

PERMIT TRANSFER REGULATIONS

Situation: At its June meeting, the Council recommended the season for the limited entry fixed gear (three-tier) fishery be opened on August 16, 2000. A major concern expressed during the debate was the fate of several vessels that would be prevented from participating before September 1 due to the regulation that restricts permit transfers (see Option 3 below for regulation language in effect in June, 2000). Several fishers testified the effective date of their permits would be delayed until September 1, the date of the beginning of the next major cumulative trip limit period, due to the change in timing of the trip limit periods between 1999 and 2000. The Council recommended National Marine Fisheries Service (NMFS) take action to allow these vessels to participate in the 2000 fishery. In addition, the Council stated its intention to reconsider its original recommendation, perhaps endorsing a calendar year cycle rather than the current 12-month approach.

The Council made its final recommendation on the current regulations in October 1996. The proposal to limit the frequency of transfers of groundfish limited entry permits originated in the groundfish fishing industry and was intended as a step towards stabilizing and ultimately reducing capacity in the industry. The intention of the restriction was to slow down the transfer of permits by restricting the frequency of transfers to not more than once per 12 months. To avoid "double dipping" by two vessels taking the same trip limit, transferred permits do not become valid until the beginning of the next cumulative period.

At this time, the Council has scheduled consideration of whether to initiate an amendment to the groundfish regulations that would modify the current permit transfer restrictions. The options considered in the environmental assessment (EA) for the current regulations were:

- Option 1. No action, status quo.
- Option 2. Require permit transfers to take place only on the first day of a cumulative period. Alternatively, temporarily link cumulative period limits to either the permit or the permit and the vessel to tally and divide cumulative limit for the period of the transfer.
- Option 3. (Final recommendation.) Limit the transfer of individual limited entry permits to one time in any 12-month period, in combination with any one of the following sub-options:
 - a. Permits may be transferred at any time, but cumulative limits must be temporarily linked to either permits or to permits and vessels combined to tally and divide cumulative limit for the period of the transfer.
 - b. Permits may be transferred only on the first day of the month.
 - c. (Final recommendation.) Permits may be transferred only on the first day of a cumulative limit period.

Council Action:

- 1. Decide whether to initiate a regulatory amendment to modify the permit transfer regulations.**

Reference Materials: None.

PFMC
08/25/00

1. Exhibit G.8.a, Supplemental NMFS Report.
2. Exhibit G.8.b, Supplemental GAP Report.