



Conservation Law Foundation Position Paper on Interim Emergency Action by National Marine Fisheries Service: Fishing Years 2012 and 2103 (Feb. 10, 2012)

The GOM cod spawning stock biomass was estimated to be at 11,868mt in 2010.¹ The SSC has stated that **if the SSB that falls below 7,300mt, the lowest SSB ever recorded (1999), the situation would represent “a state never encountered and therefore in the SSC’s judgment presents a significant risk.”**² The fundamental goal in the near term should be to minimize risk of further SSB or B declines while mitigating short-term economic/social consequences on the most affected fishermen.

The 6,700mt to 7,500mt ACL range proposed by the NEFMC carries with it an estimated 33% chance that SSB could go below 7,300mt and therefore place the fishery at significant risk. It also appears to guarantee that ACLs would be so low in FY2013 that even by-catch fisheries on GOM cod might have to close. The Council recommendation of opening additional closed areas without any analysis of GOM cod (or GB cod) impacts and with complete disregard for the 8 years of work undertaken by the NEFMC Habitat Committee is incomprehensible. The recommendation also fails to provide any compensation for the differential economic and social impacts of managing this emergency through ACLs alone. The net present value (NPV) analysis available to managers of this and other ACL scenarios does not factor in any of the known risks of further SSB declines. Those are simply unacceptable management actions given current information before the agency; they put inshore fish populations, fisheries, and the smaller fishing communities at significant long-term and perhaps irreversible risk.

The 2012 & 2013 ACLs, management measures, and emergency relief should be structured with a goal of minimizing the risk of further SSB declines; protecting the small vessel, inshore fleet from collapse; reducing the potential revenue differential between the FY 2012 and FY2013 ACLs; and providing emergency financial assistance during the bridge period. This could be done with an tolerable reduction of 5-year NPVs for the fleet and with a distributed economic impact across the groundfish fleet.

The management strategy should not and does not need to be based on an approach that either assumes that the near-term assessment science will significantly change the GOM cod biomass estimates or that there will have to be a full or close to full closure in FY2013. **Available GOM cod ACLs should be targeted toward small inshore boats to reduce the disproportionate impacts of ACL reductions on this sector of the fleet.** See text and Tables 1 and 2 attached below. See also National Standards 4, 6 & 8.

The FY2012 ACL levels proposed below by CLF reduce the estimated risk of SSB declines below 7,300mt to below 10%, a marginally tolerable risk but one that would allow further investigation of assessment issues and development of refined FY2013 and rebuilding period management measures. **We believe that the management measures suggested below would support a responsible FY 2012 ACL with temporary management measures to reduce discard mortality and to direct GOM cod ACL toward inshore, small vessels.**

- Create a GOM cod zone comprised of all known GOM cod statistical areas (521 north of 42° and west of 69°; all 511-514; and 515 west of 68°)

¹ SAW 53 (January 2012).

² SSC Report of SSC January 25, 2012 Meeting.

- FY 2012 catch levels for any cod caught in GOM cod zone and corresponding PSCs should be based on 4,000mt or less (note: actual landings will be higher because of difference between CY and FY)
- maintain existing closures and institute additional closures for recreational/commercial fishing in known GOM cod spawning areas
- implement NEFMC's recommended recreational management measures
- have NEFMC Recreational Advisory Panel develop management measures for recreation fishing in FY2012 that, at a minimum, would reduce the actual estimated recreation CY2011 harvest by the same proportional amount as the commercial fleet ACL reduction
- lengthen times for seasonal closures to start in December to protect aggregating, pre-spawning cod
- increase probability that commercial GOM cod ACLs are achieved without high discard mortalities and in ways that balance the potential economic effects between the inshore and the offshore boats--
 - implement incentives for trip boats to work offshore (without further compromising GB cod or other stocks) and disincentives to fish inshore
 - set trip limits on GOM cod with full retention required for any boat fishing in GOM cod zone. Any overages on trip counted should have a penalty multiplier toward sector GOM cod ACE (i.e. 1.5 or more) or common pool in-year differential DAS counting or closures
 - ban night-time dragging inside 100-fathom line
 - prohibit boats from making groundfish trips offshore and in GOM cod waters during interim emergency action period. Require sectors to manage vessel election. Offshore boats can mitigate potential economic impacts by leasing/trading GOM cod ACE with inshore boats.
- Commerce should declare emergency economic disaster and Congress/states should create a disaster fund to compensate commercial fishermen and charter/party operators for **demonstrated lost net revenues** in FY2012-13 from a 2007-2010 base period average and support **additional funding to permit banks** to access GOM cod quota for small vessel, inshore fishermen.

