SUMMER FLOUNDER COMMERCIAL ISSUES AMENDMENT

PUBLIC HEARING DOCUMENT

AUGUST 2018

Prepared by the
Mid-Atlantic Fishery Management Council (MAFMC or Council)
and the
Atlantic States Marine Fisheries Commission (ASMFC or Commission)

1.0 CONTENTS

2.0 INSTRUCTIONS FOR PROVIDING PUBLIC COMMENTS

The Mid-Atlantic Fishery Management Council (MAFMC or Council) and the Atlantic States Marine Fisheries Commission (ASMFC or Commission) will collect public comments on the Summer Flounder Commercial Issues Amendment during 10 public hearings to be held in September 2018, and during a written public comment period extending until October 12, 2018. Written comments may be sent by any of the following methods:

1. **Online** at www.mafmc.org/comments/summer-flounder-amendment
2. **Email** to the following address: nmfs.flukeamendment@noaa.gov
3. **Mail or Fax** to:

   Chris Moore, Ph.D., Executive Director
   Mid-Atlantic Fishery Management Council
   800 North State Street, Suite 201
   Dover, DE 19901
   FAX: 302.674.5399

If sending comments through the mail, please write "Summer Flounder Amendment Comments" on the outside of the envelope. If sending comments through email or fax, please write "Summer Flounder Amendment Comments" in the subject line.

All comments, regardless of submission method, will be compiled for review and consideration by both the Council and Commission. **Please do not send separate comments to the Council and Commission or submit the same comments through multiple channels.**

Interested members of the public are encouraged to attend any of the following 10 public hearings and to provide oral or written comments at these hearings. **Note that this hearing schedule was updated 9/10/18 to reflect hearings rescheduled due to inclement weather.**

Date and Time	Location
Monday, September 10 7:00 PM	**Connecticut Department of Energy and Environmental Protection Marine Headquarters Boating Education Center** (Rear Building) 333 Ferry Road Old Lyme, CT 06371
RESCHEDULED for Monday, September 24 6:00 PM	**North Carolina Division of Marine Fisheries, Washington Regional Office** 943 Washington Square Mall, US Highway 17 Washington, North Carolina 27889
RESCHEDULED for Wednesday, September 26 6:00 PM	**HEARING LOCATION MOVED TO:** Dover Public Library, Meeting Room B 35 Loockerman Plaza Dover, Delaware 19901

Date and Time	Location
RESCHEDULED for Wednesday, September 26 7:00 PM	**Virginia Marine Resources Commission** 2600 Washington Avenue, 4th Floor Newport News, Virginia 23607
Wednesday, September 19 5:30 PM	**Bourne Community Center, Room #2** 239 Main Street Buzzards Bay, Massachusetts 02532
Wednesday, September 19 6:00 PM	**University of Rhode Island Bay Campus, Corless Auditorium** South Ferry Road Narragansett, Rhode Island 02882
Monday, September 24 6:00 PM	**Ocean County Administrative Building** 101 Hooper Avenue Toms River, NJ 08753
Tuesday, September 25 6:00 PM	**Ocean Pines Library** 11107 Cathell Road, Berlin, MD 21811
Thursday, September 27 6:30 PM	**New York State Dept. of Environmental Conservation** School of Marine and Atmospheric Sciences (SOMAS), Room 120 Endeavor, Stony Brook University Stony Brook, NY 11794
Thursday, September 27 6:30 PM	**Internet Webinar** Registration URL: https://attendee.gotowebinar.com/register/5467929991483514883 Webinar ID: 658-611-667 Phone: 1-888-585-9008 Room Number: 853-657-937

For additional information and updates, please visit: http://www.mafmc.org/actions/summer-flounder-amendment. If you have any questions, please contact either:

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3.0 INTRODUCTION AND AMENDMENT PURPOSE

3.1 Amendment Purpose

Summer flounder is managed along with scup and black sea bass under joint Fishery Management Plans (FMPs) developed by the Council and Commission. This public hearing document describes potential modifications to the FMP that would impact the **commercial summer flounder fishery as well as the existing FMP objectives for summer flounder**.

This public hearing document is a condensed summary of the proposed actions and their expected impacts. A full description of the actions under consideration, the current status of the resources and communities that may be impacted, and the expected impacts of the proposed actions are described in a Draft Environmental Impact Statement (DEIS) and Commission Draft Amendment. The DEIS can be viewed at: http://mafmc.org/s/summer-flounder-commercial-DEIS.pdf, and the Commission Draft Amendment at: http://www.asmfc.org/about-us/public-input.

The purposes of this amendment are:

1. **Consider implementing requalifying criteria for federal commercial moratorium permits:** Federal permit qualification criteria have not changed since establishment in 1993. Some stakeholders believe lenient original qualifications criteria resulted in more permits than the fishery could profitably support in the long term. There is concern that the current number of federal permits is too high relative to recent stock size estimates and resulting quotas. Given restrictions and stock trends in other fisheries, there is concern that inactive permits may re-enter the summer flounder fishery, putting further economic strain on participating vessels. The purpose of the options in section 5.0 is to consider whether a reduction in the number of commercial moratorium permits for summer flounder is appropriate to more closely reflect current stock and fishery conditions, and if so, how qualifying criteria should be revised.

2. **Consider modifications to commercial quota allocation:** The current commercial allocation was last modified in 1993 and is perceived by many as outdated given its basis in 1980-1989 landings data. Summer flounder distribution, biomass, and fishing effort have changed since then, and some believe the initial allocations may not have been equitable or were based on flawed data; therefore, stakeholders requested evaluation of alternative allocation systems. The purpose of the options in section 6.0 is to consider whether modifications to the commercial quota allocation are appropriate, and if so, how the quota should be re-allocated.

3. **Consider adding commercial landings flexibility as a framework issue in the Council's FMP:** Landings flexibility policies would give commercial vessels greater freedom to land or possess summer flounder in the state(s) of their choice. Although such policies may be more effectively developed by state level agreements, the Council and Board are interested in having the option to pursue broader landings flexibility policies via framework action/addenda in the future if necessary. This action **does not** consider implementing landings flexibility policies at this time but **does** consider allowing a future landings flexibility action to be completed through a framework action to the Council's FMP instead of a full amendment. The Board can already implement these policies via an addendum to the Commission's FMP, and thus this alternative set is applicable only to the Council's FMP. The purpose of the options in section 7.0 is to consider adding landings flexibility policies to the list of management measures in the Council's FMP that could be implemented via framework action.

4. **Revise the FMP objectives for summer flounder**: Many managers and stakeholders believe that the current objectives have become outdated and could provide more meaningful guidance if updated. Although the revisions to FMP objectives are not proposed as an explicit alternative set in this amendment, they are provided in this document for public comment. These proposed revisions are described in section 4.0, and **would not become final until approved by the Council and Board** following the public comment period.

Please note: the Council and Board have not yet identified preferred alternatives for any of the issues in this amendment.

3.2 What Happens Next?

This document supports a series of public hearings and a public comment period scheduled to take place during August-October 2018. Following public hearings, written and oral comments will be compiled and provided to the Council and Board for review. These comments will be considered prior to taking final action on the amendment, which is tentatively scheduled for December 2018. The Council's recommendations are not final until they are approved or partially approved by the Secretary of Commerce through the National Marine Fisheries Service, so the timing of full implementation of this action will depend on the federal rulemaking timeline. This rulemaking process is expected to occur in 2019, with revised measures possibly effective at the start of the 2020 fishing year.

4.0 PROPOSED REVISIONS TO FMP OBJECTIVES

4.1 Current FMP Objectives

The current FMP objectives for summer flounder, adopted via Amendment 2 (1993), are:

1. Reduce fishing mortality in the summer flounder, scup and black sea bass fishery to assure that overfishing does not occur.
2. Reduce fishing mortality on immature summer flounder, scup and black sea bass to increase spawning stock biomass.
3. Improve the yield from these fisheries.
4. Promote compatible management regulations between state and federal jurisdictions.
5. Promote uniform and effective enforcement of regulations.
6. Minimize regulations to achieve the management objectives stated above.

4.2 Proposed Revisions to FMP Objectives

The Council and Board are considering revisions to the existing FMP objectives for summer flounder through this amendment. These changes would **not** apply to the objectives for scup and black sea bass. While the current FMP contains only management *objectives*, the proposed revisions contain both broader *goals* as well as objectives. *Goals* are broad, big picture, and aspirational, communicating high-level values and priorities for summer flounder management. *Objectives* are more specific and actionable, describing important steps toward accomplishing goals.

The proposed revisions are based on feedback from the Council and Board, as well as both bodies' Advisory Panels. Feedback on goals and objectives was also taken from the scoping process for this amendment and the Council's 2012 Visioning and Strategic Planning Project Stakeholder

Input Report. More information on how these revisions were developed can be found in section 4.2.2 of the DEIS.

Please note: While these revisions are not included as an explicit alternative within this amendment, the proposed revisions are not final until approved by the Council and Board. **The Council and Board are seeking feedback from the public on the proposed revisions during the public hearing process.**

The proposed revised goals and objectives are as follows:

Goal 1: Ensure the biological sustainability of the summer flounder resource in order to maintain a sustainable summer flounder fishery.

Objective 1.1: Prevent overfishing, and achieve and maintain sustainable spawning stock biomass levels that promote optimum yield in the fishery.

Goal 2: Support and enhance the development and implementation of effective management measures.

Objective 2.1: Maintain and enhance effective partnership and coordination among the Council, Commission, Federal partners, and member states.

Objective 2.2: Promote understanding, compliance, and the effective enforcement of regulations.

Objective 2.3: Promote monitoring, data collection, and the development of ecosystem-based science that support and enhance effective management of the summer flounder resource.

Goal 3: Optimize economic and social benefits from the utilization of the summer flounder resource, balancing the needs and priorities of different user groups to achieve the greatest overall benefit to the nation.

Objective 3.1: Provide reasonable access to the fishery throughout the management unit. Fishery allocations and other management measures should balance responsiveness to changing social, economic, and ecological conditions with historic and current importance to various user groups and communities.

5.0 FEDERAL MORATORIUM PERMIT REQUALIFICATION

5.1 Federal Moratorium Permit Requalification Alternatives

This action may revise the requalification criteria for federal summer flounder commercial moratorium permits. The permit requalification alternatives (sub-alternatives under alternative 1B) consider various combinations of landings thresholds and time periods over which those landings thresholds must have been achieved. Only current moratorium rights holders could requalify, and this action **would not allow new entrants to obtain a permit** based on the qualifying criteria. **This action does not consider permit qualification at the state level.**

5.1.1 Alternative 1A: No Action/*Status Quo*

Alternative 1A would make no changes to the current eligibility criteria for commercial moratorium permits for summer flounder. A moratorium permit is required to fish commercially for summer flounder in federal waters, and to sell any amount of summer flounder to a federally

permitted dealer. To be eligible, a vessel must have been issued a moratorium permit in the previous year or be replacing a vessel that was issued a moratorium permit after the owner retires the vessel from the fishery. Permit holders must renew their permit each year by the end of the fishing year for which the permit is required, unless a Confirmation of Permit History (CPH) has been issued.[1]

Summer flounder moratorium permits were established via Amendment 2 to the FMP (1993) and issued to the owner or operator of a vessel that landed and sold summer flounder in the management unit between January 26, 1985 and January 26, 1990, OR the vessel was under construction for, or was being re-rigged for, use in the directed fishery for summer flounder on January 26, 1990.

5.1.2 Alternative 1B: Requalifying Criteria for Federal Commercial Moratorium Permits

Alternative 1B would impose requalification criteria on current federal summer flounder moratorium permits. Permits not meeting the requalification criteria would be cancelled and could not be renewed. Permits in CPH could requalify if they meet the requalifying criteria. This alternative would **not** allow new entrants to qualify for a moratorium permit and has no impact on state level permits.

Alternative 1B has seven sub-alternatives with various combinations of qualification time periods and landings thresholds. Each of the sub-alternatives uses the revised control date for the commercial summer flounder fishery of August 1, 2014, which was published on that date by NMFS at the request of the Council (79 FR 44737). The establishment of the control date notified the public that the Council was considering future limitations on federal permits and was intended to help the Council and Board to identify latent effort in the fishery. All seven sub-alternatives below use requalifying time periods for summer flounder landings *prior to* August 1, 2014.

Eligibility for moratorium permits is tracked by NMFS using a unique moratorium right ID (MRI) number associated with a specific fishing right. This allows permit history tracking where permit history has been transferred in a vessel replacement and over time. Permit history can transfer between vessels through a vessel replacement, and the MRIs associated with those permits transfer as well, even though the vessel permit numbers remain the same for each vessel. For this reason, a single vessel permit number may be associated with multiple MRIs for summer flounder over time. **In this action, any requalification would be done on the basis of landings associated with the MRI, and not the vessel permit number**, since a single MRI could be associated with multiple vessels over time.

If the Council and Board select alternative 1B, **one of the sub-alternatives below in Table 1 would need to be selected**. These options are shown along with the number of MRIs that would be eliminated and retained under each option. The time periods listed below are inclusive of the start and end dates (e.g., option 1B-1 would include qualifying landings dated August 1, 2009 through July 31, 2014). The data used for re-qualification would consist of commercial summer flounder landings associated with each MRI as verified by NMFS through dealer records.

