

SCIENTIFIC AND STATISTICAL COMMITTEE REPORT ON FISHERY MANAGEMENT
PLAN AMENDMENT 22: OPEN ACCESS LICENSE LIMITATION

The Scientific and Statistical Committee (SSC) was briefed by Mr. L.B. Boydstun on the most recent Draft Environmental Assessment (DEA) for groundfish open access license limitation. SSC suggestions made at the March 2008 meeting have been addressed in this DEA. The SSC considers the DEA to be ready for Council action.

An issue discussed in March was whether to use a revenue- or weight-based approach to defining directed B species trips. Both approaches yield similar results with regard to estimating the number of directed B species vessels (Table B-5, p. 154). The analysis in the DEA is based on the revenue-based approach, which is reasonable and more reflective of targeting behavior than the weight-based approach.

Table 4-1-2 (p. 94) provides useful information regarding how well each alternative meets the objectives of (1) reducing the gap between capacity and resource availability, and (2) providing opportunities for less restrictive regulations and reduced discards. The column entitled "Better match between fleet and fish?" identifies which alternatives reduce the capacity gap relative to the status quo. The column entitled "Regulation and effort shift relief" describes the percentage of total 2004-2006 B species revenue earned by non-qualifying vessels under each alternative. While this latter column suggests the extent to which loosening of regulations for qualifying vessels may be feasible under each alternative, more definitive evaluation of this issue depends on the harvest allocation between qualifying and non-qualifying vessels, which is not known at this time. The estimates in the column "Personal income economic impact" are based on the implicit assumption that the revenues earned by non-qualifying vessels would somehow be lost. Given the likelihood that all available harvest would continue to be taken by qualifying vessels (as target species) or by non-qualifying vessels (as bycatch), negative income impacts are not likely to occur in the aggregate.

Personal income impacts are more appropriately considered in terms of how such impacts are distributed among geographic areas and vessel target species categories. A number of tables in the DEA describe the distributional implications of the alternatives (in terms of income impacts and other factors) - e.g., number of qualifying vessels by port group and state (Tables E-5 to E-8, pp. 182-185), landings by port group and state (Tables E-12a to E-12b, pp. 192-193), revenue and income impacts by vessel target species category and state (Tables E-17 to E-22, pp. 203-210).

A limited entry program is a useful but not fully effective way to manage capacity and is best accompanied by additional measures to discourage capacity expansion. For instance, vessel landings limits may discourage capacity expansion by individual permit holders. Length endorsements may discourage the tendency to transfer permits from smaller to larger boats. It is not clear whether this new limited entry program is an end in itself or a prelude to a market-based system of harvest allocation. While perhaps more costly to implement, market-based systems also have more effective, built-in incentives to control capacity.