

MEMORANDUM

TO: Council, SSC and AP Members
FROM: Chris Oliver *Chris*
Acting Executive Director
DATE: May 30, 2001
SUBJECT: Magnuson-Stevens Act Reauthorization

ESTIMATED TIME
2 HOURS

Under the ED report I touched briefly on several issues which were discussed at the recent Chairmen's meeting. Under this agenda item I will focus, with our Chair's assistance, on Magnuson-Stevens Act reauthorization issues, and the several recommendations which came out of the Chairmen's meeting. Item C-9(a) is a summary of those recommendations and we will discuss each of them, and seek your guidance relative to additional input from our Council.

Magnuson-Stevens Fishery Conservation and Management Act
Reauthorization Issues

May 23, 2001

Council Chairs' Recommendations:

At the Council Chairs' meeting, representatives from the eight regional fishery management Councils reached consensus on a variety of recommendations associated with reauthorizing the Magnuson-Stevens Fishery Conservation and Management Act (MSA). These recommendations are listed below, first as a group of "Highest Priority Issues" and then as "Other Significant Issues." Other than these two groupings no relative priorities are assigned.

Highest Priority Issues

• **NEPA**

The process for social and economic analysis, scientific review, and public comment specified in the MSA is substantially the same as the process specified under the National Environmental Policy Act (NEPA). However, the timeline and administrative process under these two Acts often conflict. These conflicts have led to cumbersome and unnecessarily complex administrative procedures resulting in long delays between the time that decisions are made and regulations are adopted. They have also created significant opportunities for procedural lawsuits that frustrate Council conservation actions. The Congress needs to resolve these conflicts between statutes in order to clarify and streamline the process. The following is submitted as a possible remedy to the effects of litigation on Council management actions:

Section 305(f)...Judicial Review

Purpose: to clarify that the Secretary's failure to comply with the NEPA in the management of a fishery under the MSA should result only in judicial guidance regarding NEPA compliance rather than judicial management of, or injunction against, a fishery.

Amendment: We suggest the following subparagraph be added to Section 305. Paragraph (f) is amended by redesignating subparagraph (4) as subparagraph (5), and inserting after subparagraph (3) the following:

(4) If the secretary has failed to comply with the NEPA, Section 4332 of Title 42, United States Code, in the management of a fishery under this Act, the exclusive remedy shall be an injunction related to the substance of the environmental analysis or the process for developing such analysis."

• **Section 3(29) and Section 304(e)...Redefine Overfishing**

The Council Chairs believe that there are a number of problems related to maximum sustainable yield (MSY)-based definitions of overfishing. For example, data deficiencies may lead to inappropriate calculations of MSY, that in turn skew overfishing definitions. Ultimately, this could lead to unnecessary social and economic dislocation for fishermen who are subject to measures that are tied to stock rebuilding schedules skewed by unrealistic overfishing definitions. We would like to work with the Congress in seeking solutions to our concerns as the re-authorization process proceeds.

- Section 303(a)(7)...Essential Fish Habitat

The Sustainable Fisheries Act (SFA) required Councils to identify and describe essential fish habitat (EFH), but gave little direction on how to designate EFH. The EFH definition, i.e., “those waters and substrate necessary for fish for spawning, breeding, feeding or growth to maturity,” allows for a broad interpretation. The EFH Interim Final Rule encouraged Councils to interpret data on relative abundance and distribution for the life history stages of each species in a risk-averse manner. This led to EFH designations that were criticized by some as too far-reaching. “If everything is designated as essential then nothing is essential,” was a common criticism. The Council Chairs believe that the current definition and descriptions of EFH serve a very useful purpose in the consultation process between NMFS and agencies that are responsible for permitting or carrying out proposed development projects in the marine environment. Those waters and substrates necessary to fish for spawning, breeding, feeding, or growth to maturity are all habitats of importance to each fishery stock, and the range of each stock from egg to maturity is overlapped by the ranges of hundreds of other stocks. The Council Chairs do, however, endorse the concept of using habitat areas of particular concern (HAPCs) as the next step in describing areas of EFH critical to certain life history stages for each stock, as proposed in the two Senate bills drafted in 2000. For years a number of Councils have established HAPCs to protect pristine coral reef habitats and spawning aggregation sites.