[1] A CPH may be issued when a vessel that has been issued a limited access permit has sunk, been destroyed, or has been sold to another person without its permit history. Possession of a CPH will allow the permit holder to maintain landings history of the permit without owning a vessel.

Table 1: Sub-alternatives under Alternative 1B, with comparison to Alternative 1A (*status quo*) and associated number of moratorium rights retained and eliminated. Landings thresholds refer to commercial landings of summer flounder associated with each MRI.

Comparison to *Status Quo*	**Time Period**	**Landings Threshold**	**# Current MRIs**	**% MRIs Requalifying**	**# MRIs Eliminated**	**% MRIs Eliminated**
Alternative 1A (No Action)	*January 26, 1985 - January 26, 1990 (5 yrs)*	*At least 1 pound in any year over this time period*	*941*	*100%*	*N/A*	*N/A*
Sub-alternative under 1B	**Time Period**	**Landings Threshold**	**# MRIs Requalifying**	**% MRIs Requalifying**	**# MRIs Eliminated**	**% MRIs Eliminated**
Alternative 1B-1	August 1, 2009-July 31, 2014 (5 yrs)	≥1,000 pounds cumulative over this time period	425	45%	516	55%
Alternative 1B-2	August 1, 2009-July 31, 2014 (5 yrs)	At least 1 pound in any year over this time period	493	52%	448	48%
Alternative 1B-3	August 1, 2004-July 31, 2014 (10 yrs)	≥1,000 pounds cumulative over this time period	552	59%	389	41%
Alternative 1B-4	August 1, 2004-July 31, 2014 (10 yrs)	At least 1 pound in any year over this time period	635	67%	306	33%
Alternative 1B-5	August 1, 1999-July 31, 2014 (15 yrs)	≥1,000 pounds cumulative over this time period	646	69%	295	31%
Alternative 1B-6	August 1, 1994-July 31, 2014 (20 yrs)	At least 1 pound in 20% of years in time period (i.e., in at least 4 years over this 20-year period)	670	71%	271	29%
Alternative 1B-7	August 1, 1994-July 31, 2014 (20 yrs)	≥1,000 pounds cumulative over this time period	708	75%	233	25%

5.2 Impacts of Federal Moratorium Permit Requalification Alternatives

This alternative set considers options to reduce the number of federal commercial permits available to be issued for summer flounder. Under all alternatives, overall annual landings will still be constrained by the annual commercial quotas, which should remain the primary driving factor for overall fishery effort in a given year. However, as described below, requalification of moratorium permits may result in a redistribution of effort among a different pool of vessels. Most eliminated MRIs under each sub-alternative under 1B are associated with little to no activity for summer flounder in recent years; therefore, the near-term impacts of reducing permit capacity under alternative 1B may be minimal, as described below.

Because this alternative set considers how fishery effort will be distributed among participants, the impacts of this alternative set are primarily socioeconomic, both on individual permit holders and more broadly on fishing communities, as described below. The sections below describe the general expected impacts of each proposed alternative for federal permit requalification. **Note that more in-depth analysis is provided in the DEIS in section 7.1.**

5.2.1 Impacts of Alternative 1A: No Action/*Status Quo*

The no action/*status quo* alternative 1A would have no near-term impacts in the sense that no changes would be made to the current pool of eligible vessels or permitting requirements. This alternative is associated with the highest number of summer flounder permits remaining eligible (940 MRIs currently exist for summer flounder, meaning 940 summer flounder moratorium permits are currently eligible to be issued). If conditions remain relatively similar to the past few years in terms of fishery participation and coastwide quota levels, the distribution of effort among vessels and along the coast is likely to remain similar to the current distribution.

If conditions change and inactive or low activity permits increase their landings of summer flounder (as the result of constraints in other fisheries, quota reallocation through this action, market factors, etc.), some permit holders, associated employees, and fishing communities may experience negative socioeconomic impacts as the result of limited quotas being further spread among many participants. This is especially true under relatively low quotas, as have been implemented for summer flounder in the past few years due to declining stock biomass. Depending on the degree of re-entry to the fishery, more restrictive management measures may be necessary for all vessels to ensure that quotas are not exceeded.

The degree to which inactive or low activity vessels may increase landings of summer flounder in the future is difficult to predict. Thus, the impacts of this alternative are highly uncertain and depend on a variety of broader management and economic factors.

Quota reallocation, described in section 6.0 of this document, may influence the degree of re-entry to the fishery and associated distributional impacts. Under a revised state-by-state allocation system, whether latent permitholders re-enter the fishery may be driven by how their state allocation and resulting measures change. Participants in some states that have been inactive in recent years may be incentivized to target summer flounder if their state's quota is increased. Under a scup model system (see section 6.1.4), the winter quota periods would have no state-level measures or quotas. Under this scenario, latent permits (especially those associated with vessels capable of fishing offshore in the winter) may re-enter the fishery if coastwide winter period measures are appealing enough compared to their particular state measures in recent years.

Slight positive economic impacts are possible for low activity or latent permitholders under alternative 1A, as they would retain the flexibility to target summer flounder in the future. The magnitude of these positive impacts would depend on the degree to which this flexibility was used, as well as the overall degree of re-entry to the fishery, as some benefits may be offset by the need for more restrictive management measures.

Overall, the impacts of alternative 1A are highly uncertain and depend on the likelihood of latent effort re-entering the fishery. This alternative could result in no changes to current conditions, or could result in overall negative socioeconomic impacts due to effort being spread among more participants.

5.2.2 Impacts of Alternative 1B: Requalifying Criteria for Federal Moratorium Permits

Alternative 1B would reduce the number of eligible federal summer flounder moratorium permits, to varying degrees depending on the sub-alternative selected. Under each sub-alternative for permit requalification, impacts will depend primarily on how many permits are eliminated and how active these permits have been in recent years.

The fishery will still be constrained by annual catch and landings limits, therefore, overall fishery effort in a given year will remain driven by these limits. Summer flounder is a high demand species and it is likely that utilization rates will remain high and annual quotas will continue to be reached every year. Therefore, a reduction in permit capacity is not likely to impact overall effort each year but will impact the pool of vessels participating in the fishery, and may impact the distribution of effort depending on how active eliminated permits have been or would be in the future.

Because overall fishery effort is not expected to be influenced by these alternatives, each should have negligible to minor impacts on the summer flounder stock, non-target species, habitat, or protected resources compared to their current condition. Summer flounder removals will continue to be limited by annual catch limits, which will have positive impacts on the stock as the annual catch limits are based on the best available science and are intended to prevent overfishing. A slight increase in summer flounder discards from non-requalifying vessels is possible if they are no longer permitted to land this species. However, the total catch will still be accounted for and constrained by the annual catch limit. In addition, most eliminated vessels do not currently appear to be landing much summer flounder, so effects on summer flounder discards would likely be minimal.

Impacts of sub-alternatives under 1B will be primarily socioeconomic impacts to individual permit holders and fishing communities. Impacts could include direct near-term economic impacts through elimination of current effort and opportunity, as well as indirect longer-term economic impacts resulting from reduced potential for latent effort to re-enter the fishery.

Direct near-term, and possibly long-term, negative economic impacts may occur to non-requalifying permit holders that have landed some summer flounder in recent years, and their associated communities. Near-term negative economic impacts would not be expected for permits that are completely inactive, as these businesses are not currently generating any revenue from summer flounder. For permit holders that requalify, near-term and long-term positive economic impacts are possible since overall effort may be spread among a smaller pool of vessels, possibly leading to higher revenues for some vessels.

The magnitude of both positive and negative economic impacts would depend on a) how many permits are eliminated and b) how active those eliminated permits have been in recent years (i.e., how much landings and revenue they have generated). The more summer flounder landings and revenues that are associated with each group of eliminated permits under each sub-alternative, the larger the distributional impacts will be. Impacts will also depend on what other species eliminated vessels are able to fish for and how dependent are they on summer flounder, with vessels that are more dependent on summer flounder experiencing more negative impacts.

Table 2 describes the number of eliminated MRIs under each sub-alternative along with their associated landings and revenues over the 5-year time period of August 1, 2009 through July 31, 2014.[2] Over this time period, all eliminated MRIs under these alternatives are associated with very little or no summer flounder landings in recent years (ranging from 0 to 131,302 total pounds for all eliminated permitholders over this time period, or 0% to 0.32% of coastwide landings).

Table 3 shows the same analysis over the fishing years 2013-2017. Over these years, eliminated MRIs under these alternatives are associated with slightly higher summer flounder landings and revenues, though they are still a relatively small portion of coastwide landings and revenues (ranging from 0.14% to 3.04% of landings and from 0.18% to 3.19% of revenues). This appears to indicate that there was a small influx of effort for summer flounder after the publication of the control date on August 1, 2014.

According to this analysis, even though a substantial portion of summer flounder permits may be eliminated under some alternatives (ranging from 25% to 55% of current MRIs), the overall portion of summer flounder landings and revenues that would be eliminated under any 1B sub-alternative is relatively low and is spread among a few hundred vessels. This indicates that the magnitude of overall impacts is likely to be low, although impacts may vary at the vessel level based on each vessel's recent activity. Near-term positive (for remaining permit holders) or negative economic impacts (for eliminated permit holders) are in general likely to be small or negligible, though some vessels eliminated from the fishery may experience moderate negative impacts if they have recently invested in this fishery or increased effort for summer flounder. Most vessels with eliminated permits would not see a substantial reduction in revenues given that most vessels are landing very small amounts of summer flounder on average and are very unlikely to be highly dependent on the summer flounder fishery. Remaining vessels are unlikely to see a substantial near-term economic benefit from reduced permit capacity in the fishery.

In addition to the near-term impacts of a reduced pool of participants, sub-alternatives under alternative 1B would also lead to reduced potential for future expansion of latent effort. As described above under alternative 1A, broader management or economic conditions could drive latent permit holders to re-enter the fishery for summer flounder (e.g., restrictions in other fisheries, quota reallocation, market conditions, etc.) if they are still permitted. The sub-alternatives under alternative 1B would prevent re-entry to a degree, and/or would reverse some of the re-entry that appears to have occurred since publication of the control date. The reduced potential for latent effort would have positive economic impacts on remaining vessels, and possibly on their communities depending on the community's characteristics, by reducing the likelihood of needing to spread quota between a larger number of vessels, and reducing uncertainty

[2] Although this period is the requalification time frame for only alternatives 1B-1 and 1B-2, it was used in evaluating all sub-alternatives in order to allow comparison between each option.

about whether measures would need to be restricted due to an influx of latent effort. Permit holders with eliminated summer flounder permits could experience negative economic impacts due to not having the opportunity to target summer flounder in the future. Some fishing communities may experience mixed impacts from these alternatives, depending on their associated permit holders and how many requalify.

It is worth noting that this alternative has no impact on state level permits. Re-entry of latent effort would still possible in state waters under this alternative (in some states, depending on current and future state-level restrictions), confounding the impacts of reductions in federal permit capacity.

Among the sub-alternatives considered, the magnitude of expected impacts at the vessel level is likely to vary slightly between each sub-alternative in the short-term based on the analysis of 2013-2017 landings and revenues shown in Table 3. As a percentage of overall coastwide landings and revenues, the highest magnitude of negative impacts (to eliminated permit holders) and positive impacts (to remaining permit holders) are likely to occur from alternative 1B-1 due to having the highest associated landings and revenues for summer flounder, followed in order by alternative 1B-2, 1B-3, 1B-4, 1B-6, 1B-5, and 1B-7 (Table 3). Again, these impacts are likely to be overall small, but would be expected to vary more at the individual vessel level.

Table 2: Comparison of impacts of sub-alternatives under Alternative 1B, in terms of associated number of moratorium rights eliminated, with associated landings and revenues between August 1, 2009 and July 31, 2014. Landings thresholds under each sub-alternative refer to commercial landings of summer flounder associated with each MRI.

Sub-alternative under 1B	Time Period	Landings Threshold	# MRIs Eliminated (%)	Combined landings (lb) from eliminated MRIs, 8/1/09-7/31/14	% of coastwide summer flounder landings, 8/1/09-7/31/14	Combined ex-vessel revenue 8/1/09-7/31/14	% of coastwide summer flounder revenue, 8/1/09-7/31/14
1B-1	8/1/09-7/31/14 (5 yrs)	≥1,000 pounds cumulative	516 (55%)	24,529	0.04%	$54,395	0.05%
1B-2	8/1/09-7/31/14 (5 yrs)	At least 1 pound in any year	448 (48%)	0	0.00%	$0	0.00%
1B-3	8/1/04-7/31/14 (10 yrs)	≥1,000 pounds cumulative	389 (41%)	5,713	0.01%	$10,980	0.01%
1B-4	8/1/04-7/31/14 (10 yrs)	At least 1 pound in any year	306 (33%)	0	0.00%	$0	0%
1B-5	8/1/99-7/31/14 (15 yrs)	≥1,000 pounds cumulative	295 (31%)	2,896	0.01%	$7,016	0.01%
1B-6	8/1/94-7/31/14 (20 yrs)	At least 1 pound in 20% of years (i.e., in at least 4 years over this 20-year period)	271 (29%)	181,302	0.32%	$326,034	0.28%
1B-7	8/1/94-7/31/14 (20 yrs)	≥1,000 pounds cumulative	233 (25%)	2,414	0.00%	$5,619	0.00%

Table 3: Comparison of impacts of sub-alternatives under Alternative 1B, in terms of associated number of moratorium rights eliminated, with associated landings and revenues between January 1, 2013 through December 31, 2017. Landings thresholds under each sub-alternative refer to commercial landings of summer flounder associated with each MRI.

