

Industry Advisory Committee Meeting
August 23, 2016
6 PM Hazard Room, URI Coastal Institute

Members in attendance:

Chris Rein, RIMFC, Chair (CG)	Robert Mattiucci (RM)
Mike McGiveney (MM)	Mike Roderick (MR)
Steve Anderson (SA)	Gerald Carvalho (GC)
Aaron Gewirtz (AG)	Lanny Dellinger (LD)
John Lake RIDFW, Staff (JL)	

The meeting began at 6 PM having achieved a quorum of 7 out of 10 members. JL gave a brief overview of exiting license trends and last year's actions.

1. The first item for consideration was the number of restricted finfish licenses to be issued by DEM in 2017. JL briefed the committee that 15 licenses eligible to land restricted finfish were not renewed in 2016, 3 of which had activity (>1 day of landing restricted finfish) in 2015. The result would be 3 new restricted finfish licenses offered by RIDEM based on current regulations.

A motion was made by RM, 2nd by GC, to offer new restricted finfish PEL license endorsements at a ratio of 1:1 of licenses *eligible* (i.e., change criteria from *active* licenses to *eligible* licenses) to land restricted finfish.

JL noted that the result of the motion would be 15 PEL Restricted finfish license endorsement opportunities in 2017. RM noted that the current methodology is not increasing the number of restricted finfish licenses and that in fact the number is still declining, this is hurting the fishery by not allowing opportunities to younger fishermen. GC asked if RIDFW had a goal as to how many restricted finfish license should be issued during any given year. Jason McNamee (JM), RIDFW Chief, replied stating that he is working on a statistical model to address that question based on those used for stock assessment and that it should be ready for next year. The model would be a tool for the group to use, he stated that the group's advice on the number of licenses issued should also consider the economics of the fishery. GC asked if increasing the number of licenses issued would make a difference as far as the resource is concerned. JM stated that it would not as the species involved are managed on a quota system. GC stated that the state of the resource and the economics of individual fishing operations would ultimately dictate participants and license issuance should not be the limiting factor. GC also noted that the average age of the commercial fleet is 57 years old and that a lack of younger participants will ultimately hurt the fishery. MR stated that he thought the status quo option should be followed (1:1 ratio of exiting *active* licenses) and that next year when the model is available changes could be made with better understanding of the potential impacts.

The motion passed 5 in favor; 2 opposed.

2. The next item up for discussion was the number of restricted shellfish endorsements to be issued by DEM in 2017. JL briefed the committee that 39 licenses eligible to land quahaugs, 34 licenses eligible to

land soft shell clams, and 26 licenses eligible to land whelk were not renewed in 2016. The result would be 39 new quahaug licenses, 9 new softshell clam licenses, and 0 new whelk licenses issued in 2017 based on current regulations of a 1:1 ratio of exiting quahaug licenses, 5:1 ratio of exiting soft shell clam licenses, and allow whelk endorsements to be issued only to fishermen who currently hold a quahaug or soft-shell clam endorsement.

A motion has made by MM, 2nd by MR, that current exit/entry ratios should be maintained for all restricted shellfish licenses. The motion passed 6 in favor; 0 opposed; 1 abstained.

3. A new motion was made by GC 2nd by LD: Amend the current shellfish sector license structure to eliminate 4 shellfish categories in favor of a single (1) license (category) governing the harvest of all species of shellfish.

GC stated that the current system limits shellfishermen's ability to access the entire resource and is not on a level playing field with the license structure of the other two sectors, in that a shellfisherman must acquire 4 endorsements to harvest the entire suite of shellfish species, while the other 2 sectors only require 2. JM stated that legal review would be needed and that the fee structure is in RIGL. JL stated that this concept is part of DEM's legislative initiative to consolidate shellfish licenses. MM stated that he is in favor of the motion but thought there was potential for a shift in effort within the sector. The effect would likely be minimal.

The motion passed 7 in favor; 0 opposed.

4. A new motion was made by GC 2nd by RM: The possession limit for all species of shellfish should be the same across all license categories.

Currently only PEL and MPURP licenses can harvest at the full level, this is restrictive to shellfishermen and disadvantages new entrants to the fishery. MM noted that the licenses that only can harvest the lower possession limits have lower fees. RM stated that he agreed with the motion citing that cost of license should not be a factor in determining possession limits.