- Section 304(e)(4)(A)...Rebuilding Periods

Without a doubt, the Council Chairs support rebuilding targets under the SFA; however, the Councils should have greater latitude for specifying rebuilding periods than is provided under the National Standard Guidelines. The Council Chairs recommend that “the SFA be amended to provide sufficient flexibility to make short-term adjustments to rebuilding targets/programs to account for scientific uncertainty, natural variation, current stock status, current stock trends, and multi-species fishery relationships”.

- Executive Order for MPAs

The Council Chairs recognize that there is a conservation benefit realized by establishing marine protected areas (MPAs). The Councils have had the authority to establish MPAs for fisheries management and have done so since the first fisheries management plans were implemented under the MSA. The Councils are and will remain in the best position to determine when and what areas should be closed to fishing activities to protect fish stocks and habitat in the EEZ.

The Council Chairs recommend that Executive Order 13158 be rescinded, or alternatively amended to reaffirm the sole authority of NOAA and the Councils to manage marine fisheries in the EEZ. Also, Congress should review the MPA issue and possibly develop legislation to clarify jurisdictional issues, set criteria for MPAs, and establish clear administrative procedures for establishing MPAs which among other things, reinforces the role of the states, territories, and Councils in managing marine fisheries.

- Section 303(d)(1)...Rescinding the Congressional Prohibitions on IFQs and ITQs
Section 303(d)(1) of the MSA prohibited a Council from submitting or the Secretary from approving an Individual Fishing Quota (IFQ) system before October 1, 2000. More recently, through the FY2001 Appropriation Act, this moratorium on IFQs/ITQs was extended for an additional two years. If the reauthorization process is completed in 2001, the Council Chairs support rescinding the moratorium before the year 2002 deadline. The Council Chairs recommend that MSA be amended to provide maximum flexibility to the Councils to tailor IFQ programs to specific regional, social, economic, and fishery conditions. Councils should have clear authority to address transferability and ownership issues; include harvesters, processors, and communities in such programs; promote conservation; and include measures necessary to successfully monitor and enforce the provisions of such a program.
- Section 313(a): see also Section 403...Observer Program
The Council Chairs reaffirm their support for discretionary authority to the Councils to establish fees to help fund observer programs. This authority would be the same as granted to the North Pacific Council under Section 313 for observers, but not necessarily limited to use of ex-vessel value as the basis in setting fees.
- Endangered Species Act (ESA)/Marine Mammal Protection Act (MMPA)
The Council Chairs recommend that the Councils be identified, for purposes of consultation, as being action agencies under the ESA and the MMPA, thereby being able to participate in the development of biological opinions.

ESA and MMPA considerations are playing an increasingly significant role in Council fishery management activities. The NMFS has stated that Councils "have a critical role in management of federal fisheries" and "must be aware of effects of proposed fishery management actions on listed species". However, NMFS and NOAA/GC have determined that the Councils are not federal action agencies; therefore, they are not included in the consultation process.

By foreclosing the opportunity to participate in the consultation process, NMFS and NOAA/GC have made it virtually impossible for Councils to meaningfully address their responsibilities under MSA, ESA, and MMPA.

Therefore, the Council Chairs recommend that the MSA be modified to specify that the Councils are deemed to be action agencies for purposes of formal consultation under ESA and MMPA.

- Section 304(a) and (b)...Coordinated Review and Approval of Plans and their Amendments and Regulations
The SFA amended Sections 304(a) and (b) of the MSA to create separate sections for the review and approval of fishery management plans (FMPs) and amendments, and for the review and approval of regulations. Accordingly, the approval process for these two actions now proceeds on separate tracks, rather than concurrently. The SFA also deleted the 304(a) provision allowing disapproval or partial disapproval of an amendment within the first 15 days of transmission. The

Council Chairs recommend modification of these provisions to include the original language allowing concurrent approval of FMPs and amendments as well as regulations, and providing for the initial 15-day disapproval process. The Councils would also like the ability to resubmit responsive measures rather than having to submit a complete FMP or amendment as is now required by subsection (4) of Section 304(a).

- Section 304(a)...FMP Review Program

The Council Chairs believe that NMFS, in its review of proposed FMPs, amendments, and framework actions, has failed to adequately communicate to the Councils perceived problems in a timely manner. We propose the inclusion of a mandate in the MSA to require an abbreviated rule-making process in which NMFS would consult with the Councils and consider such new information as provided by the Councils before disapproving FMPs, amendments, or framework actions submitted by the Councils for NMFS approval.