Sub-alternative under 1B	Time Period	Landings Threshold	# MRIs Eliminated (%)	Combined landings (lb) from eliminated MRIs, 1/1/13-12/31/17	% of coastwide summer flounder landings, 1/1/13-12/31/17	Combined ex-vessel revenue 1/1/13-12/31/17	% of coastwide summer flounder revenue, 1/1/13-12/31/17
1B-1	8/1/09-7/31/14 (5 yrs)	≥1,000 pounds cumulative	516 (55%)	1,083,694	3.04%	$3,540,052	3.19%
1B-2	8/1/09-7/31/14 (5 yrs)	At least 1 pound in any year	448 (48%)	663,985	1.86%	$2,326,859	2.1%
1B-3	8/1/04-7/31/14 (10 yrs)	≥1,000 pounds cumulative	389 (41%)	503,356	1.41%	$1,613,440	1.46%
1B-4	8/1/04-7/31/14 (10 yrs)	At least 1 pound in any year	306 (33%)	334,151	0.94%	$1,117,053	1.01%
1B-5	8/1/99-7/31/14 (15 yrs)	≥1,000 pounds cumulative	295 (31%)	109,573	0.31%	$393,944	0.36%
1B-6	8/1/94-7/31/14 (20 yrs)	At least 1 pound in 20% of years (i.e., in at least 4 years over this 20-year period)	271 (29%)	290,894	0.81%	$946,917	0.85%
1B-7	8/1/94-7/31/14 (20 yrs)	≥1,000 pounds cumulative	233 (25%)	48,464	0.14%	$204,436	0.18%

Analysis of the number of MRIs eliminated (including permits in CPH) by state was also conducted for each sub-alternative (Table 4). The "home port" of a vessel as indicated by the owner on the official U.S. Coast Guard documentation was used to associate an approximate number of MRIs with each state, to describe general possible impacts by state. However, home port does not necessarily reveal where these vessels typically land, and some vessels are permitted to land in multiple states. A small number of permits that would be eliminated under alternative 1B identify their home port in states that are outside the management unit (i.e., Texas and Florida).

Among the states with effected permits, some states have more eliminated permits than others. Of particular note is that home ports in Massachusetts are associated with the largest number and proportion of eliminated permits (as well as the largest number of total moratorium permits). For Massachusetts, the percentage of their MRIs eliminated under each sub-alternative ranges from 38% to 77%. This indicates that there appear to be a lot of inactive federal permits that list their home port as in Massachusetts. In contrast, North Carolina, for example, retains most of their MRIs under each sub-alternative, with the percentage eliminated ranging from 6% to 20% (Table 4). Although some states appear to have a high proportion of permits eliminated under some sub-alternatives, it is important to remember that the previously described analysis of recent effort is still applicable, i.e., eliminated permits are associated with little or no summer flounder landings in recent years. Thus, despite having a high number or proportion of eliminated permits on paper for some states, the actual socioeconomic impact on those states is not expected to be substantial.

Table 4: Number of MRIs requalifying (REQ.) and eliminated (ELIM.) under each 1B sub-alternative by state of home port. C= Confidential.

	1B-1		1B-2		1B-3		1B-4		1B-5		1B-6		1B-7	
Home port state	**REQ.**	**ELIM.**	**REQ.**	**ELIM.**	**REQ.**	**ELIM.**	**REQ.**	**ELIM.**	**REQ.**	**ELIM.**	**REQ.**	**ELIM.**	**REQ.**	**ELIM.**
ME	3	39	3	39	9	33	14	28	19	23	22	20	23	19
NH	C	14	C	13	C	13	6	C	4	11	6	C	5	10
MA	83	276	106	253	142	217	180	179	187	172	203	156	223	136
RI	76	12	76	12	81	C	83	5	83	C	81	7	83	C
CT	15	C	17	7	16	8	18	6	17	C	14	10	19	C
NY	55	35	62	28	62	28	66	24	67	23	69	21	68	22
NJ	94	74	117	51	122	46	142	26	139	29	141	27	146	22
PA	C	C	3	C	C	C	C	C	C	C	C	C	C	C
DE	0	C	0	C	0	C	0	C	0	C	0	C	0	C
MD	C	C	C	C	4	C	5	0	4	C	4	C	4	C
VA	23	32	30	25	33	22	38	C	41	14	45	10	48	C
NC	69	17	72	14	78	8	79	7	81	5	80	6	84	C
FL	0	C	0	C	0	C	0	C	0	C	C	C	C	C
TX	C	0	C	0	C	0	C	0	C	0	C	0	C	0

6.0 COMMERCIAL QUOTA ALLOCATION

6.1 Commercial Quota Allocation Alternatives

This section describes options for modifying the current state-by-state allocation of the summer flounder commercial quota. Allocation changes through any of the alternatives in this action would be considered a one-time indefinite change. However, **the Council and Board intend to review any selected allocation in not more than 10 years from implementation of this action, to determine whether additional modifications may be warranted**. Following this planned review, the Council and Board may or may not initiate a future action to further revise commercial allocations in this fishery.

6.1.1 Alternative 2A: No Action/*Status Quo*

Alternative 2A would make no changes to the current state allocation percentages, which are based on commercial landings by state from 1980-1989 (Table 5). Each state sets measures to achieve, but not exceed, their annual state-specific quotas. These allocations are included in both the Council and the Commission FMPs. When a state's quota has been landed in a given year, commercially targeting and/or landing summer flounder is prohibited in that state's waters. Any quota overages by a state during the year are subtracted (in pounds) from that state's quota the following year. Example quota distributions are described in section 6.2.1.

State-by-state allocations were first implemented via Amendment 2 (1993)[3], and slightly modified through Amendment 4 (1993).[4] Amendment 5 (1993) allowed two or more states, with the consent of NMFS, to transfer or combine their summer flounder commercial quota in a given year if desired.

Table 5: Alternative 2A: No Action/*Status Quo;* current allocations based on 1980-1989 landings. Quota percentages are taken out to five decimal places in the FMPs and federal regulations.

State	Allocation (%)
ME	0.04756
NH	0.00046
MA	6.82046
RI	15.68298
CT	2.25708
NY	7.64699
NJ	16.72499
DE	0.01779
MD	2.03910
VA	21.31676
NC	27.44584
Total	100

[3] Estimated landings by state and year for 1980-1989 in Amendment 2 can be found in Table 2 (pounds) and Table 72 (percentage) of the Amendment 2 document, available at: http://www.mafmc.org/s/SFSCBSB_Amend_2.pdf.
[4] Revised 1980-1989 landings by state and year, and the resulting quota shares from Amendment 4 can be found in Table 1 of that document, at: http://www.mafmc.org/s/SFSCBSB_Amend_4.pdf.

6.1.2 Alternative 2B: Adjust State Quotas Based on Recent Biomass Distribution

Alternative 2B would adjust the current state-by-state quota allocations based on a regional shift in exploitable biomass derived from Northeast Fisheries Science Center (NEFSC) trawl survey data. This would create a basis for state allocations that combines both *status quo* allocations (based solely on landings history) and distribution of biomass (which was not used in development of the current allocations).

A 2017 NEFSC analysis calculated an approximate shift in the percentage of exploitable biomass in a Northern vs. Southern region within the management unit, compared across the two ten-year time periods of **1980-1989 and 2007-2016**.[5] Similar to the approach taken in the black sea bass benchmark stock assessment, survey strata were grouped into two regions divided approximately at Hudson Canyon: a Northern region with waters approximately off the states of New York and north, and a Southern region with waters approximately off the states of New Jersey and south. Calculations were based on NEFSC spring and fall trawl survey catches. There are near-coastal and state waters surveys that also characterize the distribution and biomass of summer flounder. However, the NEFSC surveys are the only datasets with enough coverage in space and time to describe changes in geographic distribution of the stock over time. Survey catch for summer flounder below 14 inches was removed to derive an index of commercial exploitable biomass (i.e., to identify biomass retainable by the commercial fishery). A more detailed description of the analysis methods, including details of the survey strata divisions, can be found in the DEIS (section 5.2.2 and Appendix B).

Northern and Southern indices were weighted by the area surveyed to provide seasonal total indices to express the regional percentage of the total exploitable biomass for each season and period. The seasonal (spring and fall) exploitable biomass was then summed for each region to calculate total relative biomass for each region and period. For relative exploitable biomass averaged over each period, **the Northern region percentage increased from 67% on average during 1980-1989 to 80% on average during 2007-2016 (Figure 1).**[6]

[5] These time periods were chosen to reflect the period used as the basis for current allocations (1980-1989) and the most recent complete ten-year period at the time of the analysis.

[6] This analysis was also conducted using numbers per tow from the surveys instead of weight per tow. In terms of relative exploitable numbers of fish, the relative abundance in the North increased from 60% of the total on average from 1980-1989 to 75% of the total from 2007-2016. This analysis was not used as the basis for the allocation change, as using changes in weight is more appropriate for an allocation based in pounds.

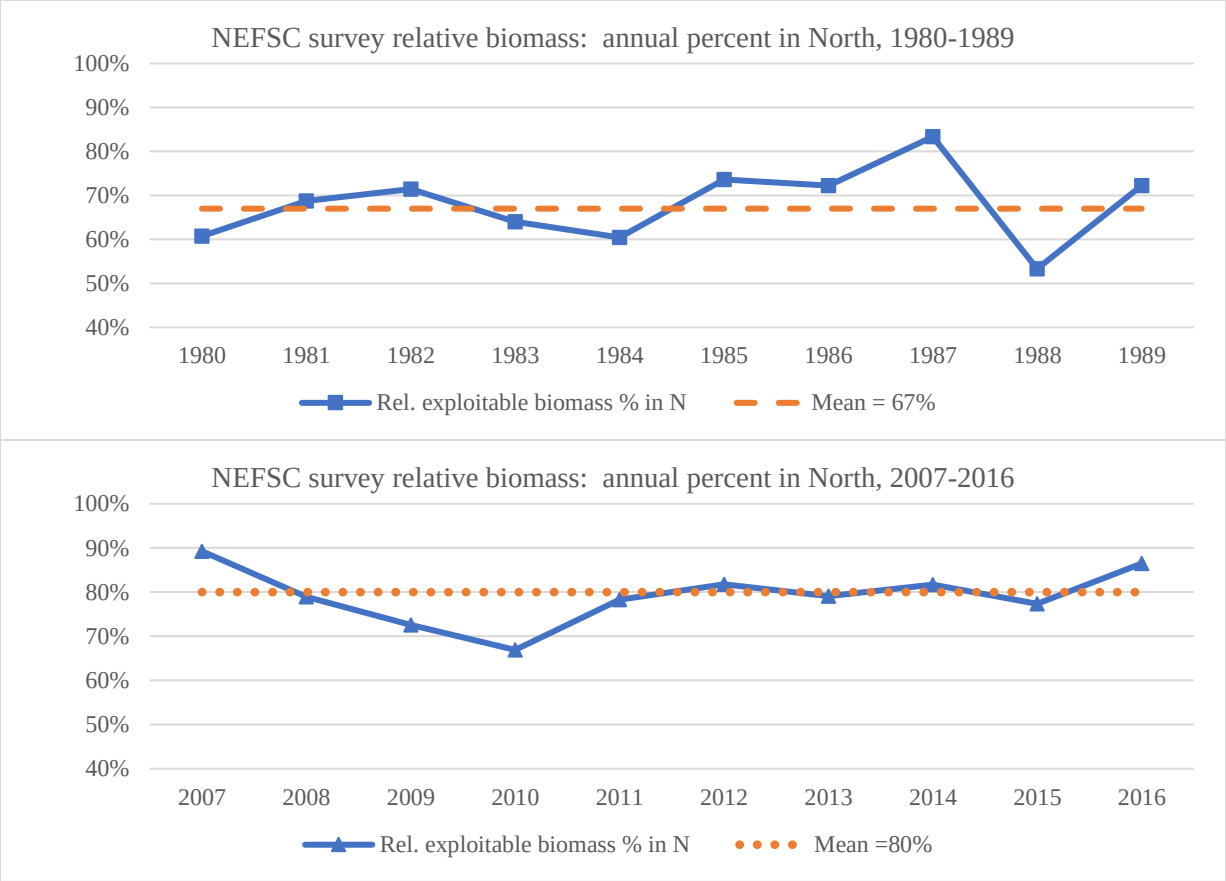

Figure 1: NEFSC survey relative exploitable biomass annual percent in Northern region, 1980-1989 and 2007-2016. The remaining relative biomass is attributable to the Southern region.

Under alternative 2B, the change in Northern region relative exploitable biomass would serve as the basis for adjustments to the current state-by-state allocation percentages. Two mathematical methods are proposed as **two sub-alternatives under alternative 2B**, to translate the change in regional exploitable biomass into changes in allocation. These two different approaches, sub-alternatives 2B-1 and 2B-2 described below, are both mathematically justified but have a slightly different emphasis on how much of the revised allocation should be based on recent (2007-2016) exploitable biomass distribution.

The key difference in the sub-alternatives below is whether changes in biomass and allocation are calculated as an absolute shift relative to the coast, or as a percent change relative to the Northern region. For reference, absolute change or shift describes the simple difference between the proportions attributable to the Northern and Southern regions in each time period. (e.g., 67% relative exploitable biomass in the North on average from 1980-1989 grew to 80% relative exploitable biomass on average from 2007-2016, an absolute increase in the North of 13%). This describes how the proportions change in the North and South **relative to the coastwide total**.

