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| ***NATIONAL MARINE FISHERIES SERVICE POLICY DIRECTIVE 01-119***<br>February 23, 2017 |
| Fisheries Management |
| ***FISHERIES ALLOCATION REVIEW POLICY*** |
| **NOTICE:** This publication is available at: http://www.nmfs.noaa.gov/op/pds/index.html |
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| ***SUMMARY OF REVISIONS:*** This revises the initial 01-119 directive (July 2016). |

## 1. Introduction

The National Marine Fisheries Service (NMFS) and the Council Coordination Committee (CCC) have discussed what type and/or level of guidance is needed for fisheries allocation decision-making as well as what factors should be considered. In May 2014, the CCC voted to split the tasks of writing the guidance into two sections. The CCC tasked a subcommittee (the CCC allocation working group) with drafting guidance on *when* to make fisheries allocation decisions and NMFS was asked to draft guidance on *what factors* should be considered when making fisheries allocation decisions. Both groups agreed that answers to these questions should be based on the concept of adaptive management and thus should be tied to fishery management plan (FMP) and fisheries allocation objectives. In June 2015, the CCC agreed that NMFS would create a policy on fisheries allocation (this document) that would explain how the CCC trigger document (Procedural Directive 01-119-01) and the NMFS fisheries allocation factors document (Procedural Directive 01-119-02) complement each other. These guidance documents do not modify or supersede any guidance associated with the National Standards, other provisions of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) or other applicable laws; rather, they are intended to help the Councils and NOAA review and update allocations under the MSA.

## 2. Objective

The objective of this policy is to briefly describe the fisheries allocation review process collaboratively developed by the National Oceanic and Atmospheric Administration's (NOAA) National Marine Fisheries Service (NMFS) Office of Sustainable Fisheries and the

CCC (see Figure 1). This policy will provide a mechanism to ensure fisheries allocations are periodically evaluated to remain relevant to current conditions. In addition, it will improve transparency and minimize conflict for a process that is often controversial.

***Use of adaptive management -*** The allocation of fishing access should follow an adaptive management process. Adaptive Management is the on-going process of evaluating if management objectives have been met and adjusting management strategies in response. This process includes periodic re-evaluation and updating of the management goals and objectives to ensure they are relevant to current conditions and needs.

## 3. Authorities and Responsibilities

This policy directive establishes the following authorities and responsibilities. Regional Fishery Management Councils (Councils)[1] will be responsible for determining what triggers are applicable for each of their fishery management plans (FMPs) that contain a fisheries allocation, including allocations across jurisdictions (e.g., state, regional), across sectors (e.g., commercial, recreational, tribal, research), and within sectors (e.g., individual fishermen, gear types) [2]. These triggers should be identified within three years (or as soon as practicable) from the finalization of this policy. When identifying triggers, if the trigger is indicator-based, councils must also clarify their process for periodically determining if a trigger has been met. The process could be part of already existing analysis which resides in annual or periodic reports (i.e., 5/7 year catch share reviews, stock assessments, economics of the US). Councils will determine the appropriate method to identify triggers, such as a policy document or an FMP amendment.

NMFS Regional Administrators and Science Center Directors will be responsible for engaging with the Councils to support the development of triggers and thresholds for each FMP. If a trigger or threshold is hit, NMFS Regional Administrators and Science Center Directors will support the Councils' review of the relevant fisheries allocation decision.

The recommended three step process is briefly described below and diagramed in Figure 1.

***Step One*:** A trigger is met. There are three main categories of triggers: public input, time, or indicator-based. For example, a significant change in landings (e.g., an increase/decrease greater than one to two standard deviations within a three-year timeframe, etc.) may be identified as an indicator-based trigger for initiating a review of an allocation decision. Triggers are discussed in more detail in the CCC trigger document (Procedural Directive 01-119-01). If the trigger is indicator-based, or time-based, then proceed immediately to step 2: fisheries allocation review. If the trigger is based on public input to the Councils, then a check for changes in social, ecological, or economic criteria is required (step 1a in Figure 1) to ensure assessment of the fisheries allocation is an appropriate use of Council resources. At this stage, in depth analyses are not required.

[1] Includes Atlantic High Migratory Species Secretarial actions.
[2] See CCC trigger document (Procedural Directive 01-119-01) for a detailed description of triggers.

