

## **New England Fishery Management Council**

**Contracted project:** To Provide Recommendations for Defining Excessive Shares in the Northeast Multispecies Fishery

**Scope of Work:** The purpose of the contracted work is to give independent advice to the NEFMC to help it determine an appropriate excessive shares limit in the Northeast Multispecies fishery, focusing on approaches that may achieve Goal #4 of Amendment 18.

### **Terms of Reference:**

1. Describe a theoretically sound method to specify the maximum possible allowable percentage share of the market for the fishery access privileges (permits, PSC) and/or the quota leasing (ACE trading) that would prevent an entity from obtaining an excessive share of the access privileges allocated under the Northeast Multispecies Fishery. Use the Herfindahl-Hirschman Index prescribed within the “US Department of Justice Horizontal Merger Guidelines” or other accepted rule as appropriate.
2. Apply the process or rule developed under Number 1 to determine if excessive shares already exist in this fishery. If excessive shares do not exist today, describe potential constraints that could prevent excessive shares from existing in the future. Alternatively, if excessive shares do exist, describe a process or rule that will allow for a theoretically sound procedure to prevent future increase.
3. If the rule cannot be applied because of incomplete data, provide suggestions of how to apply the rule in the best way possible that is consistent with the theoretical underpinnings of the rule. Also, identify data that would be necessary to apply the rule.
4. Identify conditions where entities, could exert “inordinate control” of quota as outlined in the National Standard 4 Guidelines. Such entities could include business entities holding permits, sectors, or organizations of sectors.
5. Alternate approaches to achieving the Amendment 18 goals (other than accumulation caps) may be proposed.

### **Project Phases:**

*Phase I: Initial consultation and quantitative data gathering (August-September 2013)*

The contractor shall secure appropriate NMFS economic and fishery data and pertinent background reports that would help meet the Terms of Reference.

*Phase II: Initial public input (September-October 2013)*

The contractor shall seek input from stakeholder informants via individual or small-group interviews. There will be one public webinar, facilitated by NEFMC staff, to receive additional input and preliminary feedback from the public.

*Phase III: Draft report preparation and presentation (October-November 2013)*

The contractor shall prepare a draft report for the NEFMC that addresses the Terms of Reference. There will be a public meeting held by the NEFMC to present the draft report and solicit feedback.

*Phase IV: Final report preparation (November-December 2013)*

The contractor shall prepare a final report for the NEFMC.

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