

TO: MULTISPECIES CAPACITY REDUCTION COMMITTEE
FROM: CHRIS MEANEY
SUBJECT: NARRAGANSETT RHODE ISLAND PUBLIC MEETING
DATE: JUNE 23, 2006

This is a brief overview of the public meeting held in Narragansett R.I. at the URI Bay Campus Thursday June 22, 2006.

Staff members present were David Borden, Chris Meaney and Jackie O'Dell. There were no members of the Capacity Reduction Committee present. Approximately 20 individuals attended the meeting.

The meeting began shortly after 5pm with a welcome and overview of the Capacity Reduction Program. A brief power point presentation highlighted the details of the proposed Buyout and was followed by a discussion period which ended at approximately 6:20pm. Audience members were then provided an opportunity to approach staff with further questions and comments.

The discussion period was brief. A handful of comments and suggestions were associated with the potential for effort shift and the invocation of the actual Buyout. Below is a synthesis of participant suggestions, concerns, and support regarding the Buyout proposal.

- Seeking clarification on the two referenda, a participant asked if there would be one alternative to vote on at the first referendum, or if permit holders would be afforded the opportunity to vote their preferred alternative forward.
- A participant asked the staff if a distinction is being made between recently used A DAS, leased A DAS, and unused A DAS, wondering if these are all treated as equal. The audience member opined that if there are latent A DAS with permit holders not under pressure to surrender them, the Buyout program may chew through a 100million dollar loan without significant results.
- Concerned with capital gains tax on the lump sum payout, a member of the audience asked if the committee had addressed this issue or if the committee is familiar with any current efforts in Congress to remove capital gains tax from buyout efforts. The individual suspected there would be substantial support for the program if this issue could be successfully resolved.
- A member of the audience voiced support for a buyout based on increased revenue not mortality reduction.
- The comment was made that this appears to be a species specific buyout and suggested to the committee that this program be extended into other fisheries. The participant indicated that if a program is going to be created to reduce overcapacity it should address all fisheries along the entire East coast.

- More than one member of the audience indicated that Alternative 2 is the only acceptable option. Concerns regarding shifts in effort with Alternative 2 and 3 were expressed. The participant noted that even if the percentage used by the committee in Alternative 3 was lowered to 10% he would not support it, indicating that he has no intention of buying guys out to see them come into other fisheries.
- A member of the audience suggested the committee consider increased recreational influence.
- An individual suggested that capital construction dollars held in vessels be incorporated into the bid score formula.
- The concern was expressed that permit holders in Massachusetts and Maine would be deciding for all.
- An individual indicated that before voting he wanted to be assured that the additional funds to buy out permits other than groundfish permits are guaranteed.
- It was suggested that the committee consider a permits holder's most current use of a vessels. The individual indicated that his effort differs from what is associated with the history of the vessel and the committee may be overlooking valuable information.
- The comment was made that a potential leverage point with Congress may be that in the long run this program may result in lower pre tax costs for fishing businesses resulting in increased tax revenues for the federal government.

Thank you to the URI Sea Grant for reserving the venue. The next Buyout public meeting will be held Wednesday June 28th at the Stellwagon Bank National Marine Sanctuary, Scituate, MA.