Other Significant Issues

- Section 302(d)...Council Member Compensation

The MSA should specify that Council-member compensation be based on the General Schedule that includes locality pay associated with the geographic locations of the Councils' offices. This action would provide for a more equitable salary compensation. Salaries of members serving in Alaska, the Caribbean, and Western Pacific are adjusted by a COLA. The salary of the federal members of the Councils includes locality pay. The Department of Commerce has issued a legal opinion that prohibits Council members in the continental U.S. from receiving locality pay. Congressional action, therefore, is necessary to implement this change.

- Section 302(f)(4) and (7)...Receipt of Funds from any State or Federal Government Organization

Currently Councils can receive funds only from the Department of Commerce, NOAA or NMFS. The Councils routinely work with other governmental and non-governmental organizations to support research, workshops, conferences, or to procure contractual services. In a number of cases, complex dual contacts, timely pass-throughs, and unnecessary administrative or grant oversight are required to complete the task. The Councils request a change that would give them authority to receive funds or support from local, state, and other federal government agencies and non-profit organizations. This would be consistent with Section 302(f)(4) that requires the Administrator of General Services to provide support to the Councils.

- Section 302(i)(3)(A)(ii)...Review of Research Proposals

The MSA should be amended to include a provision for the Councils to close meetings to the public for the purposes of reviewing research proposals. Some of the Councils now provide and administer funding to researchers and fishermen for data collection and other research purposes. The proposals submitted to the Councils for funding may contain proprietary information that the submitters do not want to make public for various reasons. It will be in the best interests of this process for the Councils to have the ability to close meetings to consider these proposals.

- Section 303(b)...Regulating Non-Fishing Activities of Vessels

The Council Chairs recommend that Section 303(b) of the MSA be amended to provide authority to Councils to regulate non-fishing activities by vessels that could adversely impact fisheries or EFH. One of the most damaging activities to such habitat is the anchoring of large vessels near HAPCs and other EFH (e.g., coral reefs, etc.). When these ships swing on the anchor chain deployed in 100 feet of water, 10 to 20 acres of bottom may be plowed up by the chain dragging over the bottom. Regulation of this type of activity by the Councils should be authorized.

- Section 303(b)(7)...Collection of Economic Data

The MSA specifies the collection of biological, economic, and socio-cultural data to meet specific objectives of the MSA, and requires the fishery management councils to consider this information in their deliberations. However, Section 303(b)(7) specifically excludes the collection of economic data, and Section 402(a) precludes Councils from collecting "proprietary or confidential commercial or financial information." The NMFS should not be precluded from collecting such proprietary information so long as it is treated as confidential information under Section 402. Without this economic data, multi-disciplinary analyses of fishery management regulations are not possible, preventing NMFS and the Councils from satisfying National Standard 2: "...conservation and management measures shall be based upon the best scientific information...", National Standard 8: "...to the extent practicable, minimize adverse economic impacts...", and other requirements of the MSA and the Regulatory Flexibility Act (RFA).

The Council Chairs recommend resolution of these inconsistencies by amending the MSA to eliminate the restrictions on the collection of economic data. Amending Section 303(b)(7) by removing "other than economic data" would allow NMFS to require fish processors who first receive fish that are subject to a federal FMP to submit economic data. Removing this current restriction will strengthen the ability of NMFS to collect necessary data, and eliminate the appearance of a contradiction in the law requiring economic analyses while simultaneously prohibiting the collection of economic data necessary for such analyses.

- Section 303(d)(5) and Section 304(d)(2)...Establishment of Fees

The Council Chairs are opposed to the imposition of fees that are not regional in nature and established by the Councils. However, we do support the National Academy of Science's recommendation that Congressional action allow the Councils maximum flexibility in designing IFQ systems and allow flexibility in setting the fees to be charged for initial allocations, first sale and leasing of IFQs.

- Section 305(c)(2)(A)...NMFS Regional Administrator Emergency or Interim Action Vote

For the purpose of preserving the Secretary's authority to reject a Council's request for emergency or interim action, each NMFS Regional Administrator currently instructed to cast a negative vote even if he/she supports the action. While we recognize the extreme sensitivity in recommending a change to the voting responsibilities of our partners in the NMFS, we certainly do not wish to appear to be disparaging the Regional Administrator in any way. However, the Council Chairs believe that Congressional intent is being violated by this policy. We suggest a modification to the MSA as follows (new language in bold):

(A) the Secretary shall promulgate emergency regulations or interim measures under paragraph (1) to address the emergency or overfishing if the Council, by unanimous vote of the members (**excluding the NMFS Regional Administrator**) who are voting members, requests the taking of such action; and ...