***Step Two:*** Fisheries Allocation Review. Councils should complete a review of the fisheries allocation in question. This review will assist the Councils in determining whether or not the development and evaluation of allocation options is warranted, and is not, in and of itself, a trigger to initiate an FMP amendment (or framework adjustment, if appropriate) to consider alternative allocations. This step is discussed in more detail in the CCC triggers document (Procedural Directive 01-119-01) and overlaps with the NMFS fisheries allocation factors document (Procedural Directive 01-119-02). The review should consider the FMP objectives[3] along with other relevant factors that have changed and may be important to the fisheries allocation. Relevant factors are described in the NMFS fisheries allocation factors document (Procedural Directive 01-119-02). At this stage, in depth analyses are not required; however, to ensure transparency, a clear articulation of how the objectives are or are not being met, and a clear rationale on relevant factors considered should be included in the record. This fisheries allocation review informs whether or not a consideration of new allocation alternatives is warranted.

***Step Three:*** Evaluation of Fisheries Allocation Options for an FMP amendment[4]. Based on step two, if a Council decides that development of allocation options is warranted, a Council will proceed with formal analyses, and follow its amendment process for identifying alternatives, soliciting public input, etc. If the Council determines that the FMP objectives are not up-to-date, then the Council should discuss, evaluate, and if necessary, revise the objectives[5]. During the identification of alternatives, Councils should consider the factors in the Procedural Directive 01-119-02. All of the factors do not need to be analyzed for each fisheries allocation decision. If a factor is not relevant for a given decision, no formal analysis for that factor is needed; however, the record should clearly document the rationale for that determination.

## 4. Definitions

**Adaptive Management** is the on-going process of evaluating if management objectives have been met and adjusting management strategies in response.

**Fisheries Allocation** (or "allocation" or "assignment" of fishing privileges) is defined by NMFS as a "direct and deliberate distribution of the opportunity to participate in a fishery among identifiable, discrete user groups or individuals." 50 CFR 600.10; *see also* National Standard 4 Guidelines, 50 CFR 600.325(c)(1) (further describing the scope of this definition and providing examples of allocations of fishing privileges under National Standard 4)[6]. The scope of allocations covered by this Policy is narrower than the scope of allocations under the National Standard 4 guidelines. This Policy covers only allocations that distribute specific quantities to identifiable, discrete user groups or individuals. This is true regardless of how the discrete user groups or individuals are managed under the FMP.

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[3] As noted in the CCC triggers document (PD 01-119-01): "recommendations… are based on the assumption that a Council's management goals and objectives … are relevant and/or contemporary at the time of consideration for triggering an allocation review, of conducting an allocation review, and of taking a reallocation action."
[4] A framework adjustment, if appropriate, could also be used.
[5] Councils can choose to update FMP objectives at the same time they are evaluating fishery allocation options.
[6] www.nmfs.noaa.gov/sfa/laws_policies/national_standards/documents/national_standard_4_cfr.pdf

**Fisheries Allocation Review** is the evaluation that leads to the decision of whether or not the development and evaluation of allocation options is warranted, but is not, in and of itself, an implicit trigger to consider alternative allocations.

**Evaluation of Fisheries Allocation Options for an FMP amendment** – if the allocation review determines a reallocation may be warranted then the full analysis and evaluation of allocation options should be initiated. The goal will be an FMP amendment (or framework adjustment) that either updates the allocation or retains the status quo.

5. **Measuring Effectiveness**
Three years after the publication of this policy, NMFS will work with the Councils to determine whether or not trigger mechanisms have been established for FMPs that contain a fisheries allocation. For those fisheries without a trigger, NMFS will work with the Councils to identify as soon as practicable the appropriate trigger(s). Once a Council confirms a trigger has been met, NMFS will work with the Council to support and advance the review and analysis.

6. **References**
Two Procedural directives will be issued and revised as needed to implement this policy.