Percent change expresses the change (percent increase or decrease) **relative to the original regional value**.[7] Because this is an expression of the change between two values relative to the regional starting value, this needs to be calculated using either the Northern or Southern region as the "starting value," with a subsequent adjustment to the other region to make the total allocations equal to 100%.

6.1.2.1 Sub-Alternative 2B-1: Adjustment based on Northern Region Percent Change in Exploitable Biomass

The method under alternative 2B-1 translates the change in regional exploitable biomass into a relative change in allocation by taking the percentage change in biomass in the Northern region over the two time periods and applying this as a percentage change to the current Northern regional allocation.

Between 1980-1989 and 2007-2016, as a percent change, the Northern region relative exploitable biomass increased by 19% relative to the 1980-1989 average value ((80-67)/67)*100=+19%). This percentage is then applied to the current Northern regional allocation (combination of state allocations ME-NY) as a percent increase: (32.46%*1.19 = 38.62% revised allocation to the Northern region).

The Southern region's allocation is then calculated as the remainder of the coastwide allocation, (i.e., 100%-38.62%=61.38%). Each regional allocation is divided into state shares based on each state's current proportion of the regional allocation (e.g., Rhode Island currently has 48.32% of the Northern region allocation; this percentage is applied to the revised regional quota allocation of 38.62%).

Alternative 2B-1 is designed to shift current regional allocations in proportion to the Northern regional change in relative exploitable biomass, and maintains more of a connection to the *status quo* allocation compared to alternative 2B-2, while still accounting for how the regional exploitable biomass has shifted over time.

The results of this approach produce a modest shift in allocation, shifting 6% of the coastwide allocation from the South to the North. This constitutes a 19% increase in the Northern region's allocation (relative to their starting allocation of ~32.46%), and a 9% decrease in the Southern region allocation (relative to their starting allocation of ~67.54%; these percent changes are not equivalent in magnitude because the starting allocation in each region is different).

A summary of the resulting regional and state allocations and the changes they represent are shown in Table 6. Revised allocations are taken to five decimal places to be consistent with the current state level allocations. Example allocations under hypothetical quota scenarios are described in section 6.2.2.

[7] Percent change is calculated by taking the increase or decrease between the two values, divided by the starting value, using the formula: Percent change = (New value-Old value)/Old Value x 100. Positive values indicate a percentage increase; negative values indicate a percentage decrease.

Table 6: Alternative 2B-1: adjustment based on Northern region percent change in exploitable biomass. The shift in relative exploitable biomass in the North is expressed as a percent change (+19%) and applied as a percent change to the Northern allocation. Southern allocations are then calculated such that total allocations add to 100%.

State	A) Status quo state allocation (%)	B) Status quo % of regional alloc.	C) Status quo state % of regional total	D) Revised regional allocation based on 19% increase rel. to N region	E) Revised state allocation under Alt 2B-1 (%)[a]	F) Percent change relative to existing state allocation	G) Change in share of total coastwide quota
ME	0.04756	32.46	0.14654	38.62	**0.05660**	+19.0%	+0.00904
NH	0.00046		0.00142		**0.00055**	+19.0%	+0.00009
MA	6.82046		21.01479		**8.11635**	+19.0%	+1.29589
RI	15.68298		48.32144		**18.66275**	+19.0%	+2.97977
CT	2.25708		6.95438		**2.68593**	+19.0%	+0.42885
NY	7.64699		23.56144		**9.09992**	+19.0%	+1.45293
NJ	16.72499	67.54	24.76145	61.38	**15.19806**	-9.1%	-1.52693
DE	0.01779		0.02634		**0.01617**	-9.1%	-0.00162
MD	2.0391		3.01890		**1.85294**	-9.1%	-0.18616
VA	21.31676		31.55959		**19.37062**	-9.1%	-1.94614
NC	27.44584		40.63373		**24.94014**	-9.1%	-2.50570
Total	100	100	--	100	**100**	--	0

[a] Column E calculated by applying the *status quo* state percentage of regional allocation (column C) to the revised regional allocation with a 19% increase to the Northern region, as a percent change relative to the existing Northern region allocation (column D).

6.1.2.2 Sub-Alternative 2B-2: Adjustment based on Absolute Change in Regional Proportions

The method under alternative 2B-2 would calculate the change in proportion of relative exploitable biomass relative to the coast (+13% to the Northern region and -13% to the Southern region) and apply this change as an absolute shift in regional allocation. In other words, 13% of the coastwide quota (derived from the absolute shift in exploitable biomass) would be subtracted from the Southern region's quota and added to the Northern region's quota:

- (Existing Northern region allocation) + 13% = (New Northern region allocation), i.e.: (32.46% + 13%) = 45.46%
- (Existing Southern region allocation) - 13% = (New Southern region allocation), i.e.: (67.54% - 13%) = 54.54%

As with sub-alternative 2B-1 above, each regional allocation is then divided into state shares based on each state's current proportion of the regional allocation (e.g., Rhode Island currently has 48.32% of the Northern region allocation; this percentage is applied to the revised regional quota allocation of 45.45%).

Alternative 2B-2 creates a basis for allocation that is more based on recent relative exploitable biomass than alternative 2B-1, by more heavily factoring in recent biomass by region into the allocation. This option simply takes the change in regional exploitable biomass relative to the coast

over the two time periods (13% shift) and applies this as additional quota in the Northern region. This creates an allocation with more of a basis in recent distribution by region, and less of a basis in *status quo* allocations/historical landings.

The results of this approach produce a more substantial shift in allocation than alternative 2B-1, shifting 13% of the coastwide allocation from the Southern region to the Northern region. Relative to the existing regional allocations as a percent change, this constitutes a 40% increase in the Northern region's allocation (relative to their starting allocation of ~32.46%), and a 19% decrease in the Southern region allocation (relative to their starting allocation of ~67.54%; again, these percent changes are not equivalent in magnitude because the starting allocation in each region is different).

A summary of the resulting regional and state allocations and the changes they represent are shown in Table 7. Example allocations under hypothetical quota scenarios are described in section 6.2.2.

Table 7: Alternative 2B -2: adjustment based on absolute change in regional proportions. This option uses the 13% absolute shift in relative exploitable biomass and applies this change additively to the existing regional allocations.

State	A) Status quo state allocation (%)	B) Status quo % of regional alloc.	C) Status quo state % of regional total	D) Revised regional allocation based on 19% increase rel. to N region	E) Revised state allocation under Alt 2B-2 (%)[a]	F) Percent change relative to existing state allocation	G) Change in share of total coastwide quota
ME	0.04756	32.46	0.14654	45.46	**0.06661**	+40.1%	+0.01905
NH	0.00046		0.00142		**0.00064**	+40.1%	+0.00018
MA	6.82046		21.01479		**9.55238**	+40.1%	+2.73192
RI	15.68298		48.32144		**21.96477**	+40.1%	+6.28179
CT	2.25708		6.95438		**3.16115**	+40.1%	+0.90407
NY	7.64699		23.56144		**10.70998**	+40.1%	+3.06299
NJ	16.72499	67.54	24.76145	54.54	**13.50600**	-19.2%	-3.21899
DE	0.01779		0.02634		**0.01437**	-19.2%	-0.00342
MD	2.0391		3.01890		**1.64664**	-19.2%	-0.39246
VA	21.31676		31.55959		**17.21401**	-19.2%	-4.10275
NC	27.44584		40.63373		**22.16345**	-19.2%	-5.28239
Total	100	100	--	100	100	--	0

[a] Column E calculated by applying the *status quo* state percentage of regional allocation (column C) to the revised regional allocation with a 13% shift from the Southern to the Northern states (column D).

6.1.3 Alternative 2C: Revise State Allocations Above a Commercial Quota Trigger Point

This alternative would create state allocations that vary with overall stock abundance and resulting commercial quotas. For all years when the annual commercial quota is at or below a specified annual commercial quota trigger level, the state allocations would remain *status quo*. In years when the annual coastwide quota exceeded the specified trigger, the trigger amount would be distributed according to *status quo* allocations, and the additional quota beyond that trigger would be distributed differently, as described below. There are two sub-alternatives for commercial quota triggers under this alternative:

- **Alternative 2C-1**: 8.40-million-pound trigger based on the recent five-year average of commercial quotas (2014-2018) and;
- **Alternative 2C-2**: 10.71-million-pound trigger based on the recent ten-year average of commercial quotas (2009-2018).

The distribution of additional quota is the same under each sub-alternative; only the specified commercial coastwide quota trigger that determines the additional quota differs. The two sub-alternatives above were chosen to strike a balance between the trigger being unrealistically high relative to expected quota levels (and thus having no practical impact in the near future under the current quota regime), and being so low that the allocations would be modified substantially in most future years.

For both sub-alternatives, the additional quota above the trigger amount would be distributed as follows: states that currently have less than 1% of the current commercial quota allocation (Delaware, New Hampshire, and Maine) would evenly split 1% of the total additional quota (resulting in 0.333% each of the additional quota). The remaining states (Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Maryland, Virginia, and North Carolina) would evenly split the remaining additional quota (resulting in each of these states getting 12.375% each of the additional quota beyond the trigger amount, on top of their current quota share of the base trigger amount). It is important to note that when the quota trigger is exceeded, it is only the additional quota that gets distributed differently, not the entire quota.

The "new" total allocation percentages by state under both sub-alternatives could not be calculated until the annual commercial quota is known (typically considered in August of any given year), since the state percentages of the coastwide allocation would vary depending on how much "additional" quota is available to be distributed (see section 6.2.3).

6.1.3.1 Sub-Alternative 2C-1: 5-year average commercial quota trigger (8.40 million pounds)

Under alternative 2C-1, quota up to and including **8.40 million pounds** would be distributed according to the current (*status quo*) allocation, and the **additional** quota above 8.40 million pounds would be distributed differently. This trigger is based on the 5-year average commercial quota over the years 2014-2018.[8]

Configuration of alternative 2C-1 is summarized in Table 8; example allocations under hypothetical quota scenarios are described in section 6.2.3.

[8] After Research Set-Aside in years when it was deducted from the commercial quota.

Table 8: Alternative 2C-1: modified distribution of additional commercial quota beyond 8.40 million pounds (5-yr commercial quota trigger).

State	Allocation of baseline quota ≤ 8.40 mil lb	Allocation of <u>additional</u> quota beyond 8.40 mil lb	Revised state quota
ME	0.04756%	0.333%	Dependent on total annual coastwide quota; % share varies with amount of "additional" quota (see section 6.2.3)
NH	0.00046%	0.333%	
MA	6.82046%	12.375%	
RI	15.68298%	12.375%	
CT	2.25708%	12.375%	
NY	7.64699%	12.375%	
NJ	16.72499%	12.375%	
DE	0.01779%	0.333%	
MD	2.03910%	12.375%	
VA	21.31676%	12.375%	
NC	27.44584%	12.375%	
Total	100	100%	100%

6.1.3.2 Sub-Alternative 2C-2: 10-year average commercial quota trigger (10.71 million lb)

Under alternative 2C-2, quota up to and including **10.71 million pou**nds would be distributed according to the current (*status quo*) allocation, and the **additional** quota above 10.71 million pounds would be distributed differently. This trigger is based on the 10-year average commercial quota over the years 2009-2018.[9]

Configuration of alternative 2C-2 is summarized in Table 9; example allocations under hypothetical quota scenarios are described in section 6.2.3.

Table 9: Alternative 2C-2: modified distribution of additional commercial quota beyond 10.71 million pounds (10-yr commercial quota trigger). Hypothetical quota examples represent initial quotas prior to any transfers or deductions for overages.

State	Allocation of baseline quota ≤ 10.71 mil lb	Allocation of <u>additional</u> quota beyond 10.71 mil lb	Revised state quota
ME	0.04756%	0.333%	Dependent on total annual coastwide quota; % share varies with amount of "additional" quota (see section 6.2.3)
NH	0.00046%	0.333%	
MA	6.82046%	12.375%	
RI	15.68298%	12.375%	
CT	2.25708%	12.375%	
NY	7.64699%	12.375%	
NJ	16.72499%	12.375%	
DE	0.01779%	0.333%	
MD	2.03910%	12.375%	
VA	21.31676%	12.375%	
NC	27.44584%	12.375%	
Total	100	100%	100%

[9] After Research Set-Aside in years when it was deducted from the commercial quota.

6.1.4 Alternative 2D: Implement "Scup Model" Quota System for Summer Flounder

This alternative would allocate the annual summer flounder commercial quota into three unequal seasonal periods, similar to the way the commercial scup fishery is currently managed. The proposed quota periods include two winter periods, January-April ("Winter I") and November-December ("Winter II"), during which a coastwide quota system would be implemented in conjunction with a system of coastwide landings limits and other measures. In a "Summer" period, May-October, a state-by-state quota system would be implemented by the Commission, and state-specific measures would be set to constrain landings to the summer state quotas. The Council and Board are seeking public feedback on the quota period dates in particular, in addition to general comments on this alternative, as described below.

During the winter periods, measures would apply throughout the management unit (i.e., no state-specific measures would be implemented), and vessels could land in any port along the coast provided they have the appropriate state specific permits. All commercial landings would count toward the appropriate winter quota, and the fishery would be closed once this quota is exceeded. Winter period overages would be subtracted from the following year's quota for the same period.