The motion passed 4 in favor; 2 opposed; 1 abstained.

5. The next item up for discussion was the number of lobster endorsements to be issued by DEM in 2017. JL reminded the group that RI is currently under a moratorium on the issuance of new licenses per the Atlantic States Marine Fisheries Commission (ASMFC) fisheries management plan. LD requested that work be initiated to reopen lobster licenses. He stated that most of the attrition in the lobster sector has been from the inshore fishery which needs to be replenished. He stated that more licenses would result in more lobster trap allocation transfers which would reduce effort by reducing the overall number of traps via the conservation tax on each transfer. Brian Thiebault, RILA, stated that he and his membership agree with the request. JM advised that this would have to be accomplished through the ASMFC process and would be helped along by industry feedback. RIDFW will organize a workshop to discuss the possibility of re-opening lobster licenses.

6. The next item up for discussion was amending the regulations concerning the sale of business and gear. JL outlined DEM's proposal of clarifying that the vessel involved in the sale of a fishing business resulting in a new license being issued to the buyer be at least registered and commercially declared at some point during the period establishing the license's activity.

GC made a motion, 2nd by MR: Remove any criteria associated with sale of a commercial fishing business and transfer of license. Remove the activity standard requirement, and all such criteria restricting the sale of the business or transfer of license, including no vessel or gear requirements. The business would either be comprised of some gear or a vessel but not necessarily both. A business should qualify regardless of assets.

GC stated that the state should not limit business practices with management plans that determine the number of participants in a fishery. Many issues with license attrition would be solved with a mechanism allowing easy business sales. The resource and associated economics would dictate the fishing effort and number of licenses being sold. LD stated that the current system is too restrictive and was not the intention. It is a waste of effort to have business owners meet artificial requirements to sell a business. He cited the example of a business being sold and the vessel involved being sold right back to the original seller after the transaction is complete. Al Eagles, lobsterman, stated that the restrictive rules hurt the lobster industry because many of the people leaving the industry are not selling all of their business as one single piece, but instead assets are sold separately, which only serves to impede that process and potentially limit the lobsterman from selling all of his/her assets.

The motion passed 6 in favor; 0 opposed; 1 abstained.

7. The next item up for discussion was amending the regulations concerning the fishing activity standard. JL outlined DEM's proposal of liberalizing the standard to 40 days of landing over 2 years.

GC made a motion 2nd by RM: Eliminate all landing activity criteria from transfer of license when concerning family member/crew, or sale of business.

GC stated the activity standard is difficult to maintain and impedes a fisherman from selling his business. Family members/crew have lost license opportunities because of the activity standard. A license should stay in a family or fishing business to maintain an opportunity to conduct a fishing business. Megan Lapp, Seafreeze, stated that the standard is difficult to meet for fishing vessels employed year round that make long trips and less frequent landings. JM asked if the use of the activity standard in the license issuance prioritization process should also be abolished. LD stated that the standard can be gamed and is another artificial impediment. MR stated that he thought that it should remain for license opportunity priority. The committee agreed and offered no resistance.

The motion passed 7 in favor; 0 opposed.

8. The next item up for discussion was amending the regulations concerning the provisions of issuance of a license to a family member/crew under hardship provisions. JL briefed the committee that Jeff Grant (JG), RIMFC, had submitted a proposal to address cases where a licensee is disabled or dies and

the license is not renewed over a calendar year change resulting in the license no longer being active and not reissued. JL presented both JG's proposed language and a RIDEM response. Both of which were intended to attain the same result. The group agreed they were both similar. JG wanted to make sure the licenses activity remained intact. GC stated that wouldn't matter if the abolishment of the activity standard occurred. The RIDFW proposed language would allow the issuance of a license to a family member/crew a full calendar year after the establishment of disability (or death).

GC made a motion 2nd by RM which was amended by MM and LD: In the event of hardship, issuance of license to family/crew member to be allowed for two years from the time of hardship or settlement of probate. The activity standard should not apply to these cases.

MM amend: **Activity standard will not apply.**

LD amend: **Probate cases could allow extension of license issuance to time after case is settled.**

The committee and RIDEM agree that whenever possible a license should be retained by a family or crew if desired in established hardship cases.

The motion passed 7 in favor; 0 opposed.

Having no other business the meeting adjourned at 8:00 PM.