

STATUS OF THREE CAPACITY-RELATED INITIATIVES

The Council is in various stages of addressing three capacity control and reduction priorities for the groundfish fishery:

- fixed gear permit stacking
- trawl fleet reduction (buyback or permit stacking)
- limiting access to the open access fishery

Fixed Gear Permit Stacking

After completing its strategic plan, the Council took final action on Groundfish Fishery Management Plan (FMP) Amendment 14. This FMP Amendment and the accompanying regulatory amendment allowed for the stacking of fixed gear permits (up to three per vessel) and extended the season from a 9 day season to a 7 month season. Using stacked permits, vessels are able to fish multiple sablefish cumulative limits associated with the permit tier assignments but may not fish additional cumulative limits for other species. The season extension was allowed under a special congressional exemption from the individual fishing quota (IFQ) moratorium, a moratorium established as part of the Magnuson-Stevens Fishery Conservation and Management Act. All final elements of the regulatory package are scheduled to be implemented for the 2003 fishery with the exception of a refinement of the owner-on-board grandfather clause. The Council has indicated an interest in considering three issues related to fixed gear permit stacking:

- requiring 30% ownership for an owner to qualify for an exemption to the owner-on-board provisions.
- raising the cap on the number of permits that an individual may lease from 3 to 6.
- raising the overall stacking limit to 6 (limit on number of permits that may be registered for use on a single vessel).

Ownership Required for Exemption to Owner-on-Board Requirement--The owner-on-board provision requires owners to be on-board their vessel during fixed gear sablefish operations when the vessel is fishing against the cumulative limit associated with its permit. The owner-on-board grandfather clause allows anyone who owned a permit as of November 1, 2000 to be exempt from the owner-on-board requirement. This refinement, recommended by the Council at its April 2002 meeting, would require that in order to qualify for this exemption the individual must have owned at least a 30% interest in the permit as of November 1, 2000. Additional analysis of this provision will be required before it can be implemented. Clarification is needed on the form this analysis will take. Will the required analysis be in the form of an EA and if so what other options will be considered, or can the analysis be performed as part of an addendum to the previous analysis.

Cap on Leased Permits--Raising the cap on the number of permits that an individual may lease may resolve problems that some families and businesses may have encountered with the 3 permit holding limit. A person is considered to hold a permit if (a) the person owns some part of the permit, (b) the person leases a permit, (c) the person owns a vessel on which a permit is being used. Thus, a person owning two vessels may stack three permits on their vessel and lease out a second vessel. However, if the lessee registers a fixed gear sablefish permit for use on the leased vessel that permit counts against the vessel lessor's 3 permit holding limit, putting the vessel lessor in violation of that limit.

Cap on Stacked Permits--During the development of specifications for the 2003 season a request was received to raise the limit on the number of fixed gear sablefish permits that can be stacked on a single vessel from the 3 permit limit to 6 permits per vessel. Proponents indicated an increase in the stacking limit would increase the economic viability of sablefish fishing operations and reduce the number of nonsablefish limits (when permits are stacked only sablefish limits accumulate, no additional opportunity is

provided for the vessel to take nonsablefish species). Stacking limits were created to prevent excessive consolidation in the fleet.

The Council will need to decide how it wishes to proceed on these three issues in the context of its other management priorities for management action.

Trawl Fleet Reduction

The Council established a trawl permit stacking work group to develop a program for trawl permit stacking. This committee last met in February 2002. At that time it developed problem statements, goals and objectives. Further, it provided the Council with the following statement:

Even though work has begun on developing a trawl permit stacking alternative, the Work Group believes the Council should continue to support a trawl permit buyback program as the first priority for addressing overcapacity in the trawl fleet.

Alternatives to status quo presented for consideration were: (1) buyback, (2) trawl permit stacking, (3) individual quotas, (4) fleet reduction by requiring requalification of permits based on landings. The work group was uncertain about the degree to which each of these alternatives should be developed.

The committee deferred convening another meeting recognizing that Council workload would prevent substantial progress on this issue until after the annual specifications process sometime in the fall.

Limiting Entry to the Open Access Groundfish Fishery (Open Access Conversion)

The open access committee meet several times in 2001 and 2002, suspending its efforts in the spring of 2002 due to other workload priorities. The committee has developed a draft problem statement, history of the open access fishery and example qualifying criteria. The committee also developed a comprehensive list of directed and incidental open access fisheries and a report describing those fisheries. When the committee suspended its activities in the spring of 2002, the next work item was to have been an evaluation and refinement of the criteria used to distinguish directed open access groundfish landings from incidental open access groundfish landings. The Council had also directed the committee to consider an option put forward in public comment that would have required that vessels qualify for limited entry permits based on landing requirements and qualifying period similar to those used for the original limited entry program.

The following are tentative determinations and priorities set at previous Council meetings. These determinations are not final and may be modified by the Council as it deems appropriate at this time.

- Limiting entry to the open access fisheries should be considered for formal FMP plan amendment process after the trawl permit stacking initiative.
- Work should proceed that is preparatory to the formal plan amendment process. Increasing pressure on nearshore fisheries necessitate continued consideration of capacity reduction.
- Council policy on this fishery should not wait on state efforts but should be coordinated with such efforts.
- Focus should be on consideration of permits for the directed open access vessels. Consideration of an incidental permit should be revisited after development of the historic analysis.
- Allocation is a critical step in development of license limitation for the open access fisheries.