY 2010 if agreed upon by the sector and NMFS.
4. The SHS II will submit required reports using the format and procedures prescribed by NMFS.

#### Data Reconciliation

- The Sector manager will reconcile the data from vessels, VTRs, (and eVTRs when authorized), the dealers' report, the observer's report and the Dockside Monitor's report on an ongoing basis to closely track the sector's ACE.

#### Discard Rate

- The SHS II Sector Manager will apply a sector specific assumed discard rate to all trips as calculated by NMFS based on NMFS' expected observer coverage.

#### Hot Spot Reporting (areas of high bycatch of allocated species)

1. Each member agrees to report to the Sector Manager any and all areas of high bycatch of any sort, including undersized regulated species, observed spawning areas and/or any stock for which the Sector is approaching their threshold.
2. Upon receiving a hot spot report, the Sector Manager will send an alert to all member vessels to avoid those particular areas.

#### Additional Measures to Prevent ACE overages

1. See daily catch reports (above)
2. The Board reserves the right to prohibit other fishing activities by Members if it determines that those activities undermine or compromise the Sector Plan and the Sector or otherwise conflict with the standards and ethics described in the bylaws and guiding principles.
3. When the Board imposes additional restrictions, they may also direct the Sector Manager to try to lease/buy or trade additional ACE of any stocks of concern by contacting other sector managers.
4. The Sector Manager will issue (and ask NMFS to enforce) a 'Stop Fishing Order' to any member vessels that are endangering the operations of the sector by ignoring internal reporting requirements and fishing in such a manner to achieve the sector's TAC for any allocated stock.
5. The reporting due date for the sector manager's weekly report will be increased to daily when either 80% of any of the sector's ACEs is reached, or when, for two consecutive weekly reporting periods 20% or more of the remaining portion any ACE is harvested, whichever occurs first.
6. An alternative threshold for increasing reporting frequency may be implemented during FY 2010 if agreed upon by the sector and NMFS.
7. The SHS II will submit required reports using the format and procedures prescribed by NMFS.

#### ACE Transfers

- The SHS II Sector Manager will track all ACE transfers between sector members and with other sectors.

#### **Gear Restrictions**

##### Seasonal or Area Gear Restrictions

- The SHS II Board may institute spatial or temporal gear restrictions to slow down the catch rate of certain allocated stocks.

## **Monitoring**

- Start Trip Hail and End Trip Hail

### **Daily Reporting to the Sector Manager**

- Each Member agrees that all participating vessels will report to the Sector Manager via VMS (or other electronic means such as satellite phone, cellular phone, or NMFS approved reporting software if approved by NMFS) on a daily basis when at sea. The daily report shall consist of an accounting of the vessel's entire catch of allocated groundfish (including discards) by pounds, by species, by broad groundfish statistical area. This will enable the Sector Manager to determine which stocks are being caught on a daily basis, and more closely monitor sector fishing.

### **Dockside Monitoring**

1. All members agree to hail trip start and trip end via VMS (or satellite phone, cellular phone, or NMFS approved vessel reporting software) to the Sector Manager and their selected Dockside monitoring company.
2. Vessels will hail trip start to the Sector Manager and the dockside monitoring company when they leave port. The Dockside Monitoring Company will forward the Hail Trip Start to NMFS. Hail trip start will include the following: the permit number, trip ID number and estimated trip duration. The trip ID number is defined as the serial number from the first page of the first VTR filled out for the trip. Vessels are required to wait for a confirmation from the Dockside Monitoring Company. The Dockside Monitoring Company is required to send a confirmation within 10 minutes. IF the vessel operator does not receive the confirmation in the required time frame, then they are required to call in by phone to the Dockside Monitoring Company's backup system.
3. Vessels will Hail Trip End at least 6 hours prior to landing to allow a DM to be present in time to witness offloading. Hail trip end will include the following: permit number, trip ID number, specific offloading location(s) for all dealers including state, port/harbor and dock, estimated time of arrival, estimated time of offloading and length of time for offloading, and estimated weight of each species being landed.
4. For trips less than 6 hours in length or occurring within 6 hours of port, the estimated time of arrival to port and estimated time of off load will be provided in the trip start hail. The trip end hail will be sent upon completion of the last tow with required updated information.
5. The vessel will be notified by the dockside monitoring company when the company sends their confirmation whether they will have a RM or DM present for offloading OR they will be issued a DM Waiver for the trip. The dockside monitoring company will also immediately notify the Sector Manager and NMFS Law Enforcement with the complete Hail Trip End information (including a breakdown of species to be landed and estimated weight of each species on board) and whether the vessel will have a DM / RM present at offloading or not.

6. If the Vessel is issued a Waiver, the vessel operator will provide the Sector Manager with their VTR and Dealer receipt within 24 hours of offloading.
7. If the vessel is selected for dockside monitoring, then the vessel will not offload unless a DM or RM is present.
8. If an SHS II vessel decides to offload at more than one facility, and that trip has been selected for having a Dockside Monitor, then they agree to have a DM present during offload at each location.

Upon meeting the vessel at the offloading site, the DM will:

- 1) take copies of all VTRs for the trip;
- 2) record whether the scales are certified;
- 3) observe and record whether ice and box weights are tared before catch is weighed; and
- 4) ask the captain whether all fish have been offloaded, and whether any are being retained for personal use. The DM will record the captain's estimate of weight of each species being retained for home use or retained on the vessel and record the reason(s).
- 5) The DM or Dealer will record and sign a report of the weight of offloaded fish by species.
- 6) The DM will send the Sector Manager a copy of the VTRs and a copy of the DM report and dealer receipts (if separate from the DM report) electronically and within 24 hours of the end of the offloading event.
- 7) The DM Company will keep an electronic copy of the DM report.

If a vessel is selected for having a DM, and is offloading at a remote port, (meaning their fish will be trucked before it is weighed), the vessel may enter port and tie at safe berth but no offloading can commence until the RM or DM is present. If the truck does not have scales, then members agree to have a RM present when the vessel offloads to the truck and a DM to record weights when the truck is offloaded at the dealer's location. The DM and RM of a trip that is unloaded in a remote location will follow all requirements described for dockside monitoring (above) to ensure all groundfish from the trip are accounted for and accurately reported to the Sector Manager.

If the offload is weighed at the offload site in front of the RM before being loaded into the truck the event must follow the protocol for offload at a dealer. Upon meeting the vessel at the remote offloading site, the RM will:

- 1) take copies of all VTRs;
- 2) record whether or not the scales are certified by the dealer's state; and
- 3) Observe and record whether ice and box weights are tared by the dealer before the catch is added.
- 4) Ask the captain whether all fish have been offloaded, and whether any are being retained for personal use. The RM will record the captain's estimate of weight of each species being retained for home use or retained on the vessel and record the reason(s).

- 5) Either the RM or dealer will record the weight of offloaded fish, by species (and market class, if culled), in a report. This report will be signed by the RM and the RM will keep a copy of the signed report.
- 6) The RM will send copies of the VTR(s), the RM's report, and the dealer receipt(s) (if separate from the RM's report), to the Sector Manager within 24 hours of the end of the offloading event.
- 7) The DM Company will keep an electronic copy of the RM report.

If the offload is not weighed at the offload site in front of the RM before being loaded into the truck, then all fish must be weighed in the presence of a DM at the receiving dealer(s) when the truck offloads following the same procedures as a vessel offloading at a dealer, and the RM will:

- 1) take copies of all VTRs, and
- 2) Record the number of totes of each species and the captain's estimate of the weight of each species in each tote.
- 3) Ask the captain whether all fish have been offloaded, and whether any are being retained for home use. The RM will record the captain's estimate of weight of any species being retained for home use or retained on the vessel and record the reason(s).
- 4) Record all offloaded fish, by species (and market class, if culled), in a report, unless the driver creates such a report that the RM may use. This report shall be signed by the RM, and the RM shall keep a copy of the signed report.
- 5) Ensure that each tote is tagged with appropriate identifying information, including but not limited to: Serial number of first VTR page filled out for that trip, RM name, tote number, and species.
- 6) The RM will send copies of the VTR(s), the RM report and the driver manifest(s) (if separate from the RM's report) to the Sector Manager within 24 hours of the end of the offloading event.
- 7) The DM Company will keep an electronic copy of the RM report.



# Sustainable Harvest Sector II

## Draft Environmental Assessment

Prepared by:

*Sustainable Harvest Sector*

Lead Agency:

*National Marine Fisheries Service*

April 2010

## **1.0 INTRODUCTION**

The Sustainable Harvest Sector II (SHS II) is preparing an Operations Plan and requests an allocation of an Annual Catch Entitlement (ACE) of those stocks of fish managed under the Northeast Multispecies Fishery Management Plan (FMP) for the 2011 fishing year that the Council determines have adequate biomass to be allocated to the fishery. If approved, the fishing year (FY) 2011 would be the first year that the SHS II would operate.

