



To: UK fisheries administrations
UK fishing organisations
UK non-governmental
Organisations

10 December 2015

Dear Sir/Madam,

Consultation on the 2016 UK and English Quota Management Rules

Background

Please find copies of the draft 2016 UK and English quota management rules attached. These are presented as the 2015 versions with changes explained in the text below in the order that they appear in the documents.

Your views are invited on anything covered in the rules and to help guide you I have posed questions on the main areas of planned change. The content has been informed by pre-consultation discussions with industry groups over recent weeks.

UK Quota Management Rules

Introduction (paragraph 1.2)

The reference to the current 2012 version of the Concordat is retained pending Ministerial agreement to the terms of the new Concordat.

Apportionment of UK quotas among fisheries administrations (Section 2)

Apportionment of UK quotas between the 4 UK fisheries administrations (FAs) will remain unchanged for 2016, but the UK Government has proposed that a review of the impacts of the demersal landing obligation on the quota uplift part of UK quotas will be undertaken in 2016.

FQA Units (paragraph 2.6)

The current FQA transfer arrangements will be reviewed during the course of 2016 having regard to the outcome of the Scottish Government's 2014 quota consultation and its implications for the current moratorium on the transfer of FQA units from Scottish licences.

New Quotas (paragraph 2.12)

A separate consultation on establishing Fixed Quota Allocation (FQA) units for stocks that do not yet have them is ongoing. The date of introduction of new FQAs will depend upon the outcome of that consultation.

Herring IVc/VIIId flexibility (paragraph 2.26)

A paragraph has been added describing the allocation of this flexibility. It is not a new flexibility but had previously not been included.

Fishery closures (paragraph 3.17)

The text has been amended to allow scope for the different approaches likely to be taken by UK FAs to manage fisheries under the landing obligation.

Swaps initiated by the UK or other member state (paragraph 6.4)

The text relating to POs being offered the opportunity to match other POs international swaps has been deleted. In practice, the large majority of international swaps are initiated by POs for the benefit of their members and so the offer for other POs to match the deal is not implemented.

Q1. Do you have any views on this change?

Banking (paragraphs 8.3)

The text at paragraph 8.3 has been re-drafted to address calls from some industry groups for the UK to move away from the current method of distributing banked quota. The reasons stated include that a simplified system of banking would provide greater confidence in the banking provision and allow better planning and management of quota between years under the landing obligation.

The MMO proposes to return to the tonne for tonne return of banked quota, up to banking limits (max. 10% of end-year allocations for all relevant stocks). The MMO proposes a return to this system as industry is familiar with it and it is less complex than the current system.

Q2. Please state whether you think the banking method needs to change from the current indexed return or whether it should be retained? Please explain your views.

If the simplified tonne for tonne banking methodology is adopted following consideration of views, there are options for the redistribution of banked quota in excess of PO banking limits (10%). One option is to allocate this on a basis of FQA holdings; a second option would be to distribute the excess banked amount pro-rata in relation to the scale of the groups' under fishes. It is important that the distribution method does not incentivise underutilisation of quotas.

Q3. Which method would you prefer? Please explain your views.

Borrowing (paragraphs 8.6 – 8.9)

The text in this section has been redrafted to address calls from some industry groups to review the way borrowed quota is repaid. When the amount the UK banks and borrows nationally balances, the UK utilises these flexibilities at a member state level. Under the current system the amount borrowed by a PO is repaid and unless there was a UK closure was allocated on an FQA basis. However if the banking of one PO has matched the amount another PO borrows, the UK will maintain a net zero balance.

For example under the current rules if the banking PO had banked 10% which allowed the borrowing PO to fish 10% over its allocation, when the borrowing PO repays the quota it is distributed on an FQA basis and the banking PO may not receive the 10% quota it banked back, depending on their FQA holdings.

Using deducted quota (Section 9)

For greater clarity section 7.9 to 7.12 of the 2015 QMRs have been redrafted and included in a new Section 9 of the draft 2016 QMRs.

The MMO propose a change to ensure that the amount borrowed by a PO is paid back on a tonne for tonne basis ensuring the quota gets returned to those who banked in accordance with their banking limits. This amendment is particularly necessary if the UK moves to tonne for tonne banking method.

Q4. Do you agree with the approach taken in Section 9? Please explain your views.

Questions you may wish to consider within your answer are:

Should the MMO ensure that the amount borrowed by one PO does not negatively impact any PO who has banked that stock?

Do you have views on how the borrowing and overfishing penalties are distributed in future years?

For practical reasons, the same methods need to be used for all stocks, whether they can be borrowed or not.

Annex F: Banking Example

It is proposed to delete this example if the consultation outcome is to move to a banking method that aims to achieve a tonne for tonne return of banked quota.

English Quota Management Rules

Leasing

Some fishing groups requested that retrospective leasing of quota by members of the English ten metre and under and non-sector pool vessels be permitted in 2016.

Discussions with industry relating to implementing the landings obligation are ongoing and will cover this.

Q5. We welcome your thoughts on how best to manage this potential flexibility?

Annex B: Arrangements to support disciplinary actions by English producer organisations

Some English POs would like to have the ability to request that the MMO make variations to the licences of individual member vessels to help quota management under the landing obligation. As with leasing, discussions between the MMO and industry groups over the coming weeks will cover this matter.

Q6. Would you consider this to be a useful resource to POs in managing their member's quota under the landing obligation?

Responses

I look forward to receiving your views. This consultation will remain open until Thursday 21st January 2016. Responses should be sent to fmc@marinemanagement.org.uk by this deadline.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Martyn Youell', is positioned above the printed name.

Martyn Youell
Head of Fisheries Management

0191 376 2528 / 07770785039
martyn.youell@marinemanagement.org.uk