

NATIONAL MARINE FISHERIES SERVICE REPORT ON THE ADAPTIVE MANAGEMENT PROGRAM FOR THE TRAWL RATIONALIZATION PROGRAM

The purpose of this report is to provide NMFS thoughts on the goals and objectives and structure of the Adaptive Management Program. At this point in the program's development, National Marine Fisheries Service (NMFS) would like Council input on the goals and objectives presented below. NMFS plans to bring a more refined analysis before the Council next spring along with the other trawl rationalization items.

In June 2009, the Council recommended as part of Amendment 20 to the Groundfish Fishery Management Plan (FMP) that NMFS establish the Adaptive Management Program (AMP). NMFS approved Amendment 20 and published the Program Components rule on December 15, 2010, which promulgated AMP in regulation (75 FR 78344), setting aside 10% of the non-whiting quota share (QS) to achieve several purposes.

The set aside of AMP QS was implemented to address the following objectives:

- 1) Community stability;
- 2) Processor stability;
- 3) Conservation;
- 4) Unintended/unforeseen consequences of IFQ management; or
- 5) Facilitating new entrants.

As we stated in our November 2012 supplemental NMFS report (see Agenda Item I.5.b, Supp NMFS Report) we believe the first two years of the trawl rationalization program have already shown significant conservation benefits, and therefore suggest the AMP be used to address other objectives, focusing on community/processor stability or new entrants. We also believe it would not be inappropriate for the Council's initial action on the AMP to be narrowly focused to ensure timely implementation. However, NMFS envisions this program living up to the stated purposes, and we do not believe a narrow initial implementation would limit future uses of the AMP. Instead, we envision that the AMP will evolve as the trawl rationalization program evolves.

Alternatives

Consistent with an initial narrow focus, two formulaic AMP alternatives are discussed: Vulnerable Communities and Principal Port. Similar alternatives were presented in analyses completed by the GMT and Council staff during the development of the trawl rationalization program. NMFS has refined them for this report focusing on several key considerations to minimize the complexity of the initial implementation of AMP. We focused on the program being an automatic action for NMFS each year, to use data that is already collected, to have no additional reporting requirements on harvesters or States, and with the goal of no Council or state actions required after the program is implemented. Although NMFS is focusing on more formulaic and automated actions now, this does not mean that NMFS believes that the AMP should always consist of formulaic and automated actions.

1. Vulnerable Communities

Goals and objectives

Goal: The goal of this formula is to provide an incentive for vessels to land their catch in communities that the Council and NMFS determine to be at risk of losing significant landings during the early years of

the TIQ program (GMT 2009). Vulnerable communities could be, but would not be limited to, those communities or subset of those communities listed as most vulnerable in the Trawl Rationalization Amendment 20 EIS, see Table 1 below.

Objectives: A program with this goal would distribute AMP QP to harvesters that made landings in specified vulnerable communities. Objectives could include preventing the loss of fishing-dependent businesses and related employment and tax revenues supporting port infrastructure.

Eligibility to receive AMP and formula components: Vessels that delivered into the most vulnerable ports, as determined by NMFS and the Council, during the previous year or a baseline period, would be eligible to receive AMP QP in the following year. Only non-whiting landings would count for this formula. How the allocation would be calculated and the minimum amount of landings required could include, but is not limited to, the following:

- AMP QP would be allocated to each vessel that delivered at least one landing into a vulnerable port
 - The vulnerable ports would be determined by NMFS and the Council before the start of the program.
 - QP would be distributed equally for each species among all vessels that made at least one landing into a vulnerable port.
- AMP QP would be allocated to each vessel that delivered a predetermined minimum number of landings into at least one vulnerable port.
 - The minimum number of landings and vulnerable ports would be determined by NMFS and the Council before the start of the program.
 - QP would be distributed equally for each species among all vessels that made the minimum number of landings into a vulnerable port.

AMP QP transferability, duration, and eligibility

AMP QP will operate under the same regulations as non-AMP QP. Under this formula, eligibility would match requirements for QP and restrictions on transferability would follow current regulations.

Because this formula would be based on actions taken in the previous year or baseline period, it may be useful to align the allocation of AMP for more than one year at a time. For example, the qualifying period to receive AMP could be the two years prior to AMP implementation and would then be allocated for two years. This would reduce the complexity of a single year allocation because NMFS would not have to calculate and distribute AMP QP each year. It would also give recipients more certainty in making business decisions.

Decision-making structure

The decision making structure under this formula enables NMFS to make the determination of AMP QP eligibility and substantially reduces or eliminates regular decision-making. Any entity that meets specific criteria established by the Council and NMFS, would automatically receive AMP quota, divided up among recipients according to a pre-set formula (CSWP 2009).

2. Principal Port

Goals and objectives

Goal: The goal of this formula is to reduce potential delivery shifts by providing an incentive for harvest to continue delivering to their “principal port”.

Objectives: A program with this goal would incentivize harvesters to land into the same ports year after year, with the objective of creating stability in coastwide landings or minimizing delivery shifts.

Eligibility to receive AMP and formula components: Vessels that maintained delivery into their principal port from the previous year or a predetermined baseline period, would receive AMP QP for that year or as mentioned above for two years. Principal port is defined as the port where a vessel made its largest overall tonnage of landings in a baseline year or baseline period. Landings would include only non-whiting landings.

