



Mr. Thomas A. Nies
Executive Director
New England Fishery Management Council
50 Water St., Mill 2
Newburyport, MA 01950

July 24, 2010

Dear Mr. Nies,

As the New England Fishery Management Council (Council) prepares for its upcoming priority-setting process, the Scallopers Campaign requests the Council to include the development of a leasing program for the Limited Access (LA) sea scallop fishery in its 2021 priorities. A leasing program would improve operational and economic flexibility and enhance the fleet's ability to withstand future variability and contingencies in the fishery.

Challenges Facing the Industry

The Atlantic sea scallop fishery is a modern success story, at least in terms of stock rebuilding and biological sustainability. From an economic perspective, however, the fishery has not been managed to its fullest potential. The current management approach for the LA scallop fleet of **one boat-one permit-one allocation** has forced vessel owners to operate their vessels inefficiently. This misalignment of economic inputs and scallop harvesting allocations has led to substantial excess fishing capacity and prevents the fleet from improving its economic resiliency.

A typical full-time LA scallop vessel harvests its annual scallop allocation in approximately 70 days, leaving vessels inactive and tied to the dock more than 80 percent of the year. The only growth option is to buy another permit, which means buying another vessel. This forces the permit holder to take on the initial capital costs and ongoing maintenance expenses of a second, redundant vessel. **Although one vessel could easily harvest the allocation of two LA permits, the fleet has no flexibility to do so.** In the absence of a leasing program, smaller, independent owner/operators are not able to grow their operations in reasonable increments.

Benefits of Leasing

Based on discussions with industry members and other stakeholders, we strongly believe a leasing program within the LA scallop fishery would improve operational flexibility and create opportunities for the fishery to achieve its economic potential.

- A program establishing leasing mechanisms would enable LA vessel owners to grow their operations incrementally, giving them more options and flexibility.

- Leasing would provide vessel owners the flexibility to align their harvesting capacity with harvestable allocations. This would improve economic efficiency and enhance conservation of economic inputs in the operation of the fishery, consistent with National Standard (NS) 5.
- Through improved economic efficiency and operational flexibility, the LA fleet would have improved resilience to withstand variability and contingencies in the future performance of the fishery, positioning it for the future.
- Safety at sea in the fishery would benefit from improved crew continuity on scallop vessels and by eliminating impediments to vessel modernization and replacement.

Industry Input and Support

As we mentioned in our previous correspondence, the Scallopers Campaign is conducting a survey of LA vessel owners, posted on our website, www.scalloperscampaign.org. The purpose of the survey is to collect information to inform the development of a leasing program. We will compile the results and share them with the Council in August.

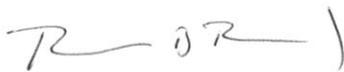
Meanwhile, support for leasing within the LA fleet continues to grow; flexibility is needed now more than ever. With **70% of LA vessels in support** of the Council prioritizing the development of a voluntary leasing program, the LA scallop fleet is clearly ready to engage in this process.

The Scallopers Campaign strongly believes the Plan Development Team (PDT), Scallop Advisory Panel (AP), and Scallop Committee—with the support and expertise of Council staff—are well suited to develop a leasing program for the LA scallop fishery. Should the Council rank leasing “above the line” for 2021, we would anticipate these three bodies will identify opportunities and concerns, and develop strategies and mechanisms to ensure the development of a successful program through an amendment to the Sea Scallop Fishery Management Plan (FMP). To assist in that work and based on many discussions with industry members, we wanted to share with the Council some possible issues it may want to consider. [see attachment]

Thank you and best regards,



Jeffrey R. Pike



Rick Robins



Toward a Leasing Option for the Limited Access Scallop Fleet

July 24, 2020

If the Council selects leasing as a priority for 2021, the PDT, AP, and Committee will need to develop goals and objectives for the action, identify opportunities and concerns, and develop strategies and mechanisms to ensure the development of a successful program through an amendment to the Sea Scallop Fishery Management Plan (FMP). Through discussions with industry over the past 12 months, the Scallopers Campaign has received a number of questions, concerns, and possible objectives for a leasing program that we wanted to share with the Council. We have synthesized these issues as follows:

Proposed Principles

In our view, the leasing program should:

- Promote flexibility and fairness for the benefit of the sea scallop fleet;
- Improve the economic performance and resiliency of the fishery;
- Include a commitment and measures (e.g. sideboards) to protect other fisheries from negative impacts of any approved program;
- Improve crew safety in the scallop fishery;
- Position the fleet to respond to future resource challenges;
- Ensure conservation neutrality;
- Include a commitment and measures to ensure “No Harm” to non-participating scallop vessels;
- Recognize and address the diversity and characteristics of the LA scallop fleet, including multi-fishery vessels; and
- Reflect and include the existing caps on ownership and control.

Proposed Objectives

- 1) Consider providing flexibility to the LA scallop fleet for the efficient utilization of resources through a voluntary LA leasing program for days at sea (DAS) and access area trips.
- 2) Consider measures that address excess fishing capacity in the LA scallop fishery, including allowing vessel owners to eliminate vessels while retaining their permit and the allocation associated with that permit.
- 3) Consider measures to improve the economic performance of the LA fishery (NS 5), while taking into account the importance of the fishery resources to fishing communities by:

- a. Providing for the sustained participation of such communities, and
 - b. Minimizing adverse economic impacts on such communities (NS 8).
- 4) Consider measures to ensure that the action is conservation neutral in terms of harvest levels.
- 5) Consider measures to minimize cost and unnecessary duplication (NS 7).
- 6) Consider measures, such as sideboards or other restrictions, so as not to disadvantage other fisheries.
- 7) Consider measures to ensure that LA scallop permits retain their individual identity and allocation.
- 8) Consider measures to ensure the voluntary leasing program does not reduce fishing allocations to non-participating LA scallop vessels.
- 9) Consider frame-workable measures that will enable the Council and the NMFS Regional Director to make adjustments to the leasing program to ensure its consistency with the goals and objectives of the amendment on an ongoing basis.

***You can learn more about the Scallopers Campaign and our efforts at
<http://scalloperscampaign.org>.***