2/27/17

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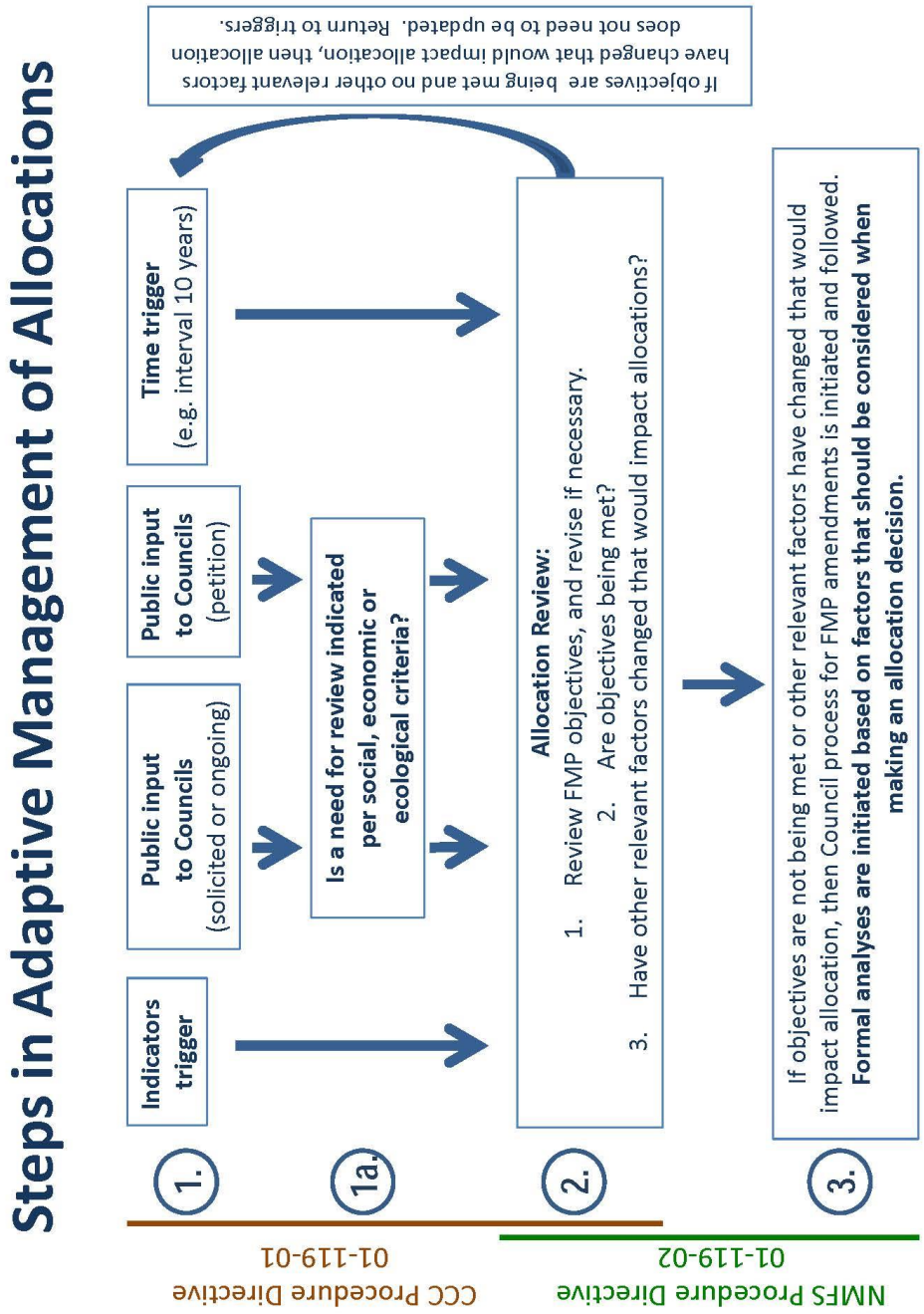
Date

Figure 1.


Steps in Adaptive Management of Allocations
1.
Indicators trigger
Public input to Councils (solicited or ongoing)
Public input to Councils (petition)
Time trigger (e.g. interval 10 years)
1a.
Is a need for review indicated per social, economic or ecological criteria?
2.
Allocation Review:
1. Review FMP objectives, and revise if necessary.
2. Are objectives being met?
3. Have other relevant factors changed that would impact allocations?
If objectives are being met and no other relevant factors have changed that would impact allocation, then Council process for FMP amendments is initiated and followed.
If objectives are not being met or other relevant factors have changed that would impact allocation, then Council process for FMP amendments is initiated and followed.
Formal analyses are initiated based on factors that should be considered when making an allocation decision.
3.
CCC Procedure Directive 01-119-01
NMFS Procedure Directive 01-119-02