

REVIEW CAPACITY GOAL AND RELATED ISSUES

Situation: Under the coastal pelagic species (CPS) fishery management plan (FMP), limited entry permits may not be transferred to a different owner. The Coastal Pelagic Species Advisory Subpanel (CPSAS) and the public have expressed concern about these restrictions and whether the number of permits initially issued reflects optimal capacity in the fishery. To address these concerns, the Council directed the Coastal Pelagic Species Management Team (CPSMT) to analyze several issues related to capacity and permit transferability:

1. Establish a goal for the CPS finfish fishery (i.e., what should the fishery "look like" in terms of the number of vessels and the amount of capacity).
2. Establish a procedure (with criteria) for issuing new permits after the goal is attained.
3. Evaluate the pros and cons of extending the current permit transfer window to allow consideration of the non-transferability of California's market squid permits under two scenarios, (1) basic extension of the transferability deadline, or (2) extension of transferability contingent on holding a California squid permit.
4. Develop mechanisms for achieving the goal.
5. Transferability of permits after the goal is achieved under two scenarios – on achieving goal, (1) all permits (including new permits) are freely transferable, or (2) new permits (i.e., those issued after goal is achieved) would have restricted transferability.

In November 2000, the CPSMT provided a range of scenarios under which a capacity goal could be established:

- a. Maintain a diverse CPS finfish fleet (similar to current number of vessels), which also relies on other fishing opportunities such as squid and tuna.
- b. Determine the size of a smaller fleet - vessels with certain characteristics (e.g., small number of larger, "efficient" vessels or smaller number composed of CPS finfish "specialists").
- c. Base the fleet size on expert expectations of long-term expected yields from the combined CPS finfish species and the number of vessels physically capable of harvesting that yield.

The Council directed the CPSMT to continue work on establishing a capacity goal and addressing other capacity related issues such as permit transferability. Alternative capacity goals should be constructed following the three options outlined by the CPSMT. The analysis should include advice on the most preferred option, why it is most preferred, and how permit transferability would help achieve the goal.

The CPSMT and CPSAS discussed these issues at their February 2001 and March 2001 meetings. The CPSMT will report to the Council the results of their capacity analysis and recommend several alternatives for setting a capacity goal and addressing permit transferability. The CPSAS will provide reports to the Council addressing these issues as well.

Council Action: Consider Capacity Goal and Related Issues.

Reference Materials:

1. Exhibit E.2.b, CPSMT Report.
2. Exhibit E.2.b, Supplemental CPSAS Report.

PFMC
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