The SHS II would consist of a group of limited access multispecies permit holders who would fish using trawl, sink gillnet and demersal longline gear, primarily trawls and gillnets. They fish in all Northeast regulated mesh areas, the Gulf of Maine, inshore and offshore Georges Bank and Southern New England/Mid Atlantic from shore to the boundaries of the EEZ.

The SHS II would be a group of limited access multispecies permit holders who have voluntarily chosen to cooperate for the purpose of more efficiently harvesting an annual allocation of large-mesh multispecies. If approved, the SHS II would operate under an ACE for their allocation of stocks to avoid overfishing and meet the mandates of the 2007 Reauthorization to the MSFCMA. Specific goals of the SHS II are described in Section 2.0.

Implementation of the SHS II Operations Plan would mitigate potentially adverse economic impacts that have been experienced as a result of Amendment 13, subsequent framework actions, and Amendment 16 to the Northeast Multispecies FMP by conveying environmental, social, and economic benefits directly to the SHS II and the communities in which it operates.

### **1.1 MULTISPECEIS FISHERY**

### **1.2 SECTORS MANAGEMENT**

## **2.0 PURPOSE AND NEED FOR THE PROPOSED ACTION**

The need for the action is to provide an opportunity for flexible fisheries management through local decision-making, self-monitoring, and Sector management. The purpose of the action is to approve an Operations Plan and an allocation of ACE of Northeast multispecies for the SHS II, consistent with Amendment 16. Operation of the SHS II is intended to alleviate social and economic hardships, but would also meet the biological objectives of the Northeast Multispecies FMP through management rules by which the Sector members agree to abide.

The SHS II has established a set of goals that are designed to meet many of the goals and objectives set forth by the NEFMC in Amendment 16. The SHS II's goals and the relevant Amendment 16 goals and objectives are listed below. The SHS II goals support Amendment 16 goals and objectives in a multitude of ways and selected concurrences are outlined in this section.

**The Sustainable Harvest Sector II has the following goals:**

- **Goal 1:** To fish at sustainable levels.
- **Goal 2:** A fleet capacity that is commensurate with resource status so as to achieve goals of economic efficiency and biological conservation and that encourages diversity within the fishery.
- **Goal 3:** To maintain a directed commercial multispecies fishery in the Northeast region.

- **Goal 4:** To minimize adverse impacts on fishing communities and shore-side infrastructure.
- **Goal 5:** To provide reasonable and regulated access to the groundfish species to all members of the public of the United States for seafood consumption during the stock rebuilding period without compromising the rebuilding targets established in Amendment 13 and 16, their objectives or timetable.
- **Goal 6:** To promote stewardship within the fishery.
- **Goal 7:** To achieve on a continuing basis, optimum yield for the U.S. fishing industry.

The following Amendment 16<sup>1</sup> goals and objectives are consistent with the Sustainable Harvest Sector II goals:

- **Goal 1:** Consistent with the National Standards and other required provisions of the MSFCMA and other applicable law, manage the Northeast multispecies complex at sustainable levels.
- **Goal 2:** Create a management system so that fleet capacity would be commensurate with resource status so as to achieve goals of economic efficiency and biological conservation and that encourages diversity within the fishery.
- **Goal 3:** Maintain a directed commercial and recreational fishery for Northeast multispecies.
- **Goal 4:** Minimize, to the extent practicable, adverse impacts on fishing communities and shore-side infrastructure.
- **Goal 5:** Provide reasonable and regulated access to the groundfish species covered in this plan to all members of the public of the United States for seafood consumption and recreational purposes during the stock rebuilding period without compromising the Amendment 13 objectives or timetable. If necessary, management measures could be modified in the future to ensure that the overall plan objectives are met.
- **Goal 6:** To promote stewardship within the fishery.

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- **Objective 1:** Achieve, on a continuing basis, optimum yield for the U.S. fishing industry.
  - **Objective 3:** Adopt fishery management measures that constrain fishing mortality to levels that are compliant with the Sustainable Fisheries Act.
  - **Objective 4:** Implement rebuilding schedules for overfished stocks, and prevent overfishing.
  - **Objective 5:** Adopt measures as appropriate to support international transboundary management of resources.
  - **Objective 7:** To the extent possible, maintain a diverse groundfish fishery, including different gear types, vessel sizes, geographic locations, and levels of participation.
  - **Objective 8:** Develop biological, economic, and social measures of success for the groundfish fishery and resource that ensure accountability in achieving fishery management objectives.

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<sup>1</sup> Excerpt from the EIS for Amendment 16.

- **Objective 10:** Identify and minimize bycatch, which include regulatory discards, to the extent practicable, and to the extent bycatch cannot be avoided, minimize the mortality of such

The SHS II goal of fishing at a sustainable level (Goal 1) through utilization of an ACE is consistent with Amendment 16 Goal 1 (to manage the fishery at sustainable levels) and Objective 3 (to constrain fishing mortality to levels which comply with the Sustainable Fisheries Act [SFA]). The SHS II Goal (2) of fleet capacity that matches the resource is consistent with Goal 2 of Amendment 16. The SHS II Goal 3 of maintaining a directed commercial groundfish fishery in New England is consistent with Amendment 16 Goal 3 to maintain a directed commercial and recreational fishery. The SHS II Goal 4 of minimizing adverse impacts on fishing communities and shore-side infrastructure is the same as Amendment 16 Goal 4. The SHS II Goal 5 of providing access to the members of the United States public for seafood consumption during the rebuilding period without compromising Amendment 16 goals and objectives is consistent with Amendment 16 Goal 5. The SHS II Goals 6 and 7, to promote stewardship and achieve optimum yield for the U.S. fishing industry, is consistent with Amendment 16 Goal 6 and Objective 1.

### 3.0 PROPOSED ACTION AND ALTERNATIVES

#### 3.1 ALTERNATIVE 1 - APPROVAL OF THE SUSTAINABLE HARVEST SECTOR II OPERATIONS PLAN FOR FISHING YEAR 2010

A summary of the SHS II Operations Plan (Proposed Action) is presented in Table 3.1-1, and further described, in the subsections below.

TABLE Summary of the Sustainable Harvest Sector II Operations Plan Fishing Year 2011		3.1-1
Sector Parameters	Description	
Location	Inshore and offshore waters (all in the EEZ) of the Gulf of Maine, Georges Bank, and southern New England	
Timeframe	May 1, 2011 –April 30, 2012	
Gear	Trawl, gillnet, and hook and line gear, including jigs, handline, and non-automated demersal longlines	
Allocated Target species	Stocks of Northeast multispecies complex	
Non-target species/ Bycatch	Monkfish, Skates, and Dogfish	
Number of participants	Unknown at this time	
Annual Catch Entitlement by Stock	Unknown at this time	
Expected catch (including allocated and other landed species)	Assumed to be equal to the ACE = (PSC x ACL)	

The term "allocated target species" refers to the list of groundfish species for which the Sector would receive an ACE. "Non-allocated Target Species" refers to species which the Sector member would also be targeting, but for which no ACE is allocated. These other fish species ("non-allocated target") may be caught by the same gear while fishing for allocated target species, and brought to shore and sold to dealers (i.e., "landed"), assuming the fisherman has proper authorization or permit(s). These Non-allocated Target Species may also be managed under the Northeast Multispecies FMP (e.g., halibut and whiting) or another Fishery Management Plan (e.g., Monkfish FMP). As defined in the Magnuson Act, "bycatch" refers to "fish which are harvested in a fishery, but which are not sold or kept for personal use, and includes economic discards and regulatory discards." For the purposes of this EA, the discussion of Non-allocated Target Species and Bycatch refers primarily to skates, monkfish, and dogfish. These species predominate bycatch (i.e., dogfish) or are the primary alternate species that are landed by expected SHS II membership (i.e., monkfish and skates).

The SHS II would be a group of limited access Northeast multispecies permit holders who are voluntarily working together as a "Sector" under the terms described in Amendment 16 to the Northeast Multispecies FMP. These permit holders together own xx Northeast multispecies permits. If approved, the FY 2011 would be the second year that the SHS II would operate. The SHS II would be allocated a portion of the ACL for the stocks of Northeast multispecies, based on the catch history of the members for FY 1996-2006. It is expected that the SHS II would catch its allocation of most stocks.

### **3.1.1 Description of the Sustainable Harvest Sector II and Proposed Operations**

The SHS II would consist of an undetermined number of permits, some of which are expected to be actively fishing in FY 2011. The SHS II requests an allocation of each of the stocks of Northeast large-mesh multispecies based on the landings history of the Sector's permits.

In accordance with the Northeast Multispecies FMP, members would be operating under an ACE for allocated stocks and have developed an Operations Plan with harvesting rules that all members would follow to avoid exceeding the SHS II' allocation.