In the Summer period, May-October, new state-by-state quota shares would be established and managed by individual states with state level possession limits and other measures. Any overall summer period quota overages would be subtracted from the next year's overall summer period quota, and the Commission would work out the appropriate reductions in state quotas according to which states contributed to the overage. States would be allowed to transfer or combine summer quotas through the Commission's process.

For this alternative, there are **two sub-alternatives for consideration that relate to how the state of Maryland would be dealt with in this system**. The state of Maryland has indicated that coastwide management during the winter periods would conflict with their current system of managing commercial summer flounder quota under an Individual Fishing Quota (IFQ) program. **Sub-alternative 2D-1**, described below, would exempt the state of Maryland from this management system and allow them to retain their current state allocation. **Sub-alternative 2D-2** would implement this quota system without an exemption for Maryland. These sub-alternatives are described in detail below.

6.1.4.1 Sub-Alternative 2D-1: Exemption/Status Quo Management for Maryland

This sub-alternative would implement the “scup model” system for commercial summer flounder with an exemption for the state of Maryland, which manages their commercial summer flounder fishery under an IFQ program. This strategy allows the small number of participants in Maryland's fishery (currently seven IFQ holders) to manage their own allocation as they wish throughout the year. This type of management would not integrate well with coastwide management periods. If Maryland had no state-specific quota during the winter periods, IFQ holders could not be allowed an individual allocation to manage during this time.

Sub-alternative 2D-1 proposes that Maryland's existing state commercial quota percentage for summer flounder (2.03910%) be maintained as a separate state-specific allocation outside of the seasonal period allocation system. Maryland could continue to manage their fishery under an IFQ year-round, and landings from Maryland IFQ vessels during the winter periods would count only toward the annual MD-specific quota rather than the coastwide winter quota. Vessels not licensed to participate in the Maryland fishery would remain unable to land summer flounder commercially

in Maryland, except in circumstances related to safe harbor or other inter-state agreements involving the state of Maryland. Similarly, Maryland vessels would be required to land their summer flounder in the state of Maryland rather than anywhere along the coast.

The proposed configuration of sub-alternative 2D-1 is summarized in Table 10, and described below. Example allocations under hypothetical quota scenarios are described in section 6.2.4.

- **Quota period dates** are proposed to be Winter I: January 1-April 30; Summer: May 1-October 31, and Winter II: November 1-December 31. These are the same dates as previously used for scup, prior to the recent modification of quota period dates (83 FR 17314; April 19, 2018) that moved October from Summer to Winter II for scup. For summer flounder, October is proposed to be in the Summer period based on feedback from advisors as well as initial analysis indicating that the characteristics of the October summer flounder fishery generally align more with the summer fishery in terms of area fished (state vs. federal waters), vessel tonnage, and gear types used. Additional information on this conclusion is provided in the DEIS (in Appendix B). **The Council and Board have requested specific comments from the public on the proposed quota period dates, especially the month of October.**
- **Allocation between quota periods** under alternative 2D-1 is based on summer flounder landings by period over the past 20 years (1997-2016), for all states in the management unit except Maryland.[10] 55.26% of the annual quota would be allocated to Winter I, 27.65% to Summer, and 17.10% to Winter II (Table 10).
- **Quota rollover provisions** would be similar to those in place for the scup fishery. If the full Winter I quota is not harvested, unused quota would be added to the quota for the Winter II period in the same fishing year. Quota is unable to be rolled over from one fishing year to the next under the current FMP.[11]
- **Coastwide possession limits** would be needed during the two winter periods. Specific possession limits are not proposed through this action but would need to be developed and reviewed annually by the Summer Flounder, Scup, and Black Sea Bass Monitoring Committee (MC), accounting for changes in the fishery and the annual quota. These recommendations would then be adopted by the Council and Board during the annual specifications process
- **Summer period state allocations** under 2D-1 are based on the percentage contribution of each state's summer period (May-October) landings from 1997-2016 (Table 10).

[10] Past state-level seasonal regulations (e.g., closures, possession limits) are not explicitly accounted for in this analysis.

[11] For additional discussion of this issue, see page 19 of http://www.mafmc.org/s/Commercial-Range-of-Alts-Discussion-Doc-4-May-2017.pdf

Table 10: Alternative 2D-1: Scup model with Maryland exemption.

Quota Period	Allocation % (of remaining coastwide commercial quota after 2.03910% allocated to MD)		Measures
Winter I (Jan 1-Apr 30)	**55.26%**		Coastwide (except MD)
Summer (May 1- Oct 31)	**27.65%**		State-specific
State-specific summer allocations	**ME**	**0.015%**	
	NH	0.000%	
	MA	19.332%	
	RI	22.476%	
	CT	3.566%	
	NY	18.553%	
	NJ	29.667%	
	DE	0.045%	
	MD	--[a]	
	VA	5.648%	
	NC	0.699%	
Winter II (Nov 1 - Dec 31)	**17.10%**		Coastwide (except MD)
Total	**100%**		--

[a] Under Alternative 2D-1, Maryland would have an annual allocation of 2.03910% of the coastwide quota (and thus no specific seasonal allocation for the summer period quota).

6.1.4.2 Sub-Alternative 2D-2: No Exemption for Maryland

Sub-alternative 2D-2 is similar to alternative 2D-1 except that it would not provide an exemption for Maryland. Maryland IFQ holders would not be able to preserve their current year-round management of their own allocation; instead they would be subject to coastwide measures and closures during the winter periods and state measures during the summer period.

The proposed configuration of sub-alternative 2D-2 is summarized in Table 11, and described below. Example allocations under hypothetical quota scenarios are described in section 6.2.4.

- **Allocation between quota periods** for alternative 2D-2 is based on average summer flounder landings in each proposed period from 1997-2016, in all states Maine through North Carolina. 58.68% would be allocated to the Winter I period, 28.28% to Summer, and 17.04% to Winter II (Table 11).
- **Quota rollover provisions and coastwide possession limit processes** are the same as those described above for alternative 2D-1.
- **Summer period state allocations** under 2D-2 are based on the percentage contribution of each state's summer period (May-October) landings over the period 1997-2016 (Table 11).

Table 11: Alternative 2D-2: scup model without Maryland exemption.

Quota Period	Allocation % (of annual coastwide commercial quota)		Measures
Winter I (Jan 1-Apr 30)	**54.68%**		Coastwide
Summer (May 1- Oct 31)	**28.28%**		State-specific
State-specific summer allocations	**ME**	**0.015%**	
	NH	0.000%	
	MA	18.525%	
	RI	21.538%	
	CT	3.417%	
	NY	17.779%	
	NJ	28.429%	
	DE	0.043%	
	MD	4.171%	
	VA	5.412%	
	NC	0.670%	
Winter II (Nov 1 - Dec 31)	**17.04%**		Coastwide
Total	**100%**		--

6.2 Impacts of Commercial Quota Allocation Alternatives

This alternative set considers options to modify the allocation of commercial quota for summer flounder. Under all alternatives, overall annual landings will still be constrained by the annual commercial quotas, meaning that catch and landings limits should remain the primary driving factor for overall fishery effort in a given year. However, as described below, reallocation would result in a redistribution of effort and revenues among states, and as a result, among fishery participants and shoreside businesses.

Because overall effort is still likely to be driven by annual catch limits and quotas (the impacts of which are analyzed during the specifications process), quota reallocation is unlikely to have substantial impacts on summer flounder or non-target species, habitat, or protected resources. Impacts to these resources may be possible if allocation changes cause substantial changes to the location or timing of fishing effort; however, in general these impacts are expected to be small.

The impacts of this alternative set are primarily socioeconomic impacts on states and their fishing communities, including revenues and jobs for vessel owners and crew, shoreside operations, and other associated businesses. Alternatives 2A, 2B, and 2C can be generally described in terms of impacts to states, since they either maintain the *status quo* (2A) or propose modified state-by-state quotas (2B and 2C). Alternative 2D (the "scup model" allocation) is the most extreme departure from current management given that it opens the winter fishery to any permitted vessel and allows those vessels to land in any port provided they are licensed to land in that state. The impacts of this alternative are the most uncertain, as described below.

The sections below describe the general expected impacts of each proposed alternative for commercial allocation. **Note that more in-depth analysis is provided in the DEIS in section 7.2.**

6.2.1 Impacts of Alternative 2A: No Action/*Status Quo*

Under alternative 2A, no changes to the commercial allocation would be made, meaning this alternative would result in impacts to summer flounder, non-target species, habitat, protected resources, and human communities that are generally similar to conditions in recent years.

Summer flounder catch and effort would continue to be constrained by annual catch limits and associated management measures. States would continue to be constrained to their existing state allocation, and the distribution of landings by state would remain similar to the generally stable levels observed since allocations were implemented in 1993 (Figure 2). Typically, landings by state as a percentage of the coastwide landings do not fluctuate much from year to year, since allocations are constant and most states land or come close to landing their quota. Exceptions can occur under special circumstances, such as 2012-2013 when a high amount of North Carolina landings were landed in Virginia by mutual agreement due to shoaling at Oregon Inlet, NC.

Table 12 shows the percentages of summer flounder landings by state over a 5-year time period (2012-2016) and a 10-year time period (2007-2016). Note that the percentages are of the total harvest, not the total quota, so a percentage that is over or under a state's current allocation does not necessarily mean that state was over or under their allocation on average.

Commercial landings from Maine, New Hampshire, and Delaware are minimal if they occur at all, since directed fisheries for summer flounder do not exist in these states. No commercial summer flounder landings have been reported in Maine since 2010. New Hampshire has indicated that they do not allow commercial harvest of summer flounder and that their reported landings (less than 100 pounds in total) were probably misidentified. Delaware landings have consistently been 0.1% or less of coastwide landings each year since 1993 and have averaged less than 0.01% in recent years (Table 12).

The socioeconomic impacts of the existing allocations have varied depending on the state, although as the allocations have been in place for 25 years, conditions in each state resulting from state allocations have been relatively stable. Some states report negative economic impacts from current allocations due to a mismatch between their current allocation and their fishery capacity and/or summer flounder availability in their waters. Other states have experienced long-term positive socioeconomic impacts from the existing quota allocations. Each state manages their fishery differently in terms of total number of participants, possession limits, seasons, and other measures; these measures are a large driver of the social and economic impacts of the current quotas.

Table 13 gives examples of *status quo* allocations in pounds under hypothetical 8.12 million pound and 14.00 million pound coastwide quotas.

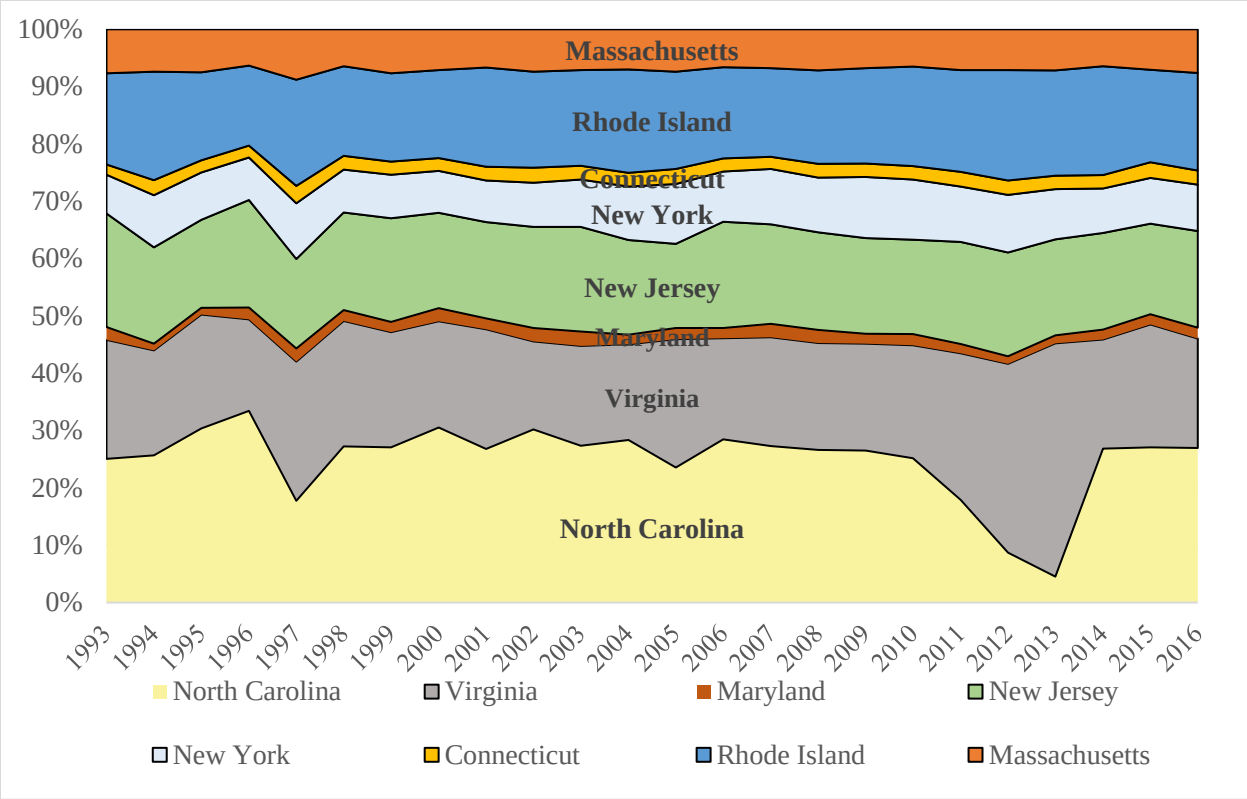

Figure 2: Percentage of coastwide landings by state 1993-2016, Massachusetts through North Carolina (excluding Delaware). Maine, New Hampshire, and Delaware each account for less than 0.1% of landings each year. Maryland and Virginia landings both include some Potomac River Fisheries Commission (PRFC) landings.

