

Pros and Cons of Some Potential Items for Permit Reform

The examples provided in this document are illustrative of some of the many items that constituents have suggested should be considered by NMFS in reforming the current HMS permit structure. Since 2006, Approximately 50 separate suggestions have been received at public hearings, HMS Advisory Panel meetings, and in comment letters submitted in response to proposed rules. All of the suggestions received to date remain in consideration. However, to illustrate some of the potential costs and benefits associated with changing the current HMS permit structure, a small sample of suggestions are included in this document for a very preliminary analysis. These five examples represent some, but not all, of the most frequently mentioned suggestions. These five examples are stated in very general terms. The pros and cons associated with each suggestion would ultimately depend upon the particular details associated with each, and the permits that are currently held by a fisherman (Incidental, Directed, Handgear, etc.).

Item 1

Replace HMS “Permit Triumvirate” With Single Permit.	
PROS	CONS
<ul style="list-style-type: none"> • Could simplify permit application process. • Could eliminate current differences between directed and incidental permits. • For some permit holders, could positively affect the value of their permits. • For some permit holders, could increase the number and type of allowable gears, species, trip limits, etc. • Would eliminate need for three permits to conduct one activity. • Could help streamline HMS regulations. 	<ul style="list-style-type: none"> • Could significantly change current HMS regulations and result in unintended impacts (i.e., ripple effects). • Could eliminate current differences between directed and incidental permits. • For some permit holders, could negatively affect the value of their permits. • For some permit holders, could reduce the number and type of allowable gears, species, trip limits, etc.

Item 2

Simplify Permit Requirements For Squid Trawlers That Incidentally Capture Swordfish	
PROS	CONS
<ul style="list-style-type: none"> • Could simplify permit application and renewal process for squid trawl vessels. • Could eliminate the need for three permits to conduct one activity. • Could eliminate the need for squid trawl vessels to be issued a Tuna longline permit and a shark permit to retain incidentally-caught swordfish. • Could allow squid trawl vessels to sell/transfer their shark & Tuna longline permits, if they are currently issued those permits. 	<ul style="list-style-type: none"> • For squid trawl vessels that are currently issued the three necessary permits, could negatively affect the value of their permits. • Could adversely affect the transferability of permits (i.e., a squid incidental permit might only be able to be transferred to a squid trawl vessel).

Item 3

Reduce Latent Permits With Active Permits (“Use or Lose”)	
PROS	CONS
<ul style="list-style-type: none">• Could reduce the large number of latent HMS permits.• Could increase domestic swordfish landings if effort increases.• Could encourage latent permit holders to reenter HMS fisheries.• Could encourage latent permit holders to transfer their permits to active fishery participants.• Could provide new opportunities for fishermen to obtain limited access permits and enter HMS fisheries.• Could discourage practice of permit “speculation” as an investment opportunity.	<ul style="list-style-type: none">• For current latent permit holders, could negatively affect the long-term value of their permits.• Could cause hardships on current latent permit holders by requiring them to use their permit or risk losing it.• Could penalize current latent permit holders who chose not to fish while stocks were rebuilding.• Could increase fishing effort on overfished stocks or protected resources.• Could discourage practice of permit “speculation” as an investment opportunity.

Item 4

Increase Commercial Handgear Effort/Permits In HMS Fisheries	
PROS	CONS
<ul style="list-style-type: none">• Could increase domestic swordfish landings.• Could encourage more “eco-friendly” type fishing with less bycatch than other gears such as purse seine, longline, and gillnets.• Could provide new or additional opportunities for fishermen to participate in HMS fisheries.	<ul style="list-style-type: none">• Could increase fishing effort on overfished stocks or protected resources.• Could cause conflicts with recreational fisheries.• Could negatively affect the value of current limited access handgear permits.

Item 5

Modify or Remove Limited Access Vessel Permit Upgrading Restrictions	
PROS	CONS
<ul style="list-style-type: none">• Could increase domestic swordfish landings if effort increases.• Could provide more flexibility for current permit holders to modify their vessels.• Could improve the “transferability” of permits by removing or modifying vessel upgrade limits.• For some permit holders, could positively affect the value of their limited access permits.• Could allow for larger vessels, which would have impacts on profitability, safety at sea, etc.• Could increase opportunities to fish longer distances, and take longer trips which might reduce overhead costs per trip.• Could allow for freezer vessels.	<ul style="list-style-type: none">• Could increase fishing effort on overfished stocks or protected resources.• For some permit holders, could negatively affect the value of their limited access permits.• Could cause conflicts with recreational fisheries, depending upon which permits are affected.• Could result in overcapitalized fisheries and increase overall fleet capacity.• Could allow for freezer vessels.