#### **3.1.1.1 Location/Timeframe and Gear of the Sustainable Harvest Sector II**

Members of the SHS II currently fish in all areas of the Northeast region, but primarily in the Gulf of Maine and on Georges Bank. All active SHS II vessels fish in the EEZ, and most active vessels fish farther offshore, but there are a few that stay within 50 miles of the shore in the Gulf of Maine. There are two or three vessels that may fish for a portion of their allocated stocks in the southern New England/Mid-Atlantic region.

(Description of months fishing, numbers of permit holders using each gear, number of permits expected to be active, etc will be described in this paragraph.)

#### **3.1.1.2 Dividing the Allocation**

The SHS II would be allocated a portion of the ACL for stocks of Northeast multispecies, based on catch history of member vessels from May 1, 1996 through April 30, 2007 as authorized by NMFS in Amendment 16. The allocation would be divided among active SHS II vessels based on the Potential Sector Contribution (PSC) of each stock that owners' vessels contributed to the SHS II allocation. SHS II members would be able to trade or lease ACE with other members of the SHS II. The SHS II Manager would track all ACE trades. ACE is defined for the purpose of this EA as pounds of a particular stock, not to exceed each vessel owner's internal allocation from the SHS II. This internal allocation may vary based on trading/leasing activities among the members or decisions of the SHS II Board of Directors.

### **3.1.1.3 Operations Plan**

SHS II members, showing their commitment to abide by the terms of their Operations Plan by signing the Operations Plan which will be submitted in September 2010, agree to limit their catch (including discards) to the amount of fish allocated to the SHS II for FY 2011. The SHS II members have agreed to report their catch and discards of each allocated target stock to the SHS II Manager in as near a real-time manner as possible and authorize the SHS II Manager to track the Sector's catch and report to NMFS as required under Amendment 16. The members acknowledge and agree that once the SHS II allocation of a stock has been caught, then no Sector member vessel would be allowed to fish in any area where that stock is found. SHS II members further agree to implement all monitoring and reporting requirements as mandated in Amendment 16 and any additional requirements as decreed by their own Board of Directors.

## **3.2 ALTERNATIVE 2 - NO-ACTION ALTERNATIVE**

(To be added)

## **4.0 AFFECTED ENVIRONMENT**

(To be added)

## **5.0 IMPACTS OF THE PROPOSED ACTION AND ALTERNATIVES**

Prior to the advent of sectors, input controls (gear restrictions, area closures, and trip limits) were imposed on fishermen, which affected the amount of fish that could be caught in a day. Those restrictions, along with binding limits on the total number of days each fisherman could fish (DAS), were used to control fishing mortality for each of the groundfish stocks. Under this system, Common Pool members were allocated a portion of the target allowable fishing mortality for each species by (1) establishing a specific number of DAS, and (2) regulating Common Pool fishermen so fishing occurs in a manner that controls catch per day.

The advent of sectors does not change that overall process. Common Pool members would still be assigned DAS based on a total allowable fishing mortality. However, sector members are allocated the remaining portion of the total allowable fishing mortality. But, rather than being assigned DAS, sectors are allotted an ACE in pounds for the majority of the groundfish stocks and allowed more flexibility as to when and how sector members fish for those stocks through an approved operations plan. A sector's ACE for each stock is determined by multiplying the sector's proportional share of a stock based upon catch history, by the established annual catch limit for the stock. The catch history is based upon the permits held by a sector. If sectors were being introduced into a fishery that focused on a single stock, the introduction would almost certainly result in a reduction in the total amount of gear fished per pound of fish harvested. This is because sector fishermen would have increased flexibility with respect to when and how fishing occurs relative to Common Pool members and sector fishermen would likely be motivated to fish in a manner that increases their expected daily catch rate. As a result, the total amount of gear deployed over a year to target a fixed quantity of a single stock would be expected to decrease somewhat relative to the levels that would have existed under the Common Pool.

However, Northeast multispecies fishermen generally do not pursue a single stock. Instead, fishermen simultaneously target and/or catch several species, each of which has its own acceptable level of fishing mortality. As such, the introduction of sectors allows for the possibility that fishermen could be able to coordinate their fishing to ensure that the sector does not reach its ACE for a single stock well before it reaches its ACE for the other allocated stocks. This coordinated effort could result in (1) increased harvest levels for stocks that typically were not fully exploited to their allowable limit under Common Pool operations, (2) an increase or decrease in the total amount of gear fished by sector fishermen over the course of a year, and (3) changes to the way gear is fished in order to increase gear selectivity.

In summary, the increased flexibility granted to sectors through their approved operations plan should increase CPUE, which would tend to decrease the number of days with gear in the water (gear days). However, the ability to target specific stocks could allow sectors to more fully exploit previously under-exploited stocks, which would tend to increase gear days. Because multispecies sectors are relatively recent to the Northeast groundfish fishery, there exists little Northeast specific data to quantitatively determine the net effect of multispecies sector participation on gear days. However, after reviewing theory and available information from Pacific fisheries management (Sanchirico et al. 2006), and discussing the issue with sector representatives and fishermen, it appears likely that the overall change in gear days would conservatively be a slight increase based on going from the DAS approach to the ACE approach of fisheries management.





**DRAFT OPERATIONS PLAN  
FISHING YEAR 2011  
SUSTAINABLE HARVEST SECTOR III,  
April 22, 2010**

**HARVESTING RULES**

**ACE and Annual Distribution**

1. Each Member agrees that the ACE of multispecies authorized by Amendment 16 and NMFS to the Sector (the "ACE") shall be harvested in accordance with the Harvesting Rules, which are set forth below.
2. Sector members will be allocated a portion of the Sector's total allocation based on the proportion of each stock that they contribute to the Sector's initial ACE.

**Harvesting Rules**

1. The Members will not harvest ACE allocated to this sector in FY2011. The Sector ACE will only be used through transfers to other sectors.
2. The Members will not collectively transfer more than the Sector ACE for any allocated stocks.

**Sector Reporting**

1. The SHS III will report transfers of ACE weekly to NMFS as required.

**Data Reconciliation**

1. The Sector Manager will verify that ACE transfers are reconciled with other Sectors that have participated in the transfer. If a discrepancy is found, the Sector Manager will notify the other sector(s) and the NMFS of the discrepancy and will resolve it.



# Sustainable Harvest Sector III

## Draft Environmental Assessment

Prepared by:  
*Sustainable Harvest Sector*

Lead Agency:  
*National Marine Fisheries Service*  
April 2010

## **1.0 INTRODUCTION**

The Sustainable Harvest Sector III (SHS III) is preparing an Operations Plan and requests an allocation of an Annual Catch Entitlement (ACE) of those stocks of fish managed under the Northeast Multispecies Fishery Management Plan (FMP) for the 2011 fishing year that the Council determines have adequate biomass to be allocated to the fishery.

The SHS III would be a group of limited access multispecies permit holders who have voluntarily chosen to cooperate for the purpose of more efficiently harvesting an annual allocation of large-mesh multispecies. If approved, the SHS III would operate under an ACE for their allocation of stocks to avoid overfishing and meet the mandates of the 2007 Reauthorization to the MSFCMA. Specific goals of the SHS are described in Section 2.0.

Implementation of the SHS III's Operations Plan would mitigate potentially adverse economic impacts that have been experienced as a result of Amendment 13, subsequent framework actions, and Amendment 16 to the Northeast Multispecies FMP by conveying environmental, social, and economic benefits directly to the SHS, other sectors and the communities in which it operates.

### **1.1 MULTISPECEIS FISHERY**

(Background info to be added)

### **1.2 SECTOR MANAGEMENT**

(Background info to be added)

## **2.0 PURPOSE AND NEED FOR THE PROPOSED ACTION**

The need for the action is to provide an opportunity for flexible fisheries management through local decision-making, self-monitoring, and Sector management. The purpose of the action is to approve an Operations Plan and an allocation of ACE of Northeast multispecies for the SHS III, consistent with Amendment 16. Operation of the SHS III is intended to alleviate social and economic hardships, but would also meet the biological objectives of the Northeast Multispecies FMP through management rules by which the Sector members agree to abide.

The SHS III has established a set of goals that are designed to meet many of the goals and objectives set forth by the NEFMC in Amendment 16. The SHS III's goals and the relevant Amendment 16 goals and objectives are listed below. The SHS III goals support Amendment 16 goals and objectives in a multitude of ways and selected concurrences are outlined in this section.

### **The Sustainable Harvest Sector III has the following unique goals:**

The mission of this Sector is to hold a sufficient amount of ACE for all Allocated Target Species that can be leased out to fishermen in the SHS or other sectors, in order to maintain the economic stability of these sectors and their members. The SHS III would be a group of limited access Northeast multispecies (groundfish) permit holders who are voluntarily working together

as a Sector under the terms described in the Draft Amendment 16 to the Northeast Multispecies FMP, as defined in Section 1.0 (NEFMC 2009a). These permit holders collectively own Northeast multispecies permits; however, there are no active vessels in this Sector because it is a lease only sector.