Table 12: Percentage of landings within the management unit from each state Maine-North Carolina, 2012-2016 and 2007-2016, and current state-by-state allocations. Source: ACCSP database.

State	% of landings by state, 5-YR (2012-2016)	% of landings by state, 10-YR (2007-2016)	Current Allocation (1980-1989)
ME	0.00000%	0.00405%	0.04756%
NH	0.00000%	0.00001%	0.00046%
MA	7.05052%	6.95463%	6.82046%
RI	18.04914%	17.44612%	15.68298%
CT	2.48158%	2.42149%	2.25708%
NY	8.45865%	9.23102%	7.64699%
NJ	16.90554%	17.02198%	16.72499%
DE	0.01332%	0.01765%	0.01779%
MD	1.75850%	1.88532%	2.0391%
VA	27.59778%	24.01402%	21.31676%
NC	17.68497%	21.00370%	27.44584%
Total	**100.00%**	**100.00%**	**100.00%**

Table 13: Alternative 2A: No Action/*Status Quo;* current allocations based on 1980-1989 landings. Example state quotas are provided under 8.12 million lb and 14.00 million lb coastwide quotas, prior to any transfers or deductions for overages.

State	Allocation (%)	Example allocation (lb) under 8.12 million lb quota	Example allocation (lb) under 14.00 million lb quota
ME	0.04756	3,862	6,658
NH	0.00046	37	64
MA	6.82046	553,821	954,864
RI	15.68298	1,273,458	2,195,617
CT	2.25708	183,275	315,991
NY	7.64699	620,936	1,070,579
NJ	16.72499	1,358,069	2,341,499
DE	0.01779	1,445	2,491
MD	2.03910	165,575	285,474
VA	21.31676	1,730,921	2,984,346
NC	27.44584	2,228,602	3,842,418
Total	100	8,120,001	14,000,001

6.2.2 Impacts of Alternative 2B: Adjust State Quotas Based on Recent Biomass Distribution

Both sub-alternatives under alternative 2B would adjust state quotas to account for recent biomass distribution. Under both sub-alternatives 2B-1 and 2B-2, the states from New Jersey south would see reduced state allocations while the states from New York north would see increased allocation. This would change the distribution of landings by port and state, with increased landings expected in these northern states. By extension, these alternatives may modify the level of activity for individual fishery participants, if those in northern states are able to take more or longer trips, and if those in southern states have to reduce their effort.

Under alternative 2B, some location and/or timing of commercial summer flounder effort could change, which could affect each VEC, although the magnitude and direction of impacts are difficult to predict, as effort is influenced by many factors. Offshore winter fishing effort locations are not expected to change substantially, as the larger vessels that typically participate in this season have historically been more mobile vessels that target prime summer flounder fishing locations offshore even when long steam times are required to do so. However, the balance of offshore vs. inshore effort could potentially shift, due to changes in the allocation for states that are dominant in the winter fishery. In addition, nearshore effort may see a small to moderate shift in location under this alternative, however, the extent to which this may occur is difficult to predict and would depend on other factors such as management response to increased or decreased quotas.

Summer flounder populations should not experience significant impacts, since overall removals will still be constrained by catch and landings limits and other management measures. Changes in the timing or location of fishing effort could in theory impact localized effort and mortality for summer flounder, but it is uncertain to what extent this would occur, and as described above, would likely to be more pronounced in inshore areas. Given the changes considered here, any effects of this nature are likely be minor, as most fishing effort is likely to remain focused in the most traditionally productive locations.

The primary impacts of alternatives 2B-1 or 2B-2 are social and economic impacts to states and fishing communities. Under both sub-alternatives, landings in the northern states (New York

north) would likely increase, resulting in positive economic impacts to fishing operations and shoreside businesses in those states. Landings in southern states would likely decrease, resulting in negative socioeconomic impacts to fishing operations and shoreside businesses in those states.

At the vessel and individual participant level, both sub-alternatives may result in increased participation in states New York and north and decreased participation in southern states. However, the distribution of positive or negative economic impacts among individual participants and businesses will be highly variable by state depending on restrictions on the overall number of participants and other measures used to manage the fishery. For example, a modest increase in quota to a state with many participants and restrictive management measures may result in less positive economic benefits at the level of individual businesses than a similar increase in quota to a state that has a more limited pool of participants under similar management measures. Distribution of economic benefits or costs is also likely to depend on price variations by state and port, given that ex-vessel price in a given port often varies in inverse relationship to the amount of landings of a given species. If increased landings in northern ports cause prices to decrease, this may offset some of the positive economic benefits in these areas.

The magnitude of these impacts is somewhat uncertain and would vary depending on which sub-alternative is selected. Generally, the magnitude of impacts will vary with the change in allocation relative to a state's existing quota.

For **alternative 2B-1**, the states of New York through Maine would receive an increase in allocation of 19% relative to their current state allocations (with state share of coastwide quota allocation increased by between 0.00009% and 2.98% depending on the state). A corresponding increase in landings in these states is possible relative to average landings in recent years, however, total landings will depend on the annual coastwide commercial quota. States New Jersey through North Carolina would see a 9% decrease in their quota allocation relative to their current state allocations (with state share of coastwide quota allocation decreasing by between 0.0016% and 2.5%, depending on the state). While revenues generally correlate with landings, revenues are also influenced by price, vessel and shoreside costs, and other market factors and are difficult to predict. Example quotas under alternative 2B-1 and hypothetical 8.12 million lb and 14.00 million lb coastwide quotas are shown in Table 14.

Alternative 2B-2 is a larger shift of allocation to the northern states and will result in more substantial socioeconomic impacts (positive or negative depending on the state as described above). New York through Maine would receive an increase in allocation of 40% relative to their current state allocations (with state share of coastwide quota allocation increased by between 0.00018% and 6.28% depending on the state). States New Jersey through North Carolina would see a 19% decrease in their quota allocation relative to their current state allocations (with state share of coastwide quota allocation decreasing by between 0.003% and 5.3%, depending on the state). Example quotas under alternative 2B-2 and hypothetical 8.12 million lb and 14.00 million lb coastwide quotas are shown in Table 15.

As described in section 6.1, the Council and Board intend to revisit any selected allocation within 10 years of implementation. It is important to note that when allocations are based in part on biomass distribution (as opposed to the distribution of landings) such as under alternative 2B-1 or 2B-2, it becomes more important to revisit these allocations regularly, because exploitable biomass can and will shift over time.

Table 14: Alternative 2B-1 resulting state allocations and relative changes. Example quota allocations based on hypothetical 8.12 million lb and 14.00 million lb coastwide quotas are also provided with comparison to status quo distribution.

State	Revised state allocation under Alt 2B-1 (%)[a]	Percent change relative to existing state allocation	Change in share of total coastwide quota	2B-1 example allocation (lbs) under 8.12 million lb quota	*Status Quo* allocation (lbs) under 8.12 million lb quota	2B-1 example allocation (lbs) under 14.00 million lb quota	*Status Quo* allocation (lbs) under 14.00 million lb quota
ME	**0.05660**	+19.0%	+0.00904	4,596	3,862	7,923	6,658
NH	**0.00055**	+19.0%	+0.00009	44	37	77	64
MA	**8.11635**	+19.0%	+1.29589	659,047	553,821	1,136,289	954,864
RI	**18.66275**	+19.0%	+2.97977	1,515,415	1,273,458	2,612,784	2,195,617
CT	**2.68593**	+19.0%	+0.42885	218,097	183,275	376,030	315,991
NY	**9.09992**	+19.0%	+1.45293	738,913	620,936	1,273,989	1,070,579
NJ	**15.19806**	-9.1%	-1.52693	1,234,083	1,358,069	2,127,728	2,341,499
DE	**0.01617**	-9.1%	-0.00162	1,313	1,445	2,263	2,491
MD	**1.85294**	-9.1%	-0.18616	150,459	165,575	259,411	285,474
VA	**19.37062**	-9.1%	-1.94614	1,572,894	1,730,921	2,711,887	2,984,346
NC	**24.94014**	-9.1%	-2.50570	2,025,139	2,228,602	3,491,619	3,842,418
Total	**100**	--	0	8,120,000	8,120,001	14,000,000	14,000,001

Table 15: Alternative 2B-2 resulting state allocations and relative changes. Example quota allocations based on hypothetical 8.12 million lb and 14.00 million lb coastwide quotas are also provided with comparison to status quo distribution.

State	Revised state allocation under Alt 2B-2 (%)[a]	Percent change relative to existing state allocation	Change in share of total coastwide quota	2B-2 example allocation (lbs) under 8.12 million lb quota	*Status Quo* allocation (lbs) under 8.12 million lb quota	2B-2 example allocation (lbs) under 14.00 million lb quota	*Status Quo* allocation (lbs) under 14.00 million lb quota
ME	**0.06661**	+40.1%	+0.01905	5,409	3,862	9,325	6,658
NH	**0.00064**	+40.1%	+0.00018	52	37	90	64
MA	**9.55238**	+40.1%	+2.73192	775,653	553,821	1,337,333	954,864
RI	**21.96477**	+40.1%	+6.28179	1,783,539	1,273,458	3,075,067	2,195,617
CT	**3.16115**	+40.1%	+0.90407	256,685	183,275	442,561	315,991
NY	**10.70998**	+40.1%	+3.06299	869,650	620,936	1,499,397	1,070,579
NJ	**13.50600**	-19.2%	-3.21899	1,096,687	1,358,069	1,890,840	2,341,499
DE	**0.01437**	-19.2%	-0.00342	1,167	1,445	2,011	2,491
MD	**1.64664**	-19.2%	-0.39246	133,707	165,575	230,530	285,474
VA	**17.21401**	-19.2%	-4.10275	1,397,778	1,730,921	2,409,961	2,984,346
NC	**22.16345**	-19.2%	-5.28239	1,799,672	2,228,602	3,102,883	3,842,418
Total	100	--	0	8,120,000	8,120,001	14,000,000	14,000,001

6.2.3 Impacts of Alternative 2C: Revise State Allocations Above a Commercial Quota Trigger

Alternative 2C maintains *status quo* quota allocations until the annual commercial quota exceeds a certain trigger point (8.40 million pounds for alternative 2C-1, and 10.71 million pounds for alternative 2C-2). This alternative is intended to spread the benefits of increased stock size more equally among states (with a smaller distribution to states without a directed fishery).

As with alternative 2B, this alternative is expected to have negligible to minor impacts on the summer flounder resource, non-target species, habitat, and protected resources. The impacts of allocation under alternative 2C will be primarily socioeconomic impacts to states and associated permit holders and fishing communities.

Under alternative 2C, final state percentage allocations would vary in each year depending on the overall coastwide quota, because the overall allocation percentages vary depending on how much additional quota there is to be distributed. Figure 3 (alternative 2C-1) and Figure 4 (alternative 2C-2) show that for quotas up to the trigger point, allocations remain *status quo*. As the annual commercial quota level grows beyond the quota trigger, the state quota allocation percentages get closer together, i.e., with increasing quotas above the trigger, quota is distributed more evenly among the states. Additional breakdowns of how the revised quotas would be calculated are described in the DEIS in section 5.2.3.

Under both options, states with current allocations above 12.375% of the coastwide quota (NC, VA, RI, and NJ) will lose allocation percentage as the quota grows beyond the trigger point. However, the potential negative economic impacts associated with losing share of the overall quota would be somewhat mitigated by the fact that this loss would only happen in relatively higher quota years, meaning revenues for these states may be more stable than what would be expected under a permanent reallocation. States that currently have less than 12.375% of the coastwide quota will see their percent shares increase with growth of the annual quota beyond the trigger point.

