

**Summary of ongoing actions to revise the License Limitation Program
North Pacific Fishery Management Council
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Over the course of several meetings and in response to several concerns, the Council has developed three separate actions intended to modify the License Limitation Program (LLP). These actions are generally intended to both remove latent licenses from fisheries and to qualify licenses for areas that appear to have insufficient capacity. Some aspects of these actions overlap. These overlaps could lead to either redundancy or inconsistencies in Council actions. In addition, overlaps could prolong analyses consuming Council and staff time. This paper reviews the scopes of the three different agenda items addressing LLP revisions. Using this paper, the Council could choose to develop its alternatives in these actions in a manner that will avoid redundancies and inconsistencies and uses its time efficiently.

The first part of this paper briefly reviews the three actions before the Council. The paper goes on to describe areas of overlap. The paper concludes with a few observations concerning potential ways to structure the actions to avoid redundant and inconsistent actions.

Action to reduce trawl licenses in all areas and add trawl LLP licenses to the Aleutian Islands.

This action has two parts. The first is intended to remove latent licenses from the trawl sector in the Gulf and Bering Sea and Aleutian Islands (the “trawl LLP action”). The action has options that would apply a minimal threshold of one or two landings during a period of at least six years to retain eligibility. The qualification could be either at a management subarea level (i.e., BS, AI, WG, and CG) or at a management area level (BSAI and GOA). The LLP would not be restructured, but area endorsements would be removed from licenses that had no or very minimal activity in recent years.

The second part of the action would create new endorsements for the Aleutian Islands on catcher vessel licenses that have landings in the parallel or State waters fisheries in the Aleutian Islands (the “AI LLP action”). This action is intended to address a perceived shortage of catcher vessel licenses in the Aleutian Islands, particularly for the Pacific cod fishery.

These two actions address perceived disparities between entry limits and resource abundance. Yet, the two actions serve somewhat cross purposes. The first action is intended to prevent entry of latent capacity from fisheries that are believed to be fully utilized. The second action is intended to add

licenses to a single area that is believed to have an inadequate number of licenses. The appropriateness of combining the two actions into a single regulatory amendment could be questioned.

<p>Action to reduce trawl licenses in all areas</p> <p><u>Area/Gear/Operation</u></p> <p>BSAI (or BS and AI) trawl CVs <u>and</u> Non-AFA and non-Amendment 80 CPs GOA (or WG and CG) CVs and CPs Options to exclude AFA, Amendment 80 licenses, or vessels under 60 feet)</p> <p><u>Eligibility thresholds</u></p> <p>One or two landings from 1995 to 2005 or 2000 to 2005</p> <p>Option to consider non-trawl catch for eligibility</p> <p>Action to add trawl licenses to the Aleutian Islands</p> <p><u>Area/Gear/Operation</u></p> <p>AI trawl CVs (non-AFA vessels only)</p> <p><u>Eligibility threshold</u></p> <p>One or two landings from 1995 to 2005 or 2000 to 2005 or 1995 – 2006 or 2000 to 2006 in the parallel or State waters of the Aleutian Islands</p>

Action to divide Pacific cod Bering Sea/Aleutian Islands allocations into separate Bering Sea allocations and Aleutian Islands allocations and to combine Bering Sea and Aleutian Islands license endorsements into a single Bering Sea/Aleutian Islands endorsement.

The primary purpose of this action (the “BS/AI Pacific cod allocation action”) is to divide the current Bering Sea/Aleutian Islands sector allocations of Pacific cod into Bering Sea allocations and Aleutian Islands allocations (in the event that the Pacific cod TAC and ABC are divided by subarea in a future specification process). As an ancillary part of the action, the Council has developed options that would create a new endorsement for the Bering Sea and Aleutian Islands areas. In effect, each license with a Bering Sea or Aleutian Islands would receive the new endorsement qualifying it for fishing in both the Bering Sea and Aleutian Islands for Pacific cod (the “BSAI Pacific cod LLP action”). This action is intended to address the perceived shortfall in Aleutian Islands endorsed licenses for use in the Aleutian Islands Pacific cod fishery. The primary beneficiary of this change would be catcher vessels, since many catcher vessels with a Bering Sea endorsement do not carry an Aleutian Islands endorsement. Since this action includes the division of allocations between the Bering Sea and Aleutian Islands, the simultaneous consideration of the need for Aleutian Islands licenses in the Pacific cod fishery would allow for coordination of the two actions. Whether the action should qualify all Aleutian Islands licenses for the Bering Sea might be questioned, if the Council’s motivation is to increase the number of qualified licenses in the Aleutian Islands.

