

(Summary provided by NEFMC staff)

NEW ENGLAND FISHERY MANAGEMENT COUNCIL

SUMMARY

Herring Oversight Committee Meeting
Sheraton Ferncroft, Danvers, MA
August 22, 2001

The Herring Oversight Committee met for the following purposes:

- discuss issues and options for limited entry/controlled access system in the herring and mackerel fisheries, generally, and the herring fishery in Area 1A, specifically; review recommendations of the Herring and Mackerel Advisory Panels; finalize recommendation to the Council on whether to develop, through a plan amendment, a limited entry/controlled access program in 2002
- act on the Council's behalf in NMFS consultation on a mid-season adjustment to the 2001 joint venture and internal waters processing allocations, and
- to develop recommendations to the Council on Framework 1 to the Herring Fishery Management Plan.

LIMITED ENTRY/CONTROLLED ACCESS

Prior to making any motion on a recommendation, the Committee reviewed the Advisory Panels' recommendations on whether to consider limited entry/controlled access as one of the tools to manage the fishery. Comments from the Committee included:

- the problems in Area 1A are different from, and should not be confused with the issues in the offshore area
- the so-called disadvantaged gear/vessel groups (namely, the purse seine and stop seine sectors) have been declining for years
- the boats that signed the letter supporting limited entry are all mid-water trawl vessels seeking to carve out a part of the resource for themselves
- while we are encouraging development of offshore fisheries, we will exacerbate the problem in Area 1A; the vessels fishing Georges Bank are still limited, at times, by weather, and need access to Area 1A when they can't fish offshore; Area 1A fish are usually the lowest cost fish to harvest
- there are mechanisms other than limited entry/controlled access that can protect the vessels that need protection because they can only fish in Area 1A, for example, a layover-day program based on tonnage landed, or a TAC set-aside
- it has taken years to develop markets and shoreside infrastructure, and we should not send the wrong message to investors that they may not have access to the abundant resource in the future
- we want to send investors a message that the management of the fishery will be stable so they can make long-term business plans, including the preservation of existing businesses and investments; banks and lenders are now realizing that the true value of a fishing enterprise is in its permits
- if you want to invite large corporate ownership into the fishery, leave it open access because they are the only ones who can capitalize their ventures without incurring large debt
- the best time to implement a limited entry program is before there is an overcapitalization problem

Comments from the public included:

- there seems to be agreement that we need to do something in Area 1A or Area 1, where the fishery is fully utilized; there is more capacity than is needed to fish the quota in that area
- the process of separating mackerel from the Squid-Mackerel-Butterfish FMP is already underway; the industry feels that the fishery is fully utilized, while the science says we are way underutilized; the numbers can change quickly and the proportion of the resource being taken without an increase in landings can go up suddenly
- due to global events, the interest in U.S. herring in overseas markets is increasing and we need to control the growth of the fishery
- many in the industry are interested in having formal discussions to address a host of issues; if you take limited entry/controlled access out of the discussions, you won't have all of the tools available to fix a problem; there is no assurance that the problems in Area 1A won't spread to other areas

Motion

to recommend that the Council place a high priority on proceeding with Amendment 1 to the Herring FMP to address present and future capacity problems using whatever tools are appropriate, including controlling entry (Williamson/Freeman)

Motion to substitute

to recommend that the Council not develop a limited entry/controlled access program in 2002 (Kendall/Calomo)

Comments on the motions included:

- there are plenty of other tools available to control fishing
- the industry is telling us that there is support for considering controlled access; it may take several years to develop a solution and may not end up as a controlled access program; an amendment process is needed to hold the discussions and address the problems
- the motion to substitute does not prevent the Council from holding those discussions, it just takes limited entry off the table in 2002
- the control date states that we may control access in the future, we just don't need to do it now while the fishery still has room for expansion
- you should not eliminate the options, even if you are against them
- with the control date, and no programs under development, you are curbing investment; you need to have the discussions about what the control date means, and what the qualification criteria will be so people can make informed investments
- if the problem of capacity does not exist now, and may exist in the future, you should have a trigger mechanism modeled after the Mackerel Plan

Motion amended by agreement

to recommend that the Council not develop a limited entry/controlled access program in 2002, *but will revisit this issue at the end of 2002*

**Motion to substitute (the perfected motion) carried 3-1.
Substitute motion carried, 3-0-1, Williamson abstaining**

The Committee continued discussion of how to address current and future issues in the herring fishery, and what action to recommend to the Council if controlled access is not going to be included as an option. The chairman noted that there seems to be general agreement that there are problems in the fishery to be addressed, and that the Committee has just voted to recommend removing limited entry/controlled access from the discussions in 2002.

Motion

to recommend that the Council place a high priority on addressing present and future capacity in the herring fishery using whatever tools are available in 2002. (Williamson/Freeman)

Comments on the motion included:

- we just took limited entry off the table; this appears to be a way to circumvent the previous motion
- the biomass of herring is the largest ever recorded, so what is the problem of capacity?

Motion fails, 1-2-1, Freeman abstained

The chairman asked what the Committee wanted to recommend about the work and issues for the Committee next year. Several members wanted to monitor closely the fishery and be prepared to take action early next year if circumstances warranted, particularly to address issues in Area 1A. Some were concerned about what would happen under Framework 1 if the fish did not migrate out of Area 1A during the winter, as has happened in the past. In that situation, they suggested, the Council should seek an early and expedited mid-season adjustment to the TAC. The chairman noted that any mid-season adjustment should take into account the fact that adding quota into the early season could result in the premature shut down of the fishery, impacting the fall/early winter fishery as happened in last year's fishery which was shut down in late October. In making any mid-season adjustments, there is a need to consider balancing the needs of harvesters involved in early season vs late season fisheries.

JOINT VENTURE/IWP MID-SEASON ADJUSTMENT

At the last Council meeting, the Council agreed that the Committee could act on its behalf in NMFS' consultation for a mid-season adjustment to the JV allocation, at the request of some industry members. While the original proposal was to move fish from the IWP allocation into the JVP allocation, some interest has since emerged in conducting IWP activities. The Committee considered what other alternatives were available. Some industry members expressed support for the JV activities, as a way to supplement their income while other export markets are not fully developed. One individual suggested that if the JV allocation is increased, that all of the increase come from Area 2, since U.S. vessels are now fishing more in Area 3 to supply U.S. processors and markets.

Motion

that the Herring Committee not support allocation of 10,000 mt of IWP to JVP for this calendar year. (Calomo/Freeman, **motion passed, 3-0-1**)

The NMFS representative inquired of the Committee whether the previous two votes signaled a recommendation against all increases in the JV allocation, or were intentionally specific to the movement of allocation out of IWP and USAP.

Motion

that the Herring Committee recommend no changes to the JVP allocation this year
(Calomo/Freeman, **motion passed, 2-0-2**)

FRAMEWORK 1

Motion

to recommend that the Council adopt the preferred alternative for Framework 1 (implementing a seasonal quota for Area 1A, and setting the 2002 TAC for January - May at 6,000 mt)
(Kendall/Williamson, **motion passed, 3-0-1**)

The Committee received comment on, and discussed the need to monitor the fishery at the end of this year and early next year to determine if the fish have moved out of the Gulf of Maine for the winter. In past years, the fish have on occasion remained in Cape Cod Bay. In such a case, there would be a need to quickly adjust the area TACs. Some members expressed concern that the mid-season adjustment process is not quick enough to make a timely adjustment under such circumstances.