The SHS III requests approval from NMFS of their Operations Plan and allocation of ACE of fish managed under the Northeast Multispecies FMP for FY 2011. If approved, the FY 2011 would be the first year the sector would operate.

### **1.3.1 Intent and Goals of the Sustainable Harvest Sector III**

The primary goal of the Sector is that of the leasing quota to fishermen, primarily in the SHS. Implementation of the SHS III Operations Plan would mitigate potentially adverse economic impacts that have been experienced because of Amendment 13 and subsequent framework actions to the Northeast Multispecies FMP by conveying environmental, social, and economic benefits directly to the Sector and the communities in which it operates.

**The SHS III has the following unique goals:**

- **Goal 1:** Sustain a viable commercial groundfish fishery.
- **Goal 2:** To minimize the adverse impacts on fishing communities and shore-side infrastructure.
- **Goal 3:** Maintaining a fleet capacity that is commensurate with resource status so as to achieve goals of both economic efficiency and biological conservation that encourages diversity within the fishery.
- **Goal 4:** Implement community based fisheries management in New England.
- **Goal 5:** Promote stewardship within the fishery.
- **Goal 6:** Achieve on a continuing basis, optimum yield for the U.S. Fishing industry.
- **Goal 7:** Create new opportunities for Sector participants and recipients of leased quota, such as opportunities to pursue healthy or rebuilding groundfish stocks; and strengthen the ability of participants to develop long term business models.

**The following Amendment 16 goals and objectives are consistent with the goals of the SHS III:**

- **Goal 1:** Consistent with the National Standards and other required provisions of the Magnuson-Stevens Fishery Conservation and Management Act and other applicable law, manage the Northeast multispecies complex at sustainable levels.

- **Goal 2:** Create a management system so that fleet capacity will be commensurate with resource status so as to achieve goals of economic efficiency and biological conservation and that encourages diversity within the fishery.
- **Goal 3:** Maintain a directed commercial and recreational fishery for Northeast multispecies.
- **Goal 4:** Minimize, to the extent practicable, adverse impacts on fishing communities and shore-side infrastructure.
- **Goal 5:** Provide reasonable and regulated access to the groundfish species covered in this plan to all members of the public of the United States for seafood consumption and recreational purposes during the stock rebuilding period without compromising the Amendment 13 objectives or timetable. If necessary, management measures could be modified in the future to ensure that the overall plan objectives are met.
- **Goal 6:** To promote stewardship within the fishery.
- **Objective 1:** Achieve, on a continuing basis, optimum yield for the U.S. fishing industry.
- **Objective 3:** Adopt fishery management measures that constrain fishing mortality to levels that are compliant with the Sustainable Fisheries Act.
- **Objective 4:** Implement rebuilding schedules for overfished stocks, and prevent overfishing.
- **Objective 5:** Adopt measures as appropriate to support international transboundary management of resources.
- **Objective 7:** To the extent possible, maintain a diverse groundfish fishery, including different gear types, vessel sizes, geographic locations, and levels of participation.
- **Objective 8:** Develop biological, economic, and social measures of success for the groundfish fishery and resource that ensure accountability in achieving fishery management objectives.
- **Objective 10:** Identify and minimize bycatch, which include regulatory discards, to the extent practicable, and to the extent bycatch cannot be avoided, minimize the mortality of such bycatch.

### **3.0 PROPOSED ACTION AND ALTERNATIVES**

This section of the EA describes the fishing alternatives, including existing fishing conditions under the No-Action Alternative and the Proposed Action (Alternative 1), which is approval of SHS III Operations Plan.

### 3.1 ALTERNATIVE 1 - APPROVAL OF THE Sustainable Harvest Sector III OPERATIONS PLAN FOR FISHING YEAR 2010

A summary of the SHS III Operations Plan (Proposed Action) is presented in Table 3.1-1, and further described, in the subsections below.

TABLE 3.1-1 Summary of the Sustainable Harvest Sector III Operations Plan Fishing Year 2011	
Sector Parameters	Description
Location	Not applicable because there will be no active vessels
Timeframe	May 1, 2011 – April 30, 2012
Gear	Not applicable because there will be no active vessels
Allocated Target species	Stocks of Northeast multispecies complex
Non-target species/ Bycatch	Monkfish, Skates, and Dogfish
Number of participants	Unknown at this time
Annual Catch Entitlement by Stock	Unknown at this time
Expected catch (including allocated and other landed species)	Assumed to be equal to the ACE = (PSC x ACL)

#### 3.1.1 Description of the Sustainable Harvest Sector III and Proposed Operations

The SHS III would consist of permits which would not be actively fished by this Sector as it is lease only. The SHS III requests an allocation of Northeast large mesh multispecies (also referred to as “Allocated Target Species”) based on the landings history of the Sector permits.

The term “allocated target species” refers to the list of groundfish species for which the Sector would receive an ACE. “Non-allocated Target Species” refers to species which the Sector member would also be targeting, but for which no ACE is allocated. These other fish species (“non-allocated target”) may be caught by the same gear while fishing for allocated target species, and brought to shore and sold to dealers (i.e., “landed”), assuming the fisherman has proper authorization or permit(s). These Non-allocated Target Species may also be managed under the Northeast Multispecies FMP (e.g., halibut and whiting) or another Fishery Management Plan (e.g., Monkfish FMP). As defined in the Magnuson Act, “bycatch” refers to “fish which are harvested in a fishery, but which are not sold or kept for personal use, and includes economic discards and regulatory discards.” For the purposes of this EA, the discussion of Non-allocated Target Species and Bycatch refers primarily to skates, monkfish, and dogfish. These species predominate bycatch (i.e., dogfish) or are the primary alternate species that are landed by expected SHS membership (i.e., monkfish and skates).

SHS III would be a lease only sector in FY 2011. Representative harvesting rules for SHS III are summarized below. The harvesting rules associated with vessel operations, monitoring, and gear restrictions would be based on the NMFS-approved harvesting rules in the sector agreements for those sectors that would lease the ACE from SHS III.

TABLE 3.1-2 Summary of Harvest Rules	
Quota Management	Brief Description of Measures There will be no Harvest rules because there will be no active vessels.

**AGGREGATE ALLOCATION:** The members agree that they would not collectively lease/transfer more than the Sector ACE, as adjusted by transfers, for any allocated groundfish stocks. Furthermore, the members agree that once an annual ACE is reached no member would attempt to transfer allocated groundfish stocks or other species managed under plan. The Sector members may resume leasing/transferring activities if additional ACE is secured through intersector ACE transfer.

**QUOTA MANAGEMENT:** Sector members would use computer based software for collecting data and reporting transfers.

**DATA RECONCILIATION:** The Sector Manager would verify that ACE transfers are reconciled with the sectors that have participated with the Sector for consistency. The Sector would receive the data electronically to expedite and automate data reconciliation. If a discrepancy is detected, the Sector Manager would notify the other sector/s and NMFS of the discrepancy and would note discrepancies on the weekly report until resolved.

**DAYS AT SEA:** Each participating permit would be allocated DAS by the Regional Administrator based on Amendment 16 management measures for sector permits. Members would be allowed to lease DAS to other sectors/members.

**WEEKLY REPORTS:** The Sector Manager would submit Weekly Sector Reports of all transfers of ACE by the Sector.

**ANNUAL REPORT:** Within sixty (60) days of the end of the fishing year the Sector Manager would submit an annual report to NMFS and the Council that summarizes: relevant information required to evaluate the performance of the Sector.

The SHS III would be a group of limited access Northeast multispecies permit holders who are voluntarily working together as a "Sector" under the terms described in Amendment 16 to the Northeast Multispecies FMP. These permit holders together own a number of Northeast multispecies permits. If approved, the FY 2011 would be the first year that the SHS III would operate. The SHS III would be allocated a portion of the ACL for the stocks of Northeast multispecies, based on the catch history of the members for FY 1996-2006. It is expected that the SHS III would lease out its ACE for each allocated stock to other sectors.

### 3.1.2 Location/Timeframe and Gear of the Sustainable Harvest Sector III

Members of the SHS III currently fish in all areas of the Northeast and Mid-Atlantic regions in other managed fisheries. There will be no active vessels in the SHS III fishing for multispecies.

(Further description of SHS III members expected fishing activities (including FMP, months fishing, etc will be described in this paragraph.)

### 3.1.3 Dividing the Allocation

The SHS III would be allocated a portion of the ACL for stocks of Northeast multispecies, based on catch history of member vessels from May 1, 1996 through April 30, 2007 as authorized by NMFS in Amendment 16. The individual members of the SHS III would not be allocated a portion of the Sector's overall ACE. The allocation would be leased out to active SHS vessels and other sectors. The SHS III Sector Manager would track all ACE trades. ACE is defined for the purpose of this EA as pounds of a particular stock, not to exceed the allocation for each stock allocated to the SHS III.