Action to divide Pacific cod Bering Sea/Aleutian Islands allocations into separate Bering Sea allocations and Aleutian Islands allocations

Considers a variety options to divide allocations based on historical catch

Action to combine Bering Sea and Aleutian Islands license endorsements into a single Bering Sea/Aleutian Islands

Every license with either a Bering Sea or Aleutian Islands endorsement would receive a Bering Sea/Aleutian Islands endorsement, qualifying the license for use in both areas for Pacific cod

Action to make sector allocations of Gulf of Alaska Pacific cod and to remove latent licenses from the Gulf of Alaska fisheries.

This action also has two parts. The first part would divide the various Gulf of Alaska subarea Pacific cod TACs into separate sector allocations (the “Gulf sector split action”). Although yet to be specified, sectors are likely to be defined by gear type, and possibly by operation (catcher vessel/catcher processor) and vessel length. The second part of the action is intended to remove latent licenses from the Gulf fisheries (the “Gulf LLP action”). The specific terms of this action are also undefined at this stage. The action could simply remove latent licenses (in a manner similar to the removal of latent trawl licenses described above). Alternatively, the action could redefine eligibility by defining new endorsements and designations, which parallel the sector allocations for Pacific cod. Since one of the actions defines allocations available to sector members, while the other defines sector eligibility, this package provides a means for considering the interactions between and coordinating the two decisions.

Action establishing Gulf Pacific cod sector allocations

Define area/gear/operation/vessel length sectors and determine allocations to those sectors

Action removing latent licenses from Gulf fisheries

Define criteria for retaining eligibility to fish in Gulf fisheries – could redefine sectors for license endorsement designation

Discussion of coordination of these actions.

This section briefly discusses issues that the Council could consider for coordinating these actions that consider revisions to the LLP. Since the Council has not developed a purpose and need statement or alternatives for the Gulf sector split/Gulf LLP action, the discussion is somewhat speculative concerning the nature of that action and possible alternatives. In any case, conclusions depend on the scope of the Council’s alternatives in the various actions. The discussion attempts to address potential revisions to

actions that the Council could consider in development of alternatives, to allow the Council to fashion these actions to address those contingencies.

The trawl LLP action applies a minimal participation threshold for continued eligibility. The Council could continue that aspect of the trawl LLP action without great concern for unanticipated interactive effects with the other actions before it. This conclusion is dependent on the Council maintaining its current alternatives. If the Council were to revise the alternatives in the trawl LLP action in certain ways, it may be advisable to combine the trawl LLP action with the Gulf LLP action. First, if the Council elects to use the trawl LLP action to restructure any aspects of the LLP, combining the trawl LLP action with Gulf LLP action (which could take a broader view of the LLP) may be a more comprehensive, workable approach for coordinating the Council's decision making process.¹ If the Council maintains the current, relatively minimal participation thresholds for assessing latency in the trawl LLP action and does not use that action to restructure the LLP, the current action is unlikely to have substantial interactive effects with the other actions under consideration.

The AI LLP action (which is currently joined with the trawl LLP action) contains options that would qualify trawl licenses with history in the parallel fishery or the State water fishery in the Aleutians for an Aleutian Islands LLP endorsement. This action could qualify several trawl licenses for participation in the Aleutians. The Council is simultaneously considering the BS/AI Pacific cod allocation action, to divide the Bering Sea/Aleutian Islands Pacific cod allocations between those two subareas. That action is joined with the BSAI Pacific cod LLP action, which would qualify all holders of a Bering Sea or Aleutian Islands endorsed license for Pacific cod in the Bering Sea and Aleutian Islands. The qualification of licenses to participate in the Aleutians in the BSAI Pacific cod LLP action is likely far greater than the qualification in the AI LLP action. The BSAI Pacific cod LLP action, however, will be considered in the context of the action to divide Pacific cod between the Bering Sea and Aleutians, which is likely a prime motivation for increasing the number of licenses qualified for the Aleutians under both actions. The independent consideration of two sets of options to increase license endorsements for the Aleutians will likely complicate any analysis and reduce transparency of the actions to both Council decision makers and the public. Since the BS/AI Pacific cod allocation action is closely related to the issue of license qualifications for the Aleutians, it may be advisable to combine the AI LLP action with the BSAI Pacific cod LLP action and BS/AI Pacific cod allocation action to allow consideration of all options affecting Aleutian Islands allocations and eligibility in a single action and analysis.

¹ For example, under the current LLP, a license contains a gear designation (i.e., trawl/non-trawl) that applies in all areas for which the license is endorsed. If the trawl action is used to revise the LLP, so that gear designations differ across areas, the Council may wish to combine the action with the Gulf action that could also consider options for revision of LLP endorsements.