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Attachment to CLF Position Paper on Interim Emergency Action

Assuming the F rate in FY2013 is set at F_{msy} (it could be lower), the **PDT analysis estimates less than a 2% difference in net present values (NPV) for all ACL scenarios for the FY 2012-FY 2016 period.**³

The 2-year NPVs presented by Council staff at the Feb. 1, 2012 NEFMC meeting indicate more significant differences in NPVs between scenarios in fleet revenues and in the small vessel category.

None of these NPV analyses take the varying risks of further SSB declines and the ACL consequences into account. The more significant problem is that in **all scenarios with ACL cuts alone appear to have significantly larger negative revenue effects for the small, inshore boats fleet.**

Small/day boats in southern Maine, New Hampshire, and Massachusetts are at the highest risk economically because of their dependence on GOM cod. **The higher the FY2012 ACLs are set, the greater the share of the revenue losses borne by inshore small vessels.** This same inshore group also shoulders the greatest risk if the biomass continues to decline and the fishery and all fisheries with GOM cod by-catch have to be closed.

Estimated gross revenue effects of various ACLs against a status quo ACL for FY2012									
	ACL (FY)(mt)	Risk of further biomass decline (%)	Combined Commercial Gross Revenues (000's)	Inshore Vssls Gross Revenues (000's)	Fleet Gross Rev. change from status quo ACL (fleet)(000's)	Inshore Vssls Gross Rev. change from status quo ACL (000's)	Percent of revenue losses borne by inshore vssls	Percent Revenue Change from Status Quo ACL (Inshore)	Percent Revenue Change from Status Quo (Non-inshore)
FY2012 (status quo)	7,782	35%	\$89,033	\$7,657					
FY2012	6,000	31.4%	\$90,042	\$6,303	\$1,009	(\$1,354)	100%	-18%	+3%
FY2012	5,000	18%	\$86,096	\$5,424	(\$2,937)	(\$2,233)	76%	-29%	-1%
FY2012	4,000	8%	\$84,356	\$4,555	(\$4,677)	(\$3,102)	66%	-41%	-2%
FY2012 (Fmsy)	1,915	<1%	\$73,413	\$2,496	(\$14,620)	(\$5,161)	35%	-67%	-13%

Two year estimated gross revenue effects of various ACLs against a status quo FY2012 ACL and a constant Fmsy in FY2013									
	Combined 2012 & 2013 FY ACL (mt)	Risk of further SSB decline	Combined Commercial Gross Revenues (000's)	Combined Inshore Vssls Gross Revenues (000's)	Fleet Gross Rev. Change from Status Quo ACL (000's)	Inshore Vssls Gross Rev. change from Status Quo ACL	Percent of two-year gross rev. losses borne by inshore fleet	Percent Revenue Change from Status Quo ACL (Inshore)	Percent Revenue Change from Status Quo (Non-inshore)
FY12&13 (status quo)	9,543	28% FY2012 5% FY 2013	\$161,340	\$9,971					
FY12&13 (6K)	8,082	31.4% FY2012 5% FY2013	\$164,033	\$8,967	\$2,698	(\$1,004)	100%	-10%	2.4%
FY12&13 (5K)	7,256	18% FY2012 5% FY2013	\$160,131	\$8,411	(\$1,209)	(\$1,560)	100%	-16%	0.2%
FY12&13 (4K)	6,431	8% FY2012 3% FY2013	\$158,850	\$7,535	(\$2,490)	(\$2,436)	98%	-24%	-0.04%
FY12&13 (Fmsy)	4,711	<1% FY 2012 <1% FY 2013	\$150,485	\$5,887	(\$10,855)	(\$4,084)	37.6%	-41%	-5%

- Notes:**
1. These are gross revenue changes; net revenue changes would be less (reduced variable costs)
 2. The inshore small vessel impacts are not equal between Maine, NH, and Mass.
 3. Source: Groundfish PDT Report and Errata Sheet for January 30, 2012 Memo to Groundfish Committee. It is not known whether the revenue numbers are nominal or discounted.

³ It is not clear to CLF whether the PDT analysis in its January 30, 2012 report to the Council used discounted numbers or nominal numbers in calculating NPV and whether either approach would change the range of 5-year NPVs over the range of scenarios.