

## **NEFMC Sector Workshop Information Request - Maine Permit Bank Sector**

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### **Sector Overview**

The Maine Permit Bank Sector (MPBS) is uniquely different than other sectors as it acts as the operational arm of the Maine Permit Bank Program (MPBP), for which the Department of Marine Resources (DMR) is the operating agent. Eligibility is outlined in the Memorandum of Agreement (MOA) signed between NMFS and DMR. The Annual Catch Entitlement (ACE) contribution associated with permits owned by the State of Maine are distributed to eligible vessels ≤ 45 feet in length operating from a community of no more than 30,000 residents in an effort to mitigate the potential effects of fishing effort consolidation on small-scale fishermen and rural fishing communities in Maine.

#### **1. What ran smoothly in your sector?**

NMFS staff provided necessary guidance and assistance to DMR during the development of the MPBS's operations plan, exhibited flexibility by extending the roster deadline to allow for newly purchased permits to join the sector, and granted exemptions from Vessel Trip Reporting, Reporting Thresholds That Trigger Daily Reporting, and the length and horsepower restrictions of the DAS Leasing Program. In addition, NMFS has made efforts to make the VTR reconciliation process more transparent and timely and it is hoped that suspended ACE trading issues will not arise again in FY2012.

#### **2. What are the top 5 problems your sector encountered that impeded operations?**

#1. The MPBS was not able to assist vessels from qualified sectors at the beginning of FY2011 due to recipient sectors out of compliance issues associated with Vessel Trip Reports and suspended ACE trading. Eventually, NMFS offered some flexibility by rescinding the restriction.

#2. The MPBP is not recognized under the current provisions of the Northeast Multispecies FMP, and the only entities allocated, and authorized to transfer, a sector's ACE to sectors are other sectors. In this situation, the only mechanism available for the MPBP to operate is to either join an existing sector as a member or to form a sector. Since active fishing vessels would expose the State of Maine to joint and several liability issues, the DMR formed its own sector to transfer ACE to eligible sectors, which unnecessarily complicate the operations and administration of the MPBP.

#3 The prerequisite to have two Northeast Multispecies Fishery permit owners join the MPBS in order to meet the "Rule of Three" obligation, therefore authorizing its existence also unnecessarily complicates the operation of the MPBP by requiring redundant administrative requirements.

#### **3. What potential modifications to the FMP do you think would be helpful?**

#1 The timely and full implementation of Amendment 17 would revise the Northeast Multispecies FMP to explicitly define and facilitate the effective operation of the MPBP. The MPBP is not recognized under the current provisions of the FMP, and the only entities allocated, and authorized to transfer, a sector's ACE to sectors are other sectors. In this situation, the only mechanism available for the MPBP to operate by providing fishing access to fishermen in the form of ACE transfers to the fishermen's sector(s) is for the MPBP to either join an existing sector as a member or to form a sector. Both of these mechanisms unnecessarily complicate the operation of the NOAA-sponsored, state-operated permit banks by requiring redundant administrative requirements.

#2 The current MOA governing the MPBP is unnecessarily restrictive. DMR's proposed amendments would allow the MPBP to continue to transition from a pilot into a fully operational program and more effectively assist Maine's traditional inshore groundfishermen and their communities to become profitable and competitive. Importantly, amending the MOA will allow for flexibility and the entire ACE associated with the MPBP to be fully utilized. The net result will be a critical boost in landings and revenues that will yield maximum economic benefits to the State of Maine.