



Mid-Atlantic Fishery Management Council

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MEMORANDUM

Date: February 8, 2022
To: Research Steering Committee and Workshop #4 Participants
From: Geret DePiper, NEFSC and SSC Economic Work Group chair
Subject: Considerations for RSA Draft Goals and Design

At the January 18th Research Steering Committee (Committee) meeting, the Committee developed a prioritized list of goals and draft answers to the top tier questions to the decision tree outlining who might be involved, how quota would be allocated, and what trips look like under a possible redevelopment of the Mid-Atlantic Fishery Management Council's (Council) Research Set-Aside (RSA) program. These draft answers would serve as a starting point for discussions during Workshop 4, to be held February 16. This memo outlines some of the trade-offs across stated goals implicit in the draft decisions made, to further facilitate conversations during the Workshop 4. Unanswered decision-tree questions are not discussed in this memo for brevity, as they are not part of the design as proposed by the Committee, although each question has implications for the program goals as defined. These are subjective trade-offs in terms of performance, and the net change in performance with respect to any one goal cannot be quantified. Our aim with this memo is solely to clarify the nature of these trade-offs to ensure discussion can focus on the most relevant issues during Workshop 4.

Topic # 1- Who is involved in the RSA program

Draft Committee selections:

- 1B – Allow commercial and for-hire participation (no private recreational fishermen)
- 1C – Keep allocation of quota separate across sectors
- 2A – Fixed percentage of ABC for each fishery
- 3B – Allow participation by federally-permitted and state-permitted vessels
- 4 – Allow states to opt out of shoreside participation in an RSA program
- 6B – Require all vessels to be equipped with VMS or AIS

Trade-offs and considerations identified by the Economic Work Group:

These choices have no direct impact on Goal 1 “Produce quality, peer-reviewed research that maximizes benefits to the Council and public and enhances the Council’s understanding of its managed resources”, as they do not circumscribe the types of research that could be undertaken by any redeveloped RSA program. The impact of these choices on Goal 2: “Ensure effective monitoring, accountability, and enforcement of RSA quota” is mixed. Choice 1B directly conflicts with recommendations from Workshop 3 ([Workshop #3 Summary Report](#)), in which representatives from both Massachusetts and New Jersey proposed restricting the RSA program to commercial fleets, due to the substantial difficulty monitoring

and enforcing for-hire RSA quota utilization. Choice 1C likely increases the complexity of monitoring and enforcement, as quota would be expected to be allocated to a more heterogeneous fleet than if quota was pooled, due to differences in the value of species' quota across sectors. Choice 2A is not expected to have any significant impact on monitoring and enforceability. Choice 3B should be informed by Workshop 3 recommendations from Massachusetts and NOAA Office of Law Enforcement, which argue that financial support is needed for state permitting and enforcement agencies due to the increased burden of administration. Choice 4 ensures monitoring and enforcement issues did not overwhelm any state's ability to administer the program. Choice 6B is expected to facilitate monitoring and enforcement, per Workshop 3 recommendations of NOAA Office of Law Enforcement. The implications are also mixed with respect to Goal 3: "Generate resources to fund research projects that align with the priorities of the Council". Choices 1B and 3B are expected to increase competition for RSA quota, meaning increased revenue available to fund research (the importance of competition in a well-functioning auction is presented in the SSC Economic Work Group White Paper prepared for Workshop 2 ([SSC Economic Work Group White Paper](#))). However, choices 4, 6B, and 1C are all likely to decrease the revenue available for research, as they would be expected to decrease competition, all else equal. Choice 1C also has the consequence of negating the ability to assess the relative value of quota across sectors, which could inform management issues such as sector allocations, among other actions, as outlined in the SSC Economic Work Group White Paper prepared for Workshop 2. Goal 4: "Foster collaboration and trust between scientific and fishing communities and the general public" is supported by choices 1B, 1C, and 3B, which all would be expected to increase participation as broadly as possible across fisheries. Conversely, choices 4 and 6B would likely decrease the number of vessels/permit holders who would participate in the RSA program, and provide a comparative advantage for vessels already employing VMS or AIS, thus undermining Goal 4.

Topic # 2 - How would you allocate/divide RSA quota

Draft Committee selections:

- 1A – RSA applies to all fisheries/species
- 2A – Allow specific percentage of projected revenue from species quota sale to be used for research on other species
- 3A – Funding mechanism should include ability to use both bilateral agreements and third party auctions

Trade-offs and considerations identified by the Economic Work Group:

Choices 1A, 2A, and 3A are all likely to support Goal 1 (Research), as species with insufficient quota value to fund research could still benefit from RSA research projects and flexibility in funding mechanisms is likely to draw the broadest base of researchers possible to the program. Choice 1A is likely to increase the complexity of RSA monitoring and enforcement and detract from Goal 2, as it increases the scope of the RSA program beyond the historic program to include surf clam, ocean quahog, monkfish, and spiny dogfish (which was only included in the original RSA program for a single year). Choice 2A and 3A are not expected to impact Goal 2 (Enforcement), as the former addresses the shifting of revenue for research purposes and the latter only addressed what mechanisms might be used to raise funds with no implications for how the quota can ultimately be used, which is where the monitoring and enforcement issues play out. Goal 3 (Revenue) is likely to be supported by choice 1A, as it ensures maximum potential revenue generated across all species. Choice 3A is expected to have a negligible impact on revenue when compared solely against an auction, as PIs will gravitate to the mechanism that provides them with the highest revenue, assuming auction sale prices are made public. However, choice 3A is expected to increase revenue when compared to only bilateral agreements, as the relationships between fishermen and scientists are likely to be asymmetric due to fishermen having a much better idea of quota is likely to be

worth. Choice 2A is not expected to impact Goal 3 as it applies to how money raised is used and does not affect the value of quota or the market by which those funds are derived. Goal 4 is supported by choices 1A, 2A, and 3A, as they are all expected to increase fishing community access to RSA quota.

Topic # 3 - What does an RSA trip look like

Draft Committee selections:

- 2A – Require RSA harvest to occur on separate trips from non-RSA harvest
- 3B – Require all RSA quota to be offloaded at the same port from pre-trip notification
- 5A – Require all participating vessels to submit a pre-trip notification 24hrs in advance to declare intent to harvest RSA quota that includes port and anticipated day/time of landing
- 6C – Allow RSA trips flexibility in both the timing and landings throughout the year

Trade-offs and considerations identified by the Economic Work Group:

None of these choices are expected to impact Goal 1 (Research) directly. Choices 2A, 3B, and 5A are all expected to support Goal 2 (Enforcement), with 3B and 5A being proposed by at least one panel participant in Workshop 3 to strengthen monitoring and enforcement capacity. Conversely, choice 6C is likely to increase the complexity of administration by increasing the dimensionality of the monitoring and enforcement issue, detracting from Goal 2. Goal 3 (Funding) is likely to be negatively impacted by choice 2A, 3B, and 5A which all decrease flexibility in how quota can be used and sold, thus decreasing its value. The opposite holds for choice 6C, as the flexibility in the uses of the RSA quota will make it more valuable to fishermen. These choices are not directly expected to impact Goal 4, other than through changes in accountability indirectly through Goal 2.

As this memo lays out, the draft RSA program design choices the Committee has made have implicit trade-offs across the prioritized draft goals for the program. The prioritization flows relatively consistently throughout the trade-offs, with Goal 1 facing the fewest trade-offs in performance, and the bulk of the trade-offs occur between the lower priority goals for the program. This is what would be expected in consistency between ranking and program design.