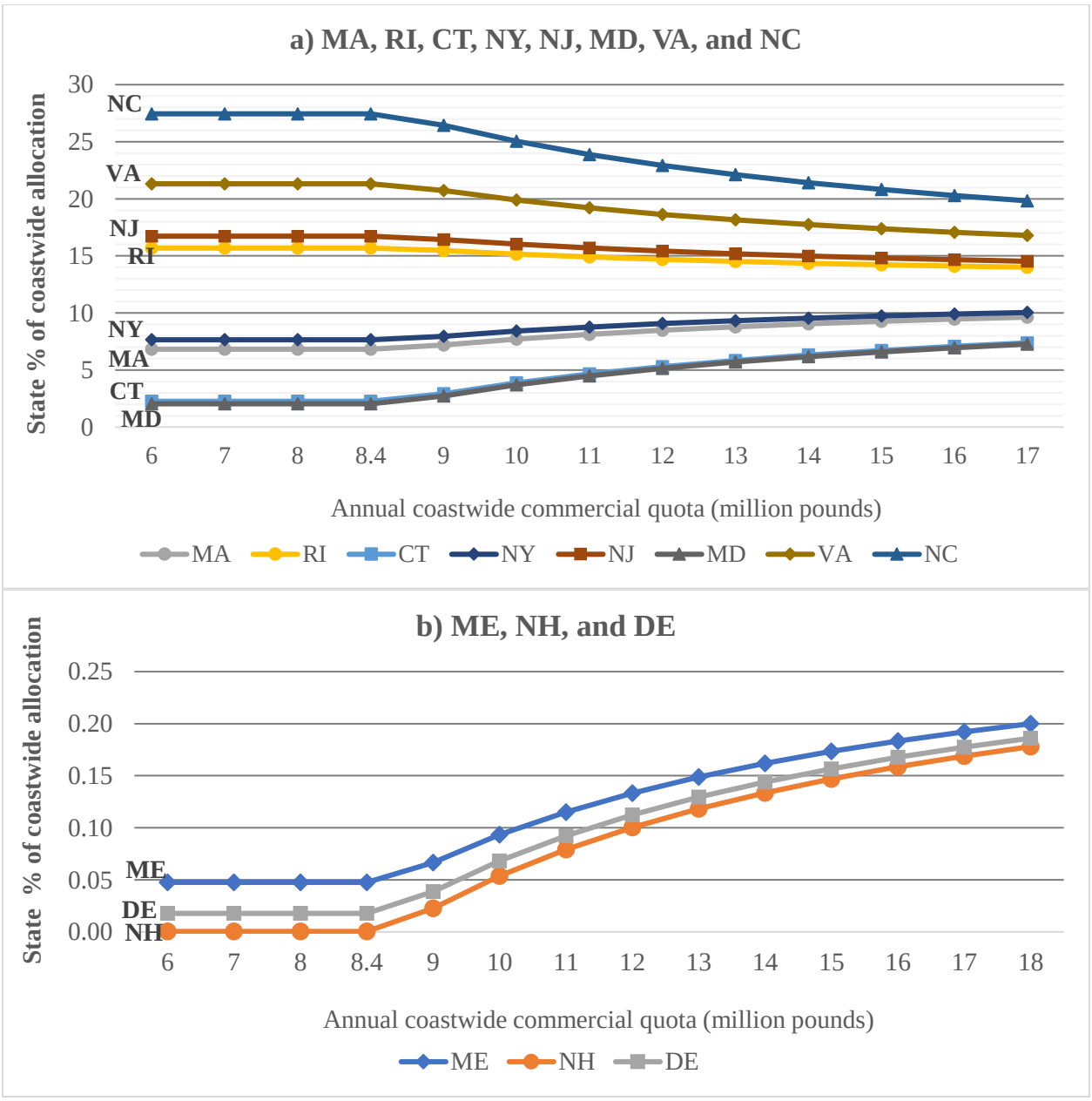

Figure 3: State quota allocation percentage with varying annual coastwide quotas under alternative 2C-1 (8.40 million pound trigger) for a) States with over 1% of the current allocation, and b) Maine, Delaware, and New Hampshire.

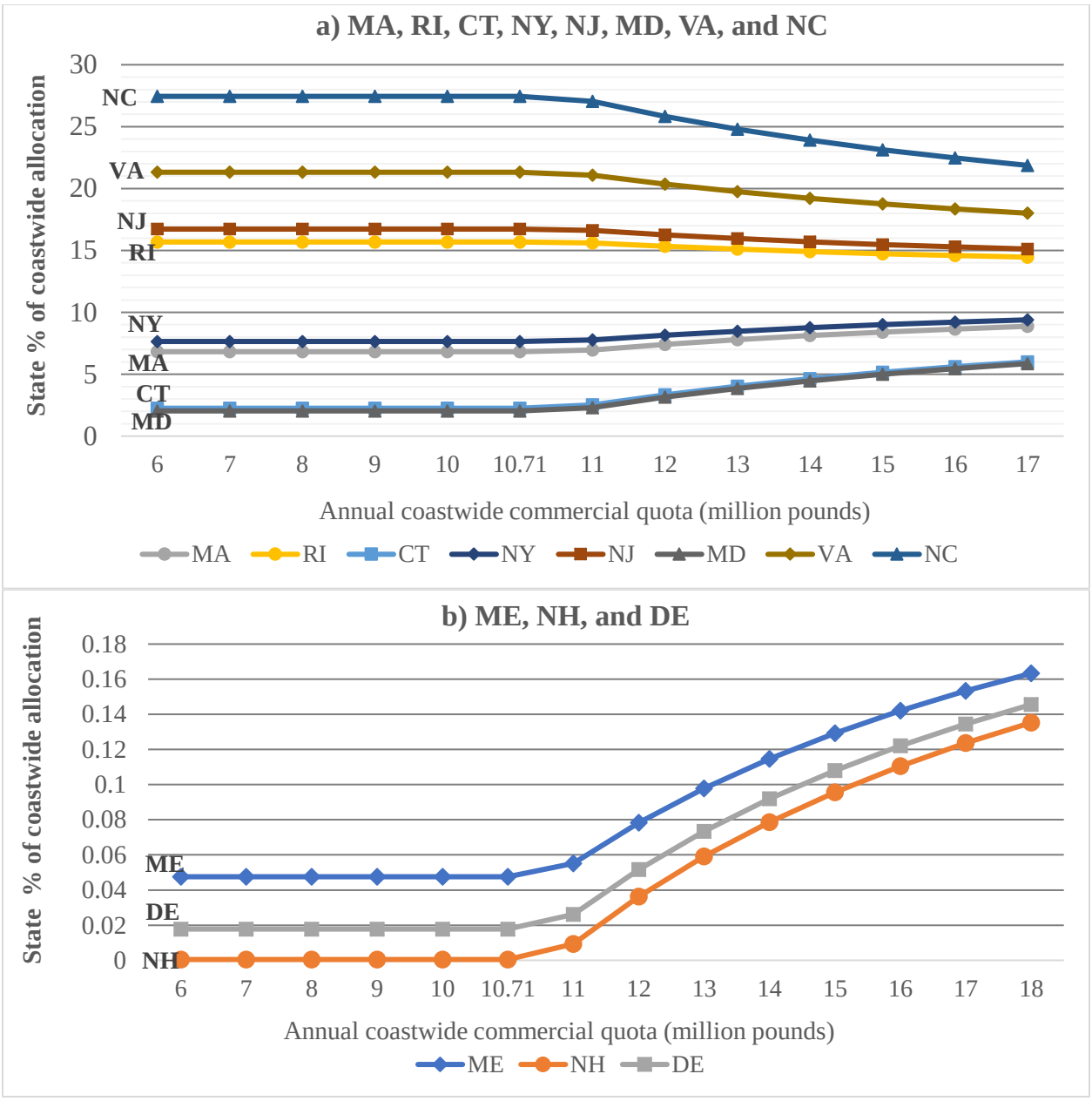

Figure 4: State quota allocation percentage with varying annual coastwide quotas under alternative 2C-2 (10.71 million pound trigger) for a) States with over 1% of the current allocation, and b) Maine, Delaware, and New Hampshire.

The **main difference between sub-alternatives 2C-1 and 2C-2** is how often the quota is expected to exceed each trigger, and the amount of "additional quota" that would be available under likely future coastwide quota scenarios. Figure 5 shows the time series of commercial quotas since 1993, compared to the quota triggers under 2C-1 (8.40 million pounds) and 2C-2 (10.71 million pounds).

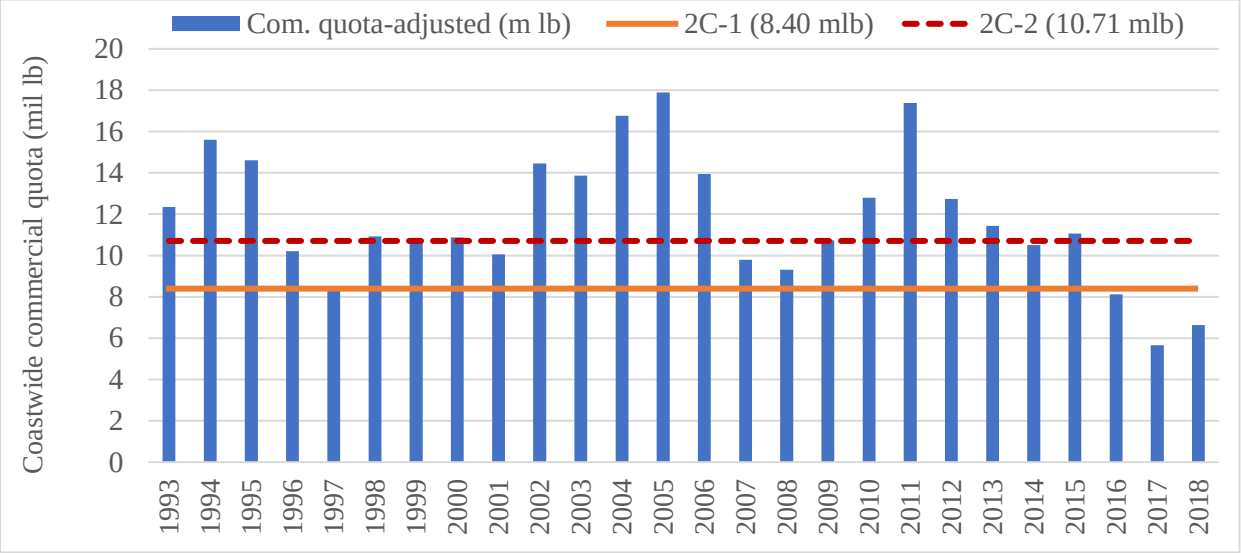

Figure 5: Time series of annual commercial quotas for summer flounder 1993-2018, and proposed commercial quota triggers under alternatives 2C-1 and 2C-2.

Table 16 below shows how often each of these triggers would have been exceeded if applied to historical quotas (1993-2018), and the resulting percent allocation for each state under the time series low coastwide quota (5.66 million pounds; 2017) and time series high quota (17.90 million pounds; 2005). This provides a range of reasonably expected allocation percentages for each state, assuming future quotas do not change substantially from what has been implemented in the past. For NC, VA, RI, and NJ, the highest allocation received within this range would be that under *status quo* conditions (i.e., when the trigger is not exceeded). For all other states, the highest allocation percentage corresponds with the highest annual coastwide quota within the range considered (Table 16).

The commercial fishery for summer flounder in the states of Maine, New Hampshire, and Delaware is considered largely incidental; there is little to no directed fishing effort. Given the current low landings and relatively small increase in quota under this alternative, it is not anticipated that this alternative would lead to meaningful amounts of directed fishing in these states, and thus the potential socioeconomic impacts to fishing communities in these states is expected to be minimal.

Table 16: Summary of expected range of allocation outcomes of alternatives 2C-1 and 2C-2 given historical quotas.

	Alternative 2C-1		Alternative 2C-2	
Annual commercial quota trigger	8.40 million lb		10.71 million lb	
Frequency of historical quotas at or below trigger (1993-2018)	4 of 26		9 of 26	
Frequency of historical quotas exceeding trigger (1993-2018)	22 of 26		17 of 26	
State allocation under high and low quotas	**Alloc. % under low quota (5.66 m. lb) = *Status quo allocation***	**Alloc. % under high quota (17.9 m. lb) = revised allocation**	**Alloc. % under low quota (5.66 m. lb) = *Status quo allocation***	**Alloc. % under high quota (17.9 m. lb) = revised allocation**
ME	0.04756	0.19923	0.04756	0.16235
NH	0.00046	0.17712	0.00046	0.13417
MA	6.82046	9.76840	6.82046	9.05159
RI	15.68298	13.92735	15.68298	14.35424
CT	2.25708	7.62693	2.25708	6.32121
NY	7.64699	10.15627	7.64699	9.54612
NJ	16.72499	14.41634	16.72499	14.97770
DE	0.01779	0.18526	0.01779	0.14453
MD	2.0391	7.52463	2.0391	6.19078
VA	21.31676	16.57113	21.31676	17.72507
NC	27.44584	19.44735	27.44584	21.39225

6.2.4 Impacts of Alternative 2D: "Scup Model" for Commercial Summer Flounder

The scup model quota system under alternative 2D, with two coastwide winter periods and a state-by-state summer period, is proposed in part as a way to distribute quota between smaller vessels, which tend to operate closer to shore in the summer months, and larger vessels, which typically operate offshore in the winter months.

Because this quota system eliminates the historical year-round state-by-state quota system, the expected impacts of this alternative are highly uncertain, more so than the impacts of the other allocation options. The effects of moving toward seasonal coastwide management will depend on how many vessels are able to participate in this fishery and what specific management measures would be implemented under coastwide quota periods.

Coastwide winter periods would be open to any vessel permitted to land summer flounder (federal permits would still be required to fish in federal waters or to sell to a federal dealer, but otherwise state and federally permitted vessels could land summer flounder anywhere in the management unit provided they have the appropriate state permits). This will require the use of uniform management measures (possession limits, open and closed seasons within the quota period, etc.) to be applied in both state and federal waters throughout the management unit during the winter periods.

It would likely be difficult to develop coastwide possession limits that are acceptable to a wide variety of participants that still constrain landings to the period quota. The challenge inherent in this option is to develop a coastwide system that provides an equitable distribution of the quota to northern and southern participants as well as between smaller boats and larger offshore vessels. A system to revise possession limits mid-season will also need to consider the administrative costs of notifying permit holders, especially if limits change multiple times per season.

