

DRAFT

Joint Industry AFA Proposal

Objective: To prevent a net increase in capacity of the AFA fleet that would reduce opportunity for non-AFA boats.

MTC UCB Proposal: Implement a system of qualifying criteria for CVs in the three sectors:

- traditional groundfish
- mothership whiting
- shoreside whiting

Qualification period: would be based on deliveries between 1994 and the Council's September 16, 1999 control date.

Landing requirements: apply to AFA CVs by sector as follows:

- Traditional groundfish:
50 tons of groundfish or 10 deliveries of groundfish (non-whiting)
- Mothership whiting:
50 tons of whiting
- Shoreside whiting:
50 tons of whiting

Implementation: would be accomplished by issuing "medallions" to vessels that had met qualifying landing criteria (specific to the sector in which the vessel qualified). In order for an AFA CV to participate in a fishery it must have on board both a valid LE and a valid "medallion" tied to the vessel length.

Transferability: AFA vessels may lease either LE permits or "medallions" based on the rules that apply under the current LE program. Vessel "medallions" are issued as a single inseparable package for vessels qualifying in multiple sectors.

Notes on Joint Proposal

Objective: *To prevent a net increase in capacity of the AFA fleet that would reduce opportunity for non-AFA boats.*

Note - The Sideboard actions should not be a tool to protect AFA boats from AFA boats. Nor should it be a tool to selectively implement capacity reduction.

Note - Attachment 2 of Exhibit C-9 "Analysis of Management Alternatives" shows 112 CVs qualify for AFA, though less than 35 have participated in any West Coast groundfish fishery.

MTC UCB Proposal: *Implement a system of qualifying criteria for CVs in the three sectors:*

- *traditional groundfish*
- *mothership whiting*
- *shoreside whiting*

Note - The intent of the proposal is to stabilize capacity in each sector of the groundfish fishery by AFA participants at the levels equal to or less than capacity at the time of the control date announced by the Council in September of 1999.

Qualification period: *would be based on deliveries between 1994 and the Council's September 16, 1999 control date.*

Note - Everyone was put on notice of this proposal by the Council's issuance of a control date. Vessels that were implementing plans made prior to the AFA (acquiring permits, installing RSW) to fish in the shoreside whiting sector are covered by the "prove-up" window provided by the control date.

Note - Using the 1994-1997 window is inappropriate since the AFA was not passed until October of 1998.

Landing requirements: *apply to AFA CVs by sector as follows:*

- *Traditional groundfish:*
50 tons of groundfish or 10 deliveries of groundfish (non-whiting)
- *Mothership whiting:*
50 tons of whiting
- *Shoreside whiting:*
50 tons of whiting

Note – The tables, A-1, 2, & 3 of the appendix to the analysis indicate the numbers of qualifying vessels for each sector.

CV Mothership sector whiting – 31 vessels tons (31 vessels at 1000 tons)

CV Shoreside sector whiting - 20 vessels (18 vessels at 500 tons)

Traditional groundfish – 14 vessels at 50 tons, 18 with 10 deliveries (9 vessels at 100 tons, 15 vessels with 20 deliveries)

Note - These criteria appear fairly liberal. However, there is very little marginal benefit to selecting a different (higher) level. It should also be remembered that these are not cumulative harvests over the qualifying period, these are the harvests in any one year. These levels avoid the need to address individual “hardship” cases.

Note – The numbers of qualifying vessels should be measured against the potential pool of new entrants. Out of the 112 AFA CVs, this proposal excludes 81 AFA vessels from mothership whiting, 92 AFA vessels from shoreside whiting, and 98 vessels from traditional groundfish.

Implementation: would be accomplished by issuing “medallions” to vessels that had met qualifying landing criteria (specific to the sector in which the vessel qualified). In order for an AFA CV to participate in a fishery it must have on board both a valid LE and a valid “medallion” tied to the vessel length.

Note – The proposal is more restrictive than the staff analysis interpretation of the medallion system. It treats medallions as tied to the vessel length in the same way the LE’s are tied to vessel length. This means that a “medallion” earned by a 75’ vessel that packs 175,000 lbs of whiting can’t be used on a 150’ vessels that packs a 1,000,000 lbs.

Transferability: AFA vessels may lease either LE permits or “medallions” based on the rules that apply under the current LE program. Vessel “medallions” are issued as a single inservable package for vessels qualifying in multiple sectors.

Note – The transferability provision includes an important restriction that “medallions” are issued in an inservable package. This means a vessel that qualifies in two or more sectors can not continue fishing in one sector while leasing its medallion for a different sector to another AFA vessel.

Other Comments on AFA

The analysis shows average whiting catch increasing by AFA vessels, while decreasing by non-AFA vessels. What the analysis fails to explore is why this occurred.

The analysis does show that the number of motherships has dropped from 11 in 1994 to 8 in 1996, and to 6 in 1999. Markets are like musical chairs – if the number of markets are reduced some catcher vessels lose their markets and with it their catch of whiting. The

average catch of the remaining vessels goes up. Because AFA vessels are generally higher horsepower, they have tended to retain their markets while non-AFA vessels (as well as lower horsepower AFA vessels) have lost their mothership markets.

Because the mothership whiting season does not overlap in time with the Pollock season, this cannot be described as an impact of the AFA, at least insofar as the AFA allows CVs increased flexibility as to when they harvest Pollock.

Most of the motherships that no longer are in the fishery were CP vessels that went to Russia and were prevented from returning by the AFA. This was the greatest impact of the AFA on non-AFA CVs even though it was an indirect impact.

It would be unfortunate if the "sideboard" were used as a pretext to impose limited entry for processors in the mothership market. Doing so would "protect" AFA motherships from other AFA mothership, while institutionalizing the loss of markets for non-AFA CVs.