### **3.1.4 Operations Plan**

SHS III members agree to not fish in the NE Multispecies fishery in 2011. Instead of fishing for multispecies, the SHS III will lease (transfer out of the sector) ACE of its allocated stocks to the SHS and other sectors. The Sector Manager will track all sector leases. SHS III members further agree to implement all monitoring and reporting requirements as mandated in Amendment 16 and any additional requirements as decreed by their own Board of Directors.

### **3.2 ALTERNATIVE 2 - NO-ACTION ALTERNATIVE**

Under the No-Action Alternative, all SHS III vessels would operate under the regulations applicable to the Common Pool. Under this alternative, all SHS III vessels would return to the Common Pool under the rules implemented in Amendment 16, and prior framework adjustments to the Northeast Multispecies FMP. The SHS III would not have an allocation of Northeast multispecies. Common pool measures are described in the Final Amendment 16 to the Northeast Multispecies FMP (NEFMC 2009a). The No-Action Alternative would subject all SHS III vessels to the input control measures, implemented by Amendment 13, subsequent FW adjustments, and Amendment 16 to rebuild overfished stocks and end overfishing on those stocks where it is occurring.

Under measures proposed by Amendment 16, Common Pool vessels would be subject to a 50 percent cut in DAS from their FW 42 allocation and having all DAS counted at a rate of 24-hours. Additionally, trip limits for overfished stocks are being adjusted, ACLs and AMs are being implemented, and it is possible that many vessels currently in the fishery would not be economically viable.

## **4.0 AFFECTED ENVIRONMENT**

(To be added)

## **5.0 IMPACTS of the PROPOSED ACTION AND ALTERNATIVES**

Prior to the advent of sectors, input controls (gear restrictions, area closures, and trip limits) were imposed on fishermen, which affected the amount of fish that could be caught in a day. Those restrictions, along with binding limits on the total number of days each fisherman could fish (DAS), were used to control fishing mortality for each of the groundfish stocks. Under this system, Common Pool members were allocated a portion of the target allowable fishing mortality for each species by (1) establishing a specific number of DAS, and (2) regulating Common Pool fishermen so fishing occurs in a manner that controls catch per day.

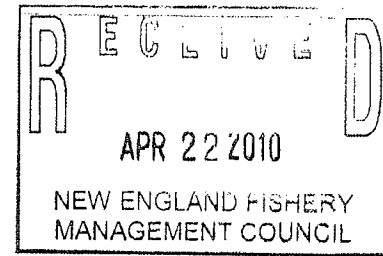
The advent of sectors does not change that overall process. Common Pool members would still be assigned DAS based on a total allowable fishing mortality. However, sector members are allocated the remaining portion of the total allowable fishing mortality. But, rather than being assigned DAS, sectors are allotted an ACE in pounds for the majority of the groundfish stocks and allowed more flexibility as to when and how sector members fish for those stocks through an approved operations plan. A sector's ACE for each stock is determined by multiplying the sector's proportional share of a stock based upon catch history, by the established annual catch limit for the stock. The catch history is based upon the permits held by a sector. If sectors were being introduced into a fishery that focused on a single stock, the introduction would almost certainly result in a reduction in the total amount of gear fished per pound of fish harvested. This is because sector fishermen would have increased flexibility with respect to when and how fishing occurs relative to Common Pool members and sector fishermen would likely be motivated to

fish in a manner that increases their expected daily catch rate. As a result, the total amount of gear deployed over a year to target a fixed quantity of a single stock would be expected to decrease somewhat relative to the levels that would have existed under the Common Pool.

However, Northeast multispecies fishermen generally do not pursue a single stock. Instead, fishermen simultaneously target and/or catch several species, each of which has its own acceptable level of fishing mortality. As such, the introduction of sectors allows for the possibility that fishermen could be able to coordinate their fishing to ensure that the sector does not reach its ACE for a single stock well before it reaches its ACE for the other allocated stocks. This coordinated effort could result in (1) increased harvest levels for stocks that typically were not fully exploited to their allowable limit under Common Pool operations, (2) an increase or decrease in the total amount of gear fished by sector fishermen over the course of a year, and (3) changes to the way gear is fished in order to increase gear selectivity.

In summary, the increased flexibility granted to sectors through their approved operations plan should increase CPUE, which would tend to decrease the number of days with gear in the water (gear days). However, the ability to target specific stocks could allow sectors to more fully exploit previously under-exploited stocks, which would tend to increase gear days. Because multispecies sectors are relatively recent to the Northeast groundfish fishery, there exists little Northeast specific data to quantitatively determine the net effect of multispecies sector participation on gear days. However, after reviewing theory and available information from Pacific fisheries management (Sanchirico et al. 2006), and discussing the issue with sector representatives and fishermen, it appears likely that the overall change in gear days would conservatively be a slight increase based on going from the DAS approach to the ACE approach of fisheries management.

Mr. Paul Howard, Executive Director  
Mr. John Pappalardo, Chairman  
New England Fishery Management Council  
Water Street  
Newburyport, MA



#10 P

April 22, 2010

Dear Mr. Chairman,

I am writing to request that the New England Fishery Management Council (NEFMC or Council) initiate a framework action at the nearest possible opportunity for the consideration of a sector proposal in the Northeast multispecies fishery to be implemented by May 1, 2011 for the 2011-2012 fishing year.

The Tri State Sector (hereafter the "Sector" ) is a group of limited access multispecies permit holders who voluntarily entered into an agreement with each other and the National Marine Fisheries Service (NMFS) in 2009 to operate under certain fishing restrictions for the 2010 fishing year and which has been allocated a portion of the TACs of the species managed under the NE Multispecies Fishery Management Plan (FMP) to achieve objectives consistent with the objectives of the FMP as a 'sector' for the 2010 fishing year as defined in Amendment 13 and redefined in Amendment 16 to the Northeast Multispecies Fishery Management Plan (authorized in the Final Rules published in the Federal Register on April 9, 2010). 2010 is the first year that the Sector will be operating and herein they are announcing their intention to continue operating in the 2011 fishing year.

The Sector requests an allocation of all 20 stocks managed under the Northeast Multispecies FMP as well as an allocation of all other stocks and species for which their members have catch history, as authorized under other FMPs managed by the NEFMC or jointly managed by the NEFMC and the Mid Atlantic Fishery Management Council (MAFMC).

Members of the Tri State Sector will fish the waters of the Gulf of Maine, Georges Bank, Southern New England and the Mid Atlantic. As intended in Amendment 16, all sector members may not actively fish for multispecies in 2011 but may agree to allow other sector members to harvest the sector's allocations.

***Preliminary Objectives***

This Sector will operate in order to achieve specific conservation and economic objectives, including but not limited to:

- 1) Ending overfishing and enabling fish stocks to rebuild
- 2) Increasing the potential to realize optimum yield of the groundfish resource
- 3) Reducing discards of catch
- 4) Promoting safer fishing practices.
- 5) Generating economic stability for fishing vessels and fishing communities.
- 6) Refining stakeholder co-management in New England that can tailor management to local needs and strengthen stewardship

- 7) Refining the working model of sector management in the New England groundfish fishery

### ***The Need***

Sector management was first implemented in 2004 under Amendment 13 at the request of the Cape Cod Hook Fishermen's Association who worked with their constituents to establish the Hook Sector in 2004 and the Fixed Gear Sector in 2006. Under Amendment 16, in the spring of 2010, 98% of the active vessels in the New England groundfish fleet were enrolled in sectors, and the 2010 fishing year will be a true test of the effectiveness of this new management structure for the vast majority of the fleet. It will take more than one fishing year for sector management to be proven as a means of conservation and management in this complicated fishery. Therefore we request the Council initiate a Framework Adjustment to consider this sector continue operating for the 2011 fishing year.

### **Draft Operations Plans**

The proposed sectors expects to operate in 2011 under the guidance of a sector manager who will oversee all aspects of sector operations and compliance. As required in Amendment 16, a complete draft operations plan containing all required measures as described in section 50 CFR 648.87 (b) (2) will be submitted to the Council and NMFS no later than September 1, 2010. A very brief overview follows:

1. List and Number of Participants: It is anticipated that the Tri State Sector will continue to have at least 20 permit holders who qualify for membership as stated in regulations at 648. \_\_\_\_.
2. Consolidation and Redistribution of Effort, including Possible Redirection of Effort: Is likely to be similar to those terms authorized for the Sector and as required in Amendment 16.
3. ACE Thresholds and Harvesting Rules: Are likely to be similar to those terms authorized for the Sector and as required in Amendment 16.
4. Enforcement Procedures including Investigation Procedures, Penalties (including those for overages) and terms for Expulsion: Are likely to be similar to those terms authorized for the Tri State Sector and as required in Amendment 16.
5. Fishing Activity/Allocation within the Sector: Some Sector members will fish a portion of their sector's allocation as determined by the amount of allocation that their own catch history contributes to the sector and their own willingness to contribute to leasing additional allocation for the Sector. It is expected that other permit holders may choose not to fish in the multispecies fishery at all.
6. Monitoring and Reporting Landings and Discards: Is likely to be similar to those terms authorized for the Sector and as required in Amendment 16.
7. Bycatch Avoidance of regulated species and pout in other fisheries: Is likely to be similar to those terms authorized for the SHS in Amendment 16.

