Memorandum

To: Janet Coit
   Director

From: Robert Ballou
       Assistant to the Director

Re: Addendum to Decision on September 18, 2013 Public Hearing Items
   Relating to New Commercial License Opportunities for 2014

I am writing as a follow-up to the November 6, 2013 decision memo, which
set forth final decisions on regulatory proposals pertaining to commercial licensing for
2014, which were presented at the September 18, 2013 public hearing.

The purpose of this follow-up memo is to request approval to increase the number of new
restricted finfish endorsements on Principal Effort Licenses (PELs) available for 2014
from nine (9) to ten (10). The rationale for this change is as follows:

The Department issues new license/endorsements in accordance with the prioritization
process set forth in section 6.7-6 of the licensing regulations. That process gives top
priority to three categories of applicants:

1. Residents who have held, and actively fished, CFLs endorsed in the same
   fishery for which a new license/endorsement is being sought;

2. Residents who have held, and actively fished, PELs in another fishery; and

3. Residents who have actively participated as crew members in the same fishery
   for which a new license/endorsement is being sought.

Section 6.7-6 further states:

“One-third of the total number of new licenses with applicable endorsements will
be made available to each of the three priority categories [i.e., equal status is
afforded to each of the three categories]. If, in any of the categories, there are
fewer eligible applicants than there are licenses/endorsements available for issue,
then the balance will be evenly distributed to the other two categories. Within each category, eligible applicants will be prioritized based on the length of time, in years, they have been actively fishing their license, or actively participating in the fishery as a crew member, on a continuing basis.”

The Department typically issues a limited number of new restricted finfish endorsements each year, based on the 5:1 exit/entry ratio set forth in the regulations. For 2014, nine (9) new restricted finfish endorsements are slated to be issued, as set forth in the November 6, 2013 decision memo.

The application period for new licenses/endorsements closed on February 28, 2014. Immediately thereafter, the Office of Boat Registration and Licensing undertook a thorough review of all applications, and determined that there were a total of ten applications that qualified for priority status pursuant to the provisions of section 6.7-6:

- Two applicants qualified under priority category 1;
- Four applicants qualified under priority category 2, however, two of the four have actively fished their licenses for more than two years; and
- Four applicants qualified under priority category 3, however one of the four has actively participated for more than two years.

Given this scenario, there is no way to equitably issue nine new endorsements to the ten applicants by lottery, per the provisions of section 6.7-5(c).

The only equitable solution to the unique situation faced this year is to increase the total number of new restricted finfish endorsements to be made available from nine (9) to ten (10), allowing all ten of the priority applicants to obtain restricted finfish endorsements.

I hereby recommend adoption of this change. If you concur, please indicate by signing below. Upon approval, the Office of Boat Registration and Licensing will issue the ten new restricted finfish endorsements to the ten priority applicants. There is no need to file any regulatory changes.

☑️ Approved as presented

Janet Coit, Director

3/25/14