Council/Board members and other stakeholders have raised concerns about the potential for "derby fishing" during the coastwide winter periods under this option and are specifically seeking public comment on this issue. The concern is that coastwide quotas would create an incentive for high fishing effort toward the beginning of each winter quota period in order to participate while the quota period is still open. There would still be measures such as daily trip limits to try to spread harvest throughout each winter quota period, so the fishery would not be completely unconstrained. However, with vessels from all states able to participate in the fishery during this time, the winter period quotas could still be landed relatively quickly especially if the overall annual quota is relatively low. This could result in negative economic impacts to participating vessels as the result of increased competition during these time periods, with the potential for market flooding to occur. In addition, derby fishing could create incentives to fish in non-optimal conditions which could present a safety issue. States have historically had varying levels of participation in the winter fishery, so this could impact states differently.

A scup model may work somewhat better during higher quota years where derby fishing may be less of a problem. Under lower quotas, there will be more pressure to land fish early in the quota period, especially if many vessels are participating in the winter fishery. However, summer flounder is a high demand species, and it is likely that there will be some difficulty controlling coastwide harvest in this scenario regardless of overall annual quota; thus, limits may need to be set at low levels to ensure reasonable access to the resource for all vessels, and so that landings can be spread throughout the quota period.

Shoreside businesses would also be impacted under this quota allocation configuration, potentially more so than under other allocation options since the location of landings during the winter season would be more difficult to predict. Socioeconomic impacts to these businesses would be driven by where vessels chose to land in the winter, and their state's allocation during the summer period. Ports that are relatively easier to access, closer to prime harvest locations, or with generally favorable market conditions are more likely to benefit. Businesses and communities in these ports could see increases in revenues and jobs. Likewise, ports and businesses that do not have these advantages may see a decrease in landings, revenues, and jobs.

Overall, social and economic impacts are expected to vary by state but are difficult to predict given the uncertainty in coastwide winter fishery participation. Each state's relative economic benefits or costs would depend on how many vessels they have that are able to participate in the winter fishery, how many trips could be taken by those vessels in a given year, market conditions in the areas where those vessels chose to land, among other factors.

The **differences between sub-alternatives 2D-1 and 2D-2** primarily impact the state of Maryland. Under alternative 2D-2, without an exemption for Maryland IFQ holders, these fishery participants and their communities are likely to experience negative socioeconomic impacts. An exemption for Maryland under alternative 2D-1 may cause enforcement and logistical concerns upon implementation, although NMFS has indicated that is likely to be possible for Maryland vessels to

continue operating separately from an otherwise coastwide fishery. Increased administrative and enforcement effort may be needed under this exemption.

Table 17 provides an example of quota allocation breakdown under hypothetical quota scenarios under alternative 2D-1 (includes Maryland exemption), while Table 18 provides the same examples under alternative 2D-2 (no Maryland exemption). Table 19 compares the differences in allocations between alternatives 2D-1 and 2D-2.

Table 17: Alternative 2D-1: Scup model with Maryland exemption. Example allocations shown using hypothetical coastwide quotas at 8.12 million lb and 14.00 million lb.

Quota Period	Allocation % (of remaining coastwide commercial quota after 2.03910% allocated to MD)		Measures	Example allocation (lb) under 8.12 million lb quota		Example allocation (lb) under 14.00 million lb quota	
Winter I (Jan 1-Apr 30)	**55.26%**		Coastwide (except MD)	4,486,850		7,735,948	
Summer (May 1-Oct 31)	**27.65%**		State-specific	2,244,955		3,870,612	
State-specific summer allocations	**ME**	0.015%		**ME**	347	**ME**	598
	NH	0.000%		**NH**	0	**NH**	2
	MA	19.332%		**MA**	433,988	**MA**	748,255
	RI	22.476%		**RI**	504,568	**RI**	869,945
	CT	3.566%		**CT**	80,052	**CT**	138,021
	NY	18.553%		**NY**	416,495	**NY**	718,095
	NJ	29.667%		**NJ**	666,004	**NJ**	1,148,283
	DE	0.045%		**DE**	1,013	**DE**	1,746
	MD	--[a]		**MD**	--[a]	**MD**	--[a]
	VA	5.648%		**VA**	126,785	**VA**	218,594
	NC	0.699%		**NC**	15,702	**NC**	27,072
Winter II (November 1 - Dec 31)	**17.10%**		Coastwide (except MD)	1,388,195		2,393,440	
Total	**100%**		--	8,120,000		14,000,000	

[a] Under Alternative 2D-1, Maryland would have an annual allocation of 2.03910% of the coastwide quota (and thus no specific seasonal allocation for the summer period quota).

Table 18: Summary of proposed allocation configuration of Alternative 2D-2 (includes Maryland), with examples using hypothetical coastwide quotas at 8.12 million lb and 14.00 million lb.

Quota Period	Allocation % (of annual coastwide commercial quota)	Measures	Example allocation (lbs) under 8.12 million lb quota	Example allocation (lbs) under 14.00 million lb quota
Winter I (Jan 1-Apr 30)	**54.68%**	Coastwide	4,440,145	7,655,422
Summer (May 1-Oct 31)	**28.28%**	State-specific	2,296,255	3,959,060
State-specific summer allocations	**ME** 0.015% **NH** 0.000% **MA** 18.525% **RI** 21.538% **CT** 3.417% **NY** 17.779% **NJ** 28.429% **DE** 0.043% **MD** 4.171% **VA** 5.412% **NC** 0.670%		**ME** 340 **NH** 0 **MA** 425,389 **RI** 494,571 **CT** 78,466 **NY** 408,243 **NJ** 652,808 **DE** 993 **MD** 95,782 **VA** 124,272 **NC** 15,391	**ME** 586 **NH** 2 **MA** 733,429 **RI** 852,708 **CT** 135,287 **NY** 703,867 **NJ** 1,125,531 **DE** 1,711 **MD** 165,141 **VA** 214,263 **NC** 26,536
Winter II (Nov 1 - Dec 31)	**17.04%**	Coastwide	1,383,599	2,385,516
Total	**100%**	--	8,120,000	14,000,000

Table 19: Comparison of allocation differences between sub-alternatives 2D-1 and 2D-2.

	Alt. 2D-1: based on 1997-2016 landings without Maryland	Alt. 2D-2: based on 1997-2016 landings with Maryland	Absolute Difference
Quota Period Allocations			
Winter I	55.26%	54.68%	0.58%
Summer	27.65%	28.28%	0.63%
Winter II	17.10%	17.04%	0.06%
State Summer Period Allocations			
ME	0.02%	0.01%	0.01%
NH	0.00%	0.00%	0.00%
MA	19.33%	18.53%	0.80%
RI	22.48%	21.54%	0.94%
CT	3.57%	3.42%	0.15%
NY	18.55%	17.78%	0.77%
NJ	29.67%	28.43%	1.24%
DE	0.05%	0.04%	0.01%
MD	--[a]	4.17%	--
VA	5.65%	5.41%	0.24%
NC	0.70%	0.67%	0.03%

[a] Maryland would have an annual allocation of 2.03910% of the coastwide quota under 2D-1 (and thus no specific seasonal allocation for the summer period quota).

7.0 LANDINGS FLEXIBILITY FRAMEWORK PROVISIONS

7.1 Landings Flexibility Framework Provision Alternatives

This alternative set considers whether to add "landings flexibility" policies to the list of issues in the Council's FMP that can be modified through a framework action. Framework actions are modifications to the Council's FMP that are typically (though not always) more efficient than a full amendment. While amendments may take several years to complete and address a variety of issues, frameworks can often be completed in 5-8 months and address one or a few issues in a fishery. Framework actions can only modify existing measures and/or those that have been previously considered in an FMP amendment. Because the Commission does not do framework actions and instead can address issues of this scope through FMP addenda, this alternative set does not apply to the Commission's FMP.

Landings flexibility, as described below, may allow for commercial vessels to land or possess summer flounder in states where they are not permitted at the state level. Landings flexibility differs from “safe harbor” agreements between some states, which are based on state level agreements and allow a state to accept landings from a vessel on a temporary basis under certain emergency situations (e.g., weather, mechanical breakdown, injured crew member). Landings flexibility, on the other hand, would be a broader policy that would require a state to accept vessels that do not necessarily meet state level permitting or landing license criteria, as described under alternative 3B below.

This action would not implement any landings flexibility policies at this time, but instead would simply allow these policies to be implemented via a future framework action (for the Council; with corresponding addendum from the Commission) rather than through an amendment

process. **The impacts of any future framework action related to landings flexibility would be analyzed through a separate action**, which would include public comment opportunities and documentation of compliance with all applicable laws. Depending on the proposed configuration of landings flexibility in a future action, **the level of analysis required may vary and an EIS may be required if impacts are expected to be significant.**

7.3.1 Alternative 3A: No Action/*Status Quo*

Under this alternative, no changes would be made to the framework provisions of the FMP. Broad coastwide landings flexibility would remain inconsistent with the current FMP, and any future programs of this type would likely have to be implemented through an amendment to the FMP. While the Commission may be able to implement coastwide landings flexibility through an addendum, doing so could create inconsistencies between the two FMPs. States would remain free to develop landings flexibility agreements through state-level agreements, provided that such agreements are consistent with other Council and Commission FMP requirements and would not require modification to the federal management measures.

7.3.2 Alternative 3B: Add Landings Flexibility as a Frameworkable Issue in the Council's FMP

Under alternative 3B, “landings flexibility” policies for the commercial summer flounder fishery would be added to the list of frameworkable items in the Council's FMP. This alternative is primarily administrative in that it does not implement any landings flexibility policies, but simply modifies the way that landings flexibility policies may be implemented in the future.

"Landings flexibility" means the ability to land or possess summer flounder in any state (or, in some configurations, any participating state) without requiring that vessel to be permitted in that state. The Council and Board's intent is to allow for consideration of multiple possible configurations of landings flexibility through future framework actions, including allowing vessels to land in any port/state, developing multi-state landings agreements, and/or allowing vessels to possess multiple state possession limits at one time for separate offloading. The specific details of how landings flexibility would work in practice would be determined at the time of a future framework action.

Landings flexibility is typically proposed to work within a state-by-state quota system, and would not be necessary under the "scup model" configuration of alternative 2D. NMFS has indicated that quota transfers would likely be required for each "out of state" landing event to properly attribute landings to the permit state rather than the state of landing. It would not be possible to track landings at the individual permit/vessel level with timeliness and accuracy required of in-season commercial management. If a vessel is permitted in multiple states, there would need to be a clear process to specify against which state's quota the landings should be counted and which state needs to participate in a quota transfer. Under the commonly discussed broad coastwide configuration of landings flexibility, each state would be required to accept any commercial vessels landing summer flounder and participate in the associated quota transfer.

Any future framework action would need to determine how state level trip limits and other state-specific measures would be enforced if any vessel could land in any state. Specifically, the Council and Board would need to specify if a vessel would be subject to the possession/trip limits and seasons of the state in which they land, or to those of the state in which they are permitted.

7.3 Impacts of Landings Flexibility Framework Provision Alternatives

In general, the framework alternatives proposed in this action are primarily administrative and intended to simplify and improve the efficiency of future landings flexibility actions to the extent possible. The purpose of modifying the list of "frameworkable items" in the FMP is to demonstrate that the concepts included on the list have previously been considered in an amendment (i.e., they are not novel). The impacts of alternatives 3A and 3B are briefly described below.

The sections below describe the general expected impacts of each proposed alternative for landings flexibility framework provisions.

7.3.1 Impacts of Alternative 3A: No Action/*Status Quo*

Alternative 3A would make no changes to the current list of framework provisions in the Council's FMP. Any future proposed landings flexibility policy that required coastwide participation or modification to the federal measures would likely require a full FMP amendment. The timeline and complexity of such an amendment would heavily depend on the nature of options considered and to what extent landings flexibility could work within the existing management program.

As stated above, states would remain free to develop landings flexibility agreements by state-level agreements, provided that such agreements are consistent with other Council and Commission FMP requirements and would not require modification to the federal management measures.

7.3.2 Impacts of Alternative 3B: Add Landings Flexibility as a Frameworkable Issue in the FMP

Allowing landings flexibility policies to be implemented through a framework action would not have any direct impacts on the environment or human communities, as this alternative is primarily administrative. Under this alternative, any future landings flexibility framework action (likely developed in conjunction with a Commission addendum) would be analyzed through a separate process with associated public comment opportunities and a full description of expected impacts.

It is not possible to predict the magnitude and direction of impacts of any future landings flexibility framework actions; however, such actions would need to specify and analyze several aspects of how landings flexibility would work in practice. Landings flexibility policies have been suggested as a means of addressing rising fishing costs, fuel use, increasing adaptability to market conditions, addressing safety concerns, adapting to a changing distribution of fish, and improving efficiency. However, landings flexibility also raises questions and concerns relative to enforcement (e.g., which state's measures are enforced), administrative burdens associated with associated quota transfers and monitoring, and possibly substantial impacts to shoreside operations. Additional concerns have been raised about the potential for flooding markets and rapid swings in market prices if many vessels ultimately chased ports with higher prices at a given time.

Given these issues, depending on how landings flexibility is configured, the social and economic impacts associated with a future framework action may be significant and require substantial analysis. Although the timeline for Magnuson Stevens Act requirements could be shortened by completing a framework instead of an amendment, **an EIS may still be required** for NEPA analysis depending on the expected impacts of future management options, **extending the timeline of a typical framework and possibly eliminating time savings entirely.**