Additionally, the Draft Operations Plan will include the list of state and other federal permits, assigned to the members as well as what can be known of their intended fishing status for 2011. It will include the required contract signed by all members pledging their commitment to the sector and its operations plan for the 2011 fishing year. It will further include the list of existing regulations for which the sector is requesting exemptions. Finally, it will include the name and contact information of the agent for service of process.

It is further expected that all provisions will be similar to those in the Tri State 2010 Operations Plan as approved, but may be revised as determined by the Tri State Board of Directors based on lessons learned in the first part of the 2010 fishing year. A Draft Operations Plan for the 2011 fishing year will be submitted to the Council and NMFS no later than September 1, 2010.

A Draft Operations Plan and Environmental Assessment are submitted with this letter.

This concludes our proposal for two sectors for the 2011 fishing year, please feel free to contact me if you have any questions about this letter. I look forward to working with you in the months ahead.

Sincerely,

Cindy Smith,  
Manager, Tri State Sector  
and  
President, New England Sector Solutions



## **TRI STATE SECTOR**

### **A Draft Environmental Assessment**

Prepared by

*New England Sector Solutions, LLC*

April 2010

Lead Agency:

*National Marine Fisheries Service*

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## Acronyms

## **I.0 INTRODUCTION**

The Tri-State Sector is preparing their Operations Plan and requests an allocation of an Annual Catch Entitlement (ACE) of those stocks of fish managed under the Northeast Multispecies Fishery Management Plan (FMP) for the 2011 fishing year that the Council determines have adequate biomass to be allocated to the fishery, and any other species that may be allocated under a different FMP. If approved, the fishing year (FY) 2011 would be the second year that this Sector would operate.

Members of the Tri-State Sector would operate out of ports located in the Northeast Region including but not limited to Chatham, Scituate, and New Bedford, Massachusetts. The Tri-State Sector would consist of up to x permits, and it is anticipated that there would be approximately y active vessels fishing these permits. Active vessels would fish with otter trawls, sink gillnets and or demersal longlines. Of the active vessels, all are trawlers. (info on months active and other fisheries participated in by members will be added here.) Tri-State Sector vessels fish throughout the U.S. Exclusive Economic Zone (EEZ), in the Gulf of Maine, inshore and offshore Georges Bank, and inshore and offshore of the southern New England/Mid-Atlantic when fishing for groundfish.

The Tri State Sector would be a group of limited access multispecies permit holders who have voluntarily chosen to cooperate for the purpose of more efficiently harvesting an annual allocation of large-mesh multispecies. If approved, the Tri State Sector would operate under an ACE for their allocation of stocks to avoid overfishing and meet the mandates of the 2007 Reauthorization to the MSFCMA. Specific goals of the sector are described in Section 2.0.

Implementation of the Tri State Operations Plan would mitigate potentially adverse economic impacts that have been experienced as a result of Amendment 13, subsequent framework actions, and Amendment 16 to the Northeast Multispecies FMP by conveying environmental, social, and economic benefits directly to the Tri State Sector and the communities in which it operates.

### **1.1 MULTISPECIES FISHERY**

(background info to be added)

### **1.2 SECTORS AS A MANAGEMENT TOOL**

(background info to be added)

## **2.0 PURPOSE AND NEED FOR THE PROPOSED ACTION**

The need for the action is to provide an opportunity for flexible fisheries management through local decision-making, self-monitoring, and Sector management. The purpose of the action is to approve an Operations Plan and an allocation of ACE of Northeast multispecies for

the Tri-State Sector, consistent with Amendment 16. Operation of the Tri-State Sector is intended to alleviate social and economic hardships, but would also meet the biological objectives of the Northeast Multispecies FMP through management rules by which the Sector members agree to abide.

The Tri-State Sector has established a set of goals that are designed to meet many of the goals and objectives set forth by the NEFMC in Amendment 16. The Tri-State Sector's goals and the relevant Amendment 16 goals and objectives are listed below.

**The Tri-State Sector has the following unique goals:**

- **Goal 1:** To fish at sustainable levels.
- **Goal 2:** A fleet capacity that is commensurate with resource status so as to achieve goals of economic efficiency and biological conservation, and that encourages diversity within the fishery.
- **Goal 3:** To maintain a directed commercial multispecies fishery in the Northeast region.
- **Goal 4:** To minimize adverse impacts on fishing communities and shore-side infrastructure.
- **Goal 5:** To provide reasonable and regulated access to the groundfish species to all members of the public of the United States for seafood consumption during the stock rebuilding period without compromising the Amendment 13 objectives or timetable.
- **Goal 6:** To promote stewardship within the fishery.
- **Goal 7:** To achieve on a continuing basis, optimum yield for the U.S. fishing industry.

**The following Amendment 16<sup>1</sup> goals and objectives are consistent with the Tri-State Sector goals:**

- **Goal 1:** Consistent with the National Standards and other required provisions of the Magnuson-Stevens Fishery Conservation and Management Act and other applicable law, manage the Northeast multispecies complex at sustainable levels.
- **Goal 2:** Create a management system so that fleet capacity will be commensurate with resource status so as to achieve goals of economic efficiency and biological conservation and that encourages diversity within the fishery.
- **Goal 3:** Maintain a directed commercial and recreational fishery for Northeast multispecies.

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<sup>1</sup> Excerpt from April 15, 2009 Draft EIS for Amendment 16 (Goal and Objective numbers correspond to the numbers listed in Amendment 16).

- **Goal 4:** Minimize, to the extent practicable, adverse impacts on fishing communities and shore-side infrastructure.
  - **Goal 5:** Provide reasonable and regulated access to the groundfish species covered in this plan to all members of the public of the United States for seafood consumption and recreational purposes during the stock rebuilding period without compromising the Amendment 13 objectives or timetable. If necessary, management measures could be modified in the future to ensure that the overall plan objectives are met.
  - **Goal 6:** To promote stewardship within the fishery.
- 

- **Objective 1:** Achieve, on a continuing basis, optimum yield for the U.S. fishing industry.
- **Objective 3:** Adopt fishery management measures that constrain fishing mortality to levels that are compliant with the Sustainable Fisheries Act.
- **Objective 4:** Implement rebuilding schedules for overfished stocks, and prevent overfishing.
- **Objective 5:** Adopt measures as appropriate to support international transboundary management of resources.
- **Objective 7:** To the extent possible, maintain a diverse groundfish fishery, including different gear types, vessel sizes, geographic locations, and levels of participation.
- **Objective 8:** Develop biological, economic, and social measures of success for the groundfish fishery and resource that ensure accountability in achieving fishery management objectives.
- **Objective 10:** Identify and minimize bycatch, which include regulatory discards, to the extent practicable, and to the extent bycatch cannot be avoided, minimize the mortality of such bycatch.

The Tri-State Sector goals support Amendment 16 goals and objectives in a multitude of ways and selected concurrences. The Tri-State Sector's goal of fishing at a sustainable level (Goal 1) through utilization of an ACE is consistent with Amendment 16 Goal 1 (to manage the fishery at sustainable levels) and Objective 3 (to constrain fishing mortality to levels that comply with the Sustainable Fisheries Act). The Tri-State Sector's Goal 2 of fleet capacity that matches the resource is consistent with Goal 2 of Amendment 16. The Tri-State Sector's Goal 3 of maintaining a directed commercial groundfish fishery in New England is consistent with Amendment 16 Goal 3 to maintain a directed commercial and recreational fishery. The Tri-State Sector's Goal 4 of minimizing adverse impacts on fishing communities and shore-side infrastructure is the same as Amendment 16 Goal 4. The Tri-State Sector's Goal 5 of providing access to the members of the United States public for seafood consumption during the rebuilding period without compromising Amendment 16 goals and objectives is consistent with Amendment 16 Goal 5. The Tri-State Sector Goals 6 and 7, to promote stewardship and achieve

optimum yield for the U.S. fishing industry, are consistent with Amendment 16 Goal 6 and Objective 1.

### 3.0 PROPOSED ACTION AND ALTERNATIVES

This section of the EA describes the possible fishing alternatives, including details of the Proposed Action (Alternative 1) and a No-Action Alternative.

