

Regulatory Analysis

Proposed amendments to RIDEM Marine Fisheries regulations “Part 2 - Commercial Marine Fishing Licenses, Landing Permits and Party/Charter Licenses”

General:

This regulation establishes a process for managing marine fisheries, through the development of management plans and programs, licensing protocols and restrictions, and data collection systems.

It should be noted that changes to the licensing structure effective July 1, 2022, eliminated the license types *Commercial Fishing License (CFL)* and *Principal Effort License (PEL)*, as well as the fishery endorsements *Restricted Finfish*, *Non-Restricted Finfish*, *Quahaug*, *Soft-Shell Clam*, *Whelk*, *Shellfish Other*, *Lobster*, *Non-Lobster Crustacean*. The new license type to be issued in place of either the *Commercial Fishing License (CFL)* and *Principal Effort License (PEL)* is the *Standard License*. New fishery endorsement types on the Standard license include *Unlimited Finfish*, *Limited Finfish*, *Unlimited Shellfish*, *Limited Shellfish*, *Unlimited Crustacean*, and *Limited Crustacean*. All Standard licenses issued must include at least one (1) fishery endorsement

- The *Unlimited Finfish Endorsement* authorizes the harvest and landing of both restricted and non-restricted finfish species. Persons who held a valid PEL with a Restricted Finfish Endorsement license in 2022 are eligible to renew to a *Standard with Unlimited Finfish Endorsement* license in 2023. Availability of new *Standard with Unlimited Finfish Endorsement* licenses are restricted by exit:entry ratios (see below)
- The *Limited Finfish Endorsement* authorizes the harvest and landing of only non-restricted species. Persons who held a valid CFL or PEL with a Non-Restricted Finfish Endorsement license in 2022 are eligible to renew to a *Standard with Limited Finfish Endorsement* license in 2023. Availability of new *Standard with Limited Finfish Endorsement* licenses are not restricted by an exit:entry ratio, and are openly available to both residents and non-residents.
- The *Unlimited Shellfish Endorsement* authorizes the harvest and landing of all shellfish species. Persons (residents only) who held a valid CFL or PEL in 2022 with either the bay quahaug, soft-shell clam, or whelk endorsement are eligible to renew to a *Standard with Unlimited Shellfish Endorsement* license in 2023. Availability of new *Standard with Unlimited Shellfish Endorsement* licenses are restricted by exit:entry ratios (see below).
- The *Limited Shellfish Endorsement* authorizes the harvest and landing of all shellfish species except bay quahaug, soft-shell clam, and whelk. Persons (residents only) who held a valid CFL or PEL with a Shellfish Other Endorsement in 2022 are eligible to renew to a *Standard with Limited Shellfish Endorsement* license in 2023. Availability of new *Standard with Limited Shellfish Endorsement* licenses are not restricted by an exit:entry ratio, and are openly available to all residents

- The *Unlimited Crustacean Endorsement* authorizes the harvest and landing of all crustacean species, including lobster. Persons who held a valid PEL with Lobster Endorsement license in 2022 are eligible to renew to a *Standard with Unlimited Crustacean Endorsement* license in 2023. There are no new Standard with Unlimited Crustacean Endorsement licenses available for issuance.
- The *Limited Crustacean Endorsement* authorizes the harvest and landing of all crustacean species except lobster. Persons who held a valid CFL or PEL with Non-Lobster Crustacean Endorsement license in 2022 are eligible to renew to a *Standard with Limited Crustacean Endorsement* license in 2023. Availability of new *Standard with Limited Crustacean Endorsement* licenses are not restricted by an exit:entry ratio, and are openly available to both residents and non-residents.

Proposed amendments:

1. Proposal to amend the Exit/Entry Ratio for the Unlimited Finfish Endorsement:

- **Proposal # 1 - Status Quo (1:2 ratio):**

Costs and benefits: N/A (no change proposed). In 2022, three (3) Multi-Purpose Licenses and/or PEL with Restricted Finfish Endorsement were not renewed, which at a 1:2 ratio would result in six (6) Standard with Unlimited Finfish endorsements available for issuance in 2023.