The amount of AMP QP the vessel would receive after fulfilling the principal port requirement, could be based on, but is not limited to:

- Pro-rata to their percentage of coastwide landings in the previous year
- Pro-rata to their used and unused QP at the end of the previous year
- Pro-rata to their initial allocation for each species
- Divided equally among all vessels that maintained their principal port

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Monitoring and evaluation process, program review

Several different monitoring tools will be necessary for this program depending on the information NMFS and the Council want to track. If the program is based on a formula and the only information NMFS and the Council want to know each year is what AMP recipients qualified for AMP again no inseason tracking would be necessary. Also with a formula, if NMFS and the Council wanted to know how AMP was transferred and whether or not it was used by the original recipient, additional tracking would be required. Both kinds of tracking would help evaluate whether or not the program was incentivizing the behavior it was intended to, however tracking the how the AMP QP is transferred gives more detail and would require increased NMFS programming. Other types of monitoring may also be necessary.

Should the program transition to a more proposal-based system, increased monitoring would be necessary to see if the AMP QP was being use for the intended purposes.

Finally, NMFS anticipates periodic review of the overall AMP, with the Council, to decide if the goals and objectives are being met and whether those goals need to be changed.

For the future:

The following is a list of items NMFS will address through further analysis on the program. However, we acknowledge this list does not contain all the details that need to be addressed before implementation.

- Approve goals and objectives and select formula
- Baseline years for AMP qualification. Considerations are the same for principal port and vulnerable communities formula
- Monitoring and evaluation process, program review
- Timing of AMP QP distribution each year
- Would AMP be exempt from vessel accumulation limits
- Does AMP count towards carryover

NMFS believes this program will evolve as the trawl rationalization program evolves. Therefore, the ideas presented in this report are not meant to exclude any changes to the program design in the future. Rather, NMFS looks forward to exploring new and innovative designs for the AMP.

Tables

The following tables are provided to show the communities/ports and data that might be used in the design of AMP. No analysis has been completed at this time showing how many vessels would receive AMP QP under the principal port formula or which ports would be affected.

Table 1. Vulnerable communities from Trawl Rationalization EIS (Table 3-69).

	Dependence on Groundfish¹	Lack of Resilience²
Most vulnerable communities (medium dependence, least resilience)		
Neah Bay	2	5
Moss Landing	2	4
Relatively lower dependence, but low resilience		
Ilwaco	1	3
Relatively higher dependence, medium resilience		
Bellingham	3	2
Astoria	3	2
Coos Bay	3	2
Crescent City	3	2
Eureka	3	2
Fort Bragg	3	2
Relatively higher dependence, higher resilience		
Newport	3	1
Morro Bay	3	1
Medium dependence but higher resilience		
Westport	2	1
Relatively lower dependence and relatively higher resilience		
Warrenton	1	1
Higher dependence, but high resilience (not considered “vulnerable”)		
Brookings	3	0
San Francisco	3	0
Low dependence, high resilience (not considered “vulnerable”)		
Anacortes	0	0
Seattle	1	0
Hammond	1	0
Half Moon Bay	1	0

Table 3 from NMFS Annual catch Report for the Pacific Coast Groundfish Shorebased IFQ Program in 2012 (Agenda Item D.2.a, April 2013). Annual landings and revenue, distributed by port group, for non-whiting trips (top) and directed whiting trips (bottom), in the Shorebased IFQ Program, for 2011 and 2012. Port groups are arranged by latitude. Columns labeled “percent” express either 2012 landings or revenue (corresponding to the column appearing to left) as a percent of 2011 values. Columns labeled “dist.” show the distribution of annual landings or revenue among port groups (%).

Port group (non-whiting trips)	2011 landings	2012 landings	2011 dist.	2012 dist.	Land. difference	Land. percent	2011 revenue	2012 revenue	2011 dist.	2012 dist.	Rev. difference	Rev. percent
Bellingham, Blaine, Neah Bay, La Push	1,185,687	1,500,658	3%	4%	314,971	127%	816,996	977,857	2%	3%	160,861	120%
Westport	162,774	494,278	0%	1%	331,504	304%	450,500	680,484	1%	2%	229,984	151%
Ilwaco, Chinook	2,882,683	2,809,640	7%	7%	-73,043	97%	3,051,630	1,700,006	9%	6%	-1,351,624	56%
Other or unknown Washington ports	130,220		0%	0%	-130,220	0%	127,621		0%	0%	-127,621	0%
Astoria	15,398,437	14,929,115	38%	37%	-469,322	97%	8,567,173	9,338,689	26%	31%	771,516	109%
Newport, Tillamook, Garibaldi	2,759,574	3,590,916	7%	9%	831,342	130%	4,538,783	4,935,313	14%	16%	396,530	109%
Charleston (Coos Bay), Winchester Bay	4,665,899	4,744,945	11%	12%	79,046	102%	3,187,748	3,171,837	10%	10%	-15,911	100%
Brookings, Crescent City, Port Orford	2,833,395	2,752,902	7%	7%	-80,493	97%	2,021,490	2,177,826	6%	7%	156,336	108%
Eureka	4,671,640	4,159,850	12%	10%	-511,790	89%	3,355,484	2,753,363	10%	9%	-602,120	82%
Fort Bragg	2,897,221	2,623,714	7%	6%	-273,507	91%	2,570,326	1,916,710	8%	6%	-653,616	75%
San Francisco, San Mateo, Oakland, Princeton (Half Moon Bay), Santa Cruz, Bodega Bay	869,663	621,684	2%	2%	-247,979	71%	878,513	476,211	3%	2%	-402,302	54%
Moss Landing, Monterey, Morro Bay, Avila, Santa Barbara	2,152,997	2,664,560	5%	7%	511,563	124%	3,369,670	2,324,466	10%	8%	-1,045,203	69%
Sum	40,610,190	40,892,262	100%	100%	282,072	101%	32,935,934	30,452,763	100%	100%	-2,483,170	92%

¹ Number of times the city scored in the top one-third of commercial groundfish dependency indicators in the Quigley study

² Number of times the city scored in the top one-third (least resilient) of resiliency indicators in the Quigley study