#### 3.1 ALTERNATIVE 1 - APPROVAL OF THE TRI-STATE SECTOR OPERATIONS PLAN FOR FISHING YEAR 2010

A summary of the Tri-State Sector Operations Plan (Proposed Action) is presented in Table 3.1-1, and further described, in the subsections below

<p><b>TABLE 3.1-1</b> <b>Summary of the Tri-State Sector Operations Plan Fishing Year 2010</b></p>	
<b>Sector Parameters</b>	<b>Description</b>
Location	Inshore and offshore waters of the Gulf of Maine, inshore and offshore Georges Bank, and inshore and offshore waters of southern New England (SNE)
Timeframe	May 1, 2011 – April 30, 2012
Gear	Trawl, Gillnet, Demersal Longline
Allocated target species	Stocks of Northeast multispecies complex
Non-allocated Target Species/ Bycatch	Monkfish, skates, and dogfish
Number of participants	Unknown at this time
Annual Catch Entitlement (ACE)	Unknown at this time
Expected catch (including allocated and other landed species)	Assumed to be equal to the ACE = (ACL x PSC)

The term "allocated target species" refers to the list of groundfish species for which the Sector would receive an ACE (Section 3.1). "Non-allocated Target Species" refers to species which the Sector member would also be targeting, but for which no ACE is allocated. These other fish species ("non-allocated target") may be caught by the same gear while fishing for

allocated target species, and brought to shore and sold to dealers (i.e., “landed”), assuming the fisherman has proper authorization or permit(s). These Non-allocated Target Species may also be managed under the Multispecies FMP (e.g., halibut and whiting) or another Fishery Management Plan (e.g., Monkfish FMP). As defined in the Magnuson Act, “bycatch” refers to “fish which are harvested in a fishery, but which are not sold or kept for personal use, and includes economic discards and regulatory discards.” For the purposes of this EA, the discussion of Non-allocated Target Species and Bycatch refers primarily to skates, monkfish, and dogfish. These species dominate bycatch (i.e., dogfish) or are the primary alternate species that are landed by groundfishermen (i.e., monkfish and skates).

The Tri-State Sector will identify the following harvest rules to address requirements of any sector Operations Plan in accordance with Amendment 16 as described in Table 3.1-2.

<b>TABLE 3.1-2</b> <b>Summary of Harvest Rules</b>	
<b>Quota Management</b>	<b>Brief Description of Measures</b>

The Tri-State Sector would be a group of x limited access Northeast multispecies permit holders who are voluntarily working together as a “Sector” under the terms described in Amendment 16 to the Northeast Multispecies FMP. These permit holders together own up to y Northeast multispecies permits. If approved, FY 2011 would be the second year that this Sector would operate. The Tri-State Sector would be allocated a portion of the ACL for stocks of Northeast multispecies, depending on which allocation formula is recommended by the Council and approved by NMFS in Amendment 16. It is expected that the Tri-State Sector would catch its allocation of most stocks.

### **3.1.1 Description of the Tri-State Sector and Proposed Operations**

The Tri-State Sector would consist of up to x permits, of which y are expected to be actively fishing in FY 2010. The Tri-State Sector requests an allocation of Northeast large-mesh multispecies based on the landings history of the Sector permits and any other species which may be authorized to be allocated to a multispecies sector under the terms of another FMP.

In accordance with the Northeast Multispecies FMP, Tri-State Sector members would be operating under an ACE for allocated species and will developed an Operations Plan with harvesting rules that all Tri-State Sector members would follow to avoid exceeding the Sector’s allocation.

#### **3.1.1.1 Location/Timeframe and Gear of the Tri-State Sector**

Members of the Tri-State Sector currently fish in the inshore and offshore waters of the Gulf of Maine, Georges Bank and southern New England. Generally speaking, those vessels that fish in southern New England also fish in Georges Bank, a handful of vessels exclusively fish in the Gulf of Maine, and a few fish in both the Gulf of Maine and Georges Bank.

(Description of months fishing, numbers of permit holders using each gear, number of permits expected to be active, etc will be described in this paragraph.)

#### **3.1.1.2 Fishing Year 2010 (May 1, 2010-April 30, 2011) Tri-State Sector Operations Plan Harvesting Rules:**

Tri-State Sector members, showing their commitment to abide by the terms of their Operations Plan by signing the Operations Plan Contract submitted in September 2010, agree to limit their catch (including discards) to the amount of fish allocated to the Tri-State Sector for FY 2011. They have agreed to report their catch and discards of each allocated target species to the Tri-State Sector Manager in as near a real-time manner as possible and authorize the Tri-State Sector Manager to track the Sector's catch and report to NMFS as required under Amendment 16. They acknowledge and agree that once the Sector's allocation of a stock has been caught, then no Tri-State Sector member vessel would be allowed to fish in any area where that stock is found. Tri-State Sector members further agree to implement all monitoring and reporting requirements as mandated in Amendment 16 and any additional requirements as decreed by their own Board of Directors.

#### **Dividing the Allocation**

The Tri-State Sector would be allocated a portion of the ACL for stocks of Northeast multispecies based on catch history of member vessels from May 1, 1996 through April 30, 2007. The allocation would be divided among active Tri-State Sector vessels based on the Potential Sector Contribution (PSC) of each stock that owners' vessels contributed to the Sector allocation. Tri-State Sector members would be able to trade or lease ACE with other members of the Tri-State Sector. The Tri-State Sector Manager would track all ACE trades. ACE is defined for the purpose of this EA as pounds of a particular stock, not to exceed each vessel owner's internal allocation from the Sector. This internal allocation could vary based on trading/leasing activities among the members or decisions of the Tri-State Sector Board of Directors.

### **3.2 ALTERNATIVE 2 - NO-ACTION ALTERNATIVE**

Under the No-Action Alternative, all Tri-State Sector vessels would operate under the regulations applicable to the Common Pool. Under this alternative, all Tri-State Sector vessels would remain in the Common Pool under the rules implemented in Amendments 13 and 16, and FW adjustments to the FMP. The Tri-State Sector would not have an allocation of Northeast multispecies or any other species. Common pool measures are described in the Final Amendment 16 to the Northeast Multispecies FMP (NEFMC 2009a). The No-Action Alternative would subject all Tri-State Sector vessels to the input control measures, implemented by Amendment 13, subsequent FW adjustments, and Amendment 16 to rebuild overfished stocks and end overfishing on those stocks where it is occurring.

Under measures proposed by Amendment 16, Common Pool vessels would be subject to a 50 percent cut in DAS from their FW 42 allocation and having all DAS counted at a rate of 24-

hours. Additionally, trip limits for overfished stocks are being adjusted, ACLs and AMs are being implemented, and it is possible that many vessels currently in the fishery would not be economically viable.

#### **4.0 AFFECTED ENVIRONMENT**

(To be added)

#### **5.0 IMPACTS OF THE PROPOSED ACTION AND ALTERNATIVES**

Prior to the advent of sectors, input controls (gear restrictions, area closures, and trip limits) were imposed on fishermen, which affected the amount of fish that could be caught in a day. Those restrictions, along with binding limits on the total number of days each fisherman could fish (DAS), were used to control fishing mortality for each of the groundfish stocks. Under this system, Common Pool members were allocated a portion of the target allowable fishing mortality for each species by (1) establishing a specific number of DAS, and (2) regulating Common Pool fishermen so fishing occurs in a manner that controls catch per day.

The advent of sectors does not change that overall process. Common Pool members would still be assigned DAS based on a total allowable fishing mortality. However, sector members are allocated the remaining portion of the total allowable fishing mortality. But, rather than being assigned DAS, sectors are allotted an ACE in pounds for the majority of the groundfish stocks and allowed more flexibility as to when and how sector members fish for those stocks through an approved operations plan. A sector's ACE for each stock is determined by multiplying the sector's proportional share of a stock based upon catch history, by the established annual catch limit for the stock. The catch history is based upon the permits held by a sector. If sectors were being introduced into a fishery that focused on a single stock, the introduction would almost certainly result in a reduction in the total amount of gear fished per pound of fish harvested. This is because sector fishermen would have increased flexibility with respect to when and how fishing occurs relative to Common Pool members and sector fishermen would likely be motivated to fish in a manner that increases their expected daily catch rate. As a result, the total amount of gear deployed over a year to target a fixed quantity of a single stock would be expected to decrease somewhat relative to the levels that would have existed under the Common Pool.

However, Northeast multispecies fishermen generally do not pursue a single stock. Instead, fishermen simultaneously target and/or catch several species, each of which has its own acceptable level of fishing mortality. As such, the introduction of sectors allows for the possibility that fishermen could be able to coordinate their fishing to ensure that the sector does not reach its ACE for a single stock well before it reaches its ACE for the other allocated stocks. This coordinated effort could result in (1) increased harvest levels for stocks that typically were not fully exploited to their allowable limit under Common Pool operations, (2) an increase or



decrease in the total amount of gear fished by sector fishermen over the course of a year, and (3) changes to the way gear is fished in order to increase gear selectivity.