- Section 311(a)...Enforcement

The Council Chairs support the implementation of cooperative state/federal enforcement programs patterned after the NMFS/South Carolina enforcement cooperative agreement. We applaud the inclusion of \$15 million in the 2001 NMFS budget to expand the program to other states. While it is not necessary to amend the MSA to establish such programs, Congressional action is needed to enhance management under the MSA to establish permanent funding for such cooperative state/federal programs.

- Section 402(b)(1) and (2)...Confidentiality of Information

Section 402 replaced and modified former Sections 303(b) and (e). The SFA replaced the word "statistics" with the word "information", expanded confidential protection for information submitted in compliance with the requirements of an FMP to information submitted in compliance with any requirement of the MSA, and broadened the exceptions to confidentiality by allowing for disclosure in several new circumstances.

The following draft language clarifies the word "information" in 402(b)(1) and (2) by adding the same parenthetical used in (a), and deletes the provision about observer information. The revised section would read as follows (additions in bold);

(b) CONFIDENTIALITY OF INFORMATION -

- (1) Any information submitted to the Secretary by any person in compliance with any requirement under this Act **that would disclose proprietary or confidential commercial or financial information regarding fishing operations, or fish processing operations** shall be confidential information and shall not be disclosed, except...
- (2) The Secretary shall, by regulation, prescribe such procedures as may be necessary to preserve the confidentiality of information submitted in compliance with any requirement under this Act **that would disclose proprietary or confidential commercial or financial information regarding fishing operations or fish processing operations**, except that the Secretary may release or make public any such information in any aggregate or summary form which does not directly or indirectly disclose the identity or business of any person who submits such information. Nothing in this subsection shall be interpreted or construed to prevent the use for conservation and management purposes by the Secretary or with the approval of the Secretary, the Council, of any information submitted in compliance with any requirement or regulation under this Act or the use, release, or publication of bycatch information pursuant to paragraph (1)(E).

- Bycatch Issues

There appears to be an inconsistent definition of bycatch, depending on geography. In the Atlantic, highly migratory species harvested in “catch and release fisheries” managed by the Secretary under 304(g) of the MSA or the Atlantic Tunas Convention Act are not considered bycatch, but in the Pacific they are. We suggest that highly migratory species in the Pacific, managed under a Western Pacific Council FMP and tagged and released alive under a scientific or recreational fishery tag and release program, should not be considered bycatch. Note that there also is an inconsistency between the MSA definitions of bycatch and the NMFS Bycatch Plan. The NMFS definition is much broader and includes marine mammals and birds as well as retention of non-target species. The Council Chairs prefer the MSA definition. We also wish to retain turtles in the definitions of “fish” because of their importance in every region and especially in past, and possibly future, fisheries pursued by indigenous peoples of the Western Pacific Region.

- Section 302(i)(2)(c)...Notification of Meetings

The Council Chairs recommend that this section be modified to read: “notice of meetings be submitted for publication in local newspapers in the major fishing ports, or by other means that will result in wide publicity”. Other means such as press releases, direct mailings, newsletters, e-mail broadcasts, and web page updates of activities and events, including Council meetings are far more effective in communicating with our target audience than a legal notice in a local newspaper.

- Section 312 (a)...Fisheries Disaster Relief

Purpose: to make available fishery disaster relief funds for fisheries being closed, or severely curtailed as a result of judicial decisions.

Amendment: We suggest modifying Section 312 of the Act as follows (new language in bold):

(a)...

(1) At the discretion of the Secretary or at the request of the Governor of an affected state or a fishing community, the Secretary shall determine whether there is a commercial fishery failure due to a fishery resource disaster as a result of

(A)...

(B)...

(C)...

(2) or closures imposed by a court to a fishery [Redesignate paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5)]

Revise new paragraph (3) as follows (new language in bold): Upon the determination under paragraph (1) **or (2)** that there is a commercial fishery failure, **or a judicial closure of the fishery** the Secretary...

- Section 302(a)(1)(D) Caribbean Council

The Council Chairs request that Section 302(a)(1)D of the MSA be amended by inserting “Navassa Island,” before “the Virgin Islands”.