- **Proposal # 2 – amend ratio from 1:2 to 1:1:**

Costs: In 2022, three (3) Multi-Purpose Licenses and/or Principal effort License (PEL) with Restricted Finfish Endorsement were not renewed, which at a 1:1 ratio would result in three (3) Standard with Unlimited Finfish endorsements available for issuance in 2023, *or three (3) fewer endorsements available for issuance as compared to a 1:2 ratio.* There would be no anticipated effects on amount of fish harvested, or effects on supporting industries (e.g., bait, ice, fuel, crew) as there would be no anticipated effects on landings as a whole as harvest rates and quota are monitored throughout the season, with closures and/or possession limits adjusted as needed to prevent both under and over-harvest.

Benefits: Fewer participants could result in longer seasons and a higher x-vessel value, which could result in a more stable income for those already licensed.

2. Proposal to amend the Exit/Entry Ratio for the Unlimited Shellfish Endorsement:

Costs and benefits: For the *Unlimited Shellfish Endorsement*, no proposals were received, so only status quo is noticed. In 2022, thirty-three (33) licenses authorized to harvest and land quahaug, soft-shell clam, or whelk were not renewed (namely Multipurpose licenses,

or CFL or PEL with either a quahaug, soft-shell clam, or whelk endorsement), which would result in the availability of thirty-three (33) new Standard with Unlimited Shellfish Endorsement license for the 2023 license year at a 1:1 exit:entry ratio

3. **Multipurpose Vessel License:**

Pursuant to R.I. Gen. Laws § 20-2.1-4(e), persons engaging in commercial fishing must be licensed by the Director, and have that license in his or her possession at all times while engaged in the activity. The Multipurpose Vessel License (MVL), pursuant to R.I. Gen. Laws § 20-2.1-5(1)(v), provides for the vessel owner to designate an operator to engage in commercial fishing aboard their owned vessel, such that the licensed person is not required to be onboard the vessel that is engaging in commercial fishing. The MVL is available only to residents holding a valid Multipurpose Fishing License (MPURP), who must consign the MPURP as a condition of MVL issuance. A consigned MPURP would then be held by the Department upon issuance of the MVL, and may only be re-issued upon non-renewal of the MVL.

Current rules require that only residents may land restricted finfish. As such, an owner of a vessel wishing to land restricted finfish species must have on board their vessel a person licensed to land restricted finfish, namely a MPURP or Standard License with Unlimited Finfish Endorsement; or in lieu of a license, a Resident Landing Permit. A Non-Resident Landing Permit does not authorize the landing of restricted species. The MVL would provide for a resident *or* non-resident operator to land restricted finfish; such operator being designated by the vessel owner and being issued an operator permit by the Director (as proposed).

The Division proposes to provide for a maximum of thirty-one (31) MVL licenses. This is to cap the number of licenses issued, and equates to $\approx 10\%$ of the number of currently active licenses authorized to land restricted finfish, as a means to “*proceed with this new licensing element in a cautious manner*” (see the Division’s White Paper entitled “*2019 Licensing Restructure Initiative to Streamline and Calibrate the Rhode Island Commercial Marine Fishing Licensing System*”, provided at request).

Costs: Issuance of MVL licenses could result in additional persons or vessels participating in the restricted finfish fishery. As stated above, current rules require that vessel owners utilize a resident license holder for the harvest of restricted finfish. Such resident license holders may not always be readily available, meaning that such vessels may not always be harvesting when such resident license holder is not available to operate the vessel. Providing for non-resident operators could therefore potentially provide for increased harvest rates, potentially resulting in earlier closures of restricted finfish species managed by quota.

Benefits: Increased opportunity, flexibility in fishing operations, and stability for vessel owners that currently hold a MPURP license. Increased economic opportunity for non-resident operators.

Costs: Potential for increased harvest rates and faster utilization of quota, which could result in decreased possession limits and/or earlier closures. Potential loss of economic opportunity for residents when non-residents are utilized as vessel operators.

In the development of the proposed amendment, consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

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