In summary, the increased flexibility granted to sectors through their approved operations plan should increase CPUE, which would tend to decrease the number of days with gear in the water (gear days). However, the ability to target specific stocks could allow sectors to more fully exploit previously under-exploited stocks, which would tend to increase gear days. Because multispecies sectors are relatively recent to the Northeast groundfish fishery, there exists little Northeast specific data to quantitatively determine the net effect of multispecies sector participation on gear days. However, after reviewing theory and available information from Pacific fisheries management (Sanchirico et al. 2006), and discussing the issue with sector representatives and fishermen, it appears likely that the overall change in gear days would conservatively be a slight increase based on going from the DAS approach to the ACE approach of fisheries management.

Further evaluation of potential impacts to physical resources, allocated target species, Non-allocated Target Species and Bycatch, protected resources, and human communities will be discussed further in Section 5.1. Cumulative impacts of the Proposed Action in combination with other past, present, and reasonably foreseeable actions are discussed in Section 5.2.

## **6.0 LIST OF PREPARERS**

## **7.0 PERSONS AND AGENCIES CONSULTED**

## **8.0 COMPLIANCE WITH APPLICABLE LAWS AND EXECUTIVE ORDERS**

## **9.0 REFERENCES**



**Proposal and Draft Operations Plan  
Tri State Sector  
April 2010**

**Summary**

A group of Northeast Multispecies permit holders requests that the New England Fishery Management Council (NEFMC) initiate a framework adjustment through the process established in Amendment 13 and revised in Amendment 16 to the Northeast Multispecies Fishery Management Plan (FMP) for establishment of the *Tri State Sector for the 2011-2012 fishing year*. The proposed *Tri State Sector* (herein referred to as the *Sector*) will achieve the following objectives with a sector approach to fisheries management:

1. Contribute to ending overfishing and rebuilding New England groundfish resources.
2. Increase potential to realize optimum yield of groundfish resource.
3. Reduce regulatory discard of catch.
4. Promote safer fishing practices.
5. Generate economic stability for fishing vessels and fishing communities.
6. Implement Stakeholder co-management in New England that can tailor management to local needs and strengthen stewardship.
7. Meet, for this group of permit holders, the requirements of the 2007 Magnuson-Stevens Act reauthorization calling for “accountability measures”
8. Create a working model for future development, submission and implementation of sectors in the New England groundfish fishery

**Need**

Prior to the 2010 fishing year, the New England groundfish fishery was managed through a complex system of regulations that included limitations on the number of days fished (days-at-sea; DAS), differential DAS counting areas, year-round and seasonal area closures, trip limits, minimum fish sizes, and gear restrictions. Amendment 16 was implemented on May 1, 2010 and authorized seventeen new sectors as an alternative management structure to the existing DAS system.

Many regulations under the DAS system, while intended to focus on specific species were “broad brush” in implementation. For example, reduced DAS allocations and closure of vast productive fishing areas in order to reduce fishing mortality on one or two species led to substantial sacrifice of yield of species that do not require reductions in fishing mortality. Trip limits corrupted the original intent of the DAS system and resulted in thousands of pounds of unintended waste. Near shore closures and differential DAS areas were unnecessarily large in size, and posed safety risks for fishermen who often traveled beyond their vessel capacity to avoid these areas.

Experienced and capable fishermen were challenged by the complexity of existing groundfish regulations, and their commitment to compliance raises anxiety about unintentional and costly errors. In addition, there is a limit to just how adept responsible fishermen can be at avoiding high concentrations of fish and avoiding discard of catch that exceeds trip limits. Reductions in fishing opportunities (DAS) were driving the economics of fishing operations and income/debt structure of all vessel sizes below the break-even point. Fishing by nature is a dangerous profession, but NE groundfish families and communities were experiencing unprecedented levels of apprehension induced by certain fishing restrictions.

## **The Solution: Sector Management**

Fishermen may be able to reduce complexity, discards, and safety risks by forming a self-management group, or sector, and agreeing to live within specific catch levels. Seventeen new sectors were authorized in 2010 as part of Amendment 16 to the FMP, including the *Tri State Sector*. The *Sector* began operations in 2010 with 19 permits owned by 14 permit holders and an allocation for 14 of the 20 stocks managed under the Northeast Multispecies FMP. In 2010, over 98% of the active vessels were committed to one of the nineteen authorized sectors, but it will take more than one fishing year to prove this new management structure.

A group of fishing permitholders from ports all along the East Coast, including but not limited to Massachusetts, North Carolina and Virginia have agreed to join together, to be known as the *Tri State Sector* to pool catch histories and to self-manage so as to achieve specific conservation and economic objectives:

- 1) Contribute to ending overfishing and rebuilding NE groundfish resources
- 2) Increase potential to realize optimum yield of groundfish resource
- 3) Reduce regulatory discard of catch that can exceed trip limits.
- 4) Promote safer fishing practices.
- 5) Generate economic stability for fishing vessels and fishing communities.
- 6) Implement Stakeholder co-management in New England that can tailor management to local needs and strengthen stewardship
- 7) Create a working model for future development, submission and implementation of sectors in the New England groundfish fishery

### ***Ending overfishing and rebuilding the NE groundfish resources***

The *Sector* will contribute to ending overfishing and rebuilding NE groundfish by staying within their allocation (Annual Catch Entitlement (ACE)) of species and stocks in the management areas governed by the NEFMC and the Northeast Region of the National Marine Fisheries Service (NMFS) including the Gulf of Maine, Georges Bank and Southern New England/Mid Atlantic.

Initially, the sector's allocation will be distributed to the members based on the portion of the allocation that each permit holder contributes to the sector, but as in fishing year 2010, allowing ACE to be transferred from one member to another and from one sector to another will be an essential component of the *Sector's* survival. Redistributing the *Sector's* allocation among

the members through temporary leases allowed some members who otherwise would not have been able to stay in business due to lack of economic viability.

*Increase potential to realize optimum yield of groundfish resource*

Past regulations, and in particular trip limits, seasonal and rolling closures, and differential DAS areas which were designed to focus on fishing mortality reductions for specific species, had the unintended consequence of reducing the fleet's ability to achieve optimum yield on species where reductions in fishing mortality are not necessary. In recent fishing years, landings lagged significantly behind TACs for a number of species. Operating within their allocation will allow members of the *Sector* to manage their fishing effort in a manner that increases the opportunity to achieve optimum yield on species where fishing mortality does not need to be reduced.

*Reduce regulatory discards*

By not having to adhere to trip limits, the *Sector's* regulatory discards will be significantly reduced, as we expect will be shown by the observer coverage in fishing year 2010. Amendment 16 required sector members to retain 100% of legal sized catch of allocated stocks much of which (under the old DAS system) would otherwise have been discarded when a trip limit was exceeded. The opportunity for members to share allocations by redistributing the sector's allocation among the members as needed, will continue to be a critical component of the Sector's success.

*Promote safer fishing practices*

*Sector* members will have the opportunity to maximize their fishing effort by not being restricted by DAS and trip limits. In the past, if a vessel operator needed to return to port to avoid bad weather, he had to balance the safety risk with the trip limit compliance need, and the economic need to maximize his limited time at sea. Exemption from trip limit restrictions will eliminate the need to make such decisions. Under the sector management system, members are able to fish (and return to port) when they want to, subject only to their allocation of fish.

*Generate economic stability for fishing vessels and fishing communities*

The *Sector* will generate economic stability and increased efficiency for individuals and for fishing communities. *Sector* members will be able to fish at times and in places that are most appropriate to the vessel capacity, and will be able to manage the sector's allocation in a way that avoid the previous waste of the resource that occurred before Amendment 16. The *Sector* will continue to maintain local ties to their fishing communities and generate economic activity in the ports they now support while using a common entity to tally and report landings.

*Summary of operations plan for 2011-2012 fishing year*

The *Sector* requests an allocation all groundfish stocks and any other species for which the Council and NMFS have authorized allocating to multispecies sectors. The *Sector* expects to

fish under terms in the Operations Plan that will be similar or nearly identical to those authorized for the 2010 fishing year as amended, and based on the requirements of the FMP as amended by Amendment 16 (see section 648.87(b)(2) as abbreviated below). The *Sector* vessels will fish the waters throughout the EEZ including the three management areas; Gulf of Maine, Georges Bank and Southern New England / Mid Atlantic. While agreeing to live within the constraints of the allocation, the *Sector* may seek exemption from additional requirements that may be unnecessary in a management system based on an annual allocation of pounds of fish. The *Sector* will land, and tally against the allocation all legal sized fish. The *Sector* will continue to operate under the days-at-sea system imposed by the skate and dogfish fishery management plans. The Sector will fill in the details of this operations plan in the coming months.