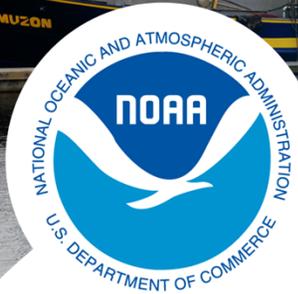




Design and Use of Catch Shares under the Magnuson- Stevens Act



NOAA
FISHERIES

Office of
Sustainable
Fisheries

Council Member Training
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Outline of Presentation

- Fisheries management/catch shares context
- Magnuson-Stevens Act & Terminology
- NOAA Policy & Implementation



Key Learning Objectives

- Describe the Magnuson-Stevens Act Limited Access Privilege Program provisions
- Explain the guiding principles in the NOAA Catch Share Policy



Fisheries Management Trends

❑ Pre-1976 Magnuson-Stevens Act

Open access, race-for-fish, common property, foreign fleets

❑ 1976 Magnuson-Stevens Act

End foreign fishing, domestic fleet expansion, command and control management (quotas, effort, seasons, areas)

❑ 1996 Sustainable Fisheries Act

Control expansion, limited access

❑ 2006 Magnuson-Stevens Act Reauthorization

End overfishing, rebuild stocks, reduce overcapacity, limited access privilege programs



What is a Catch Share?

Catch share is an umbrella term used to describe fishery management programs that allocate a specific portion of the total allowable catch to individuals, cooperatives, communities, or other eligible entities

The recipient of a catch share is directly accountable to stop fishing when its exclusive share or allocation is reached

Catch Shares include:

- Programs defined in Magnuson-Stevens Act such as Limited Access Privilege (LAP) programs and Individual Fishing Quotas (IFQs)
- Other exclusive allocation measures such as sectors in NE



2006 Revisions to Magnuson-Stevens Act

Section 302(a)(15)

Establish a mechanism for specifying annual catch limits in the plan ...such that overfishing does not occur in the fishery

Section 303A – Limited Access Privileges

(a) General

(b) No Creation of Right, Title or Interest

(c) Requirements for Limited Access Privileges

Fishing communities

Regional fishery associations

Participation

Allocation

Program initiation (referendum)

Transferability

(d) Royalties

(e) Cost Recovery

(f) Characteristics (renewal/revocation)

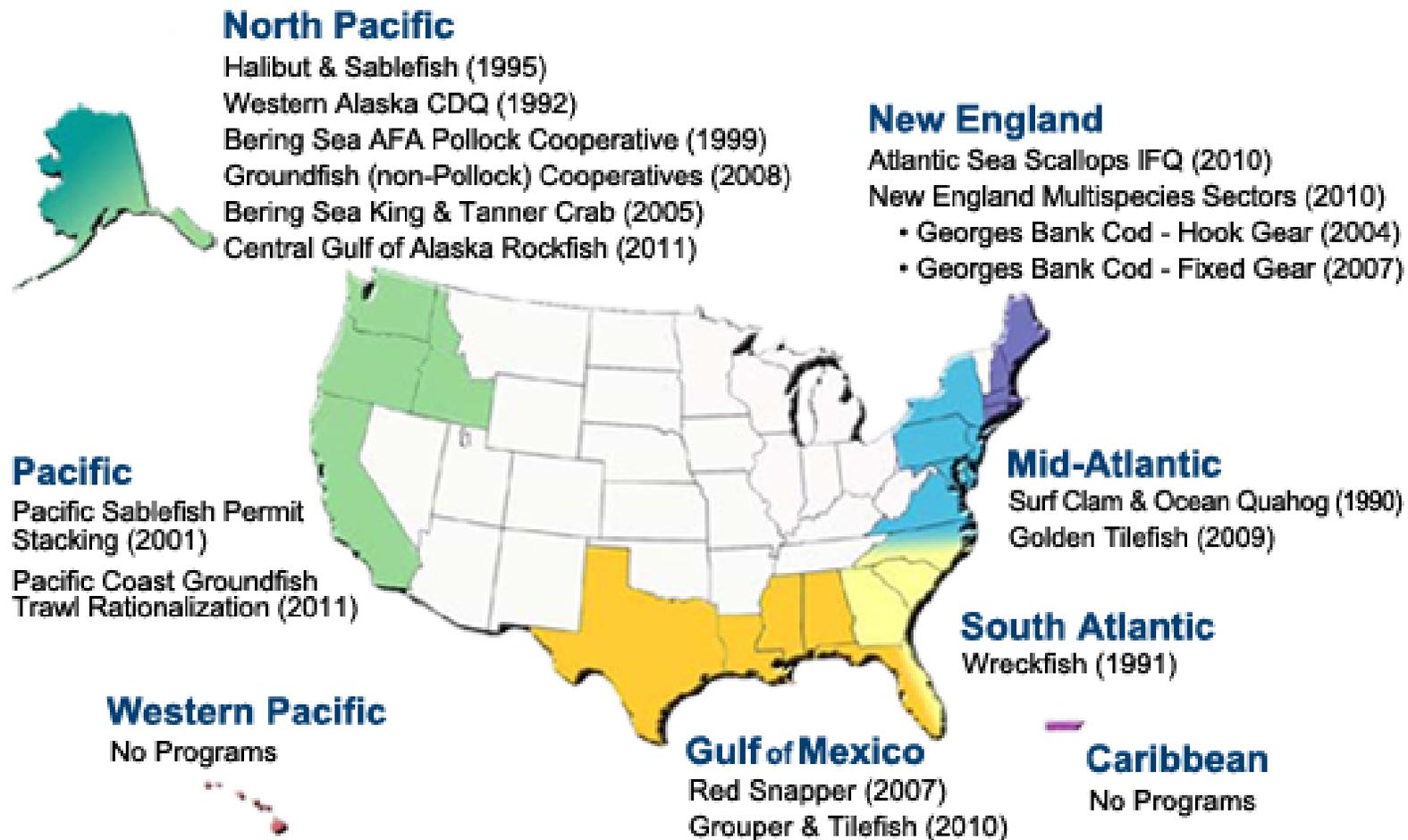
(g) Assisted Purchase

(h) Existing Programs

(i) Transition Rules



Current Catch Share Programs



Why Consider a Catch Share Program?

- Difficulty controlling catch to an overall limit
- A race to catch as much fish as fast as possible
 - Short seasons
 - Overcapitalization – too many boats, too few fish = lower profits, poor product quality
 - No incentive or opportunity to reduce bycatch
 - Seasonal gluts of fish in markets
- Fishermen go out in unsafe conditions

Development of NOAA's Catch Share Policy

- June 2009 – Formation of the Catch Shares Task Force
- 18 Participants:
 - 10 NOAA participants
 - 8 Regional Council participants (recreational & commercial sectors)
- December 2009 – NOAA released a draft policy
 - NOAA received broad feedback via the web, email, public meetings, workshops and stakeholder conference calls
- November 2010 – NOAA released final Catch Share Policy

Final Catch Share Policy Statement

To achieve long-term ecological and economic sustainability of the Nation's fishery resources and fishing communities:

NOAA encourages the consideration and adoption of catch shares wherever appropriate in fishery management and ecosystem plans and amendments, and will support the design, implementation, and monitoring of catch share programs



Design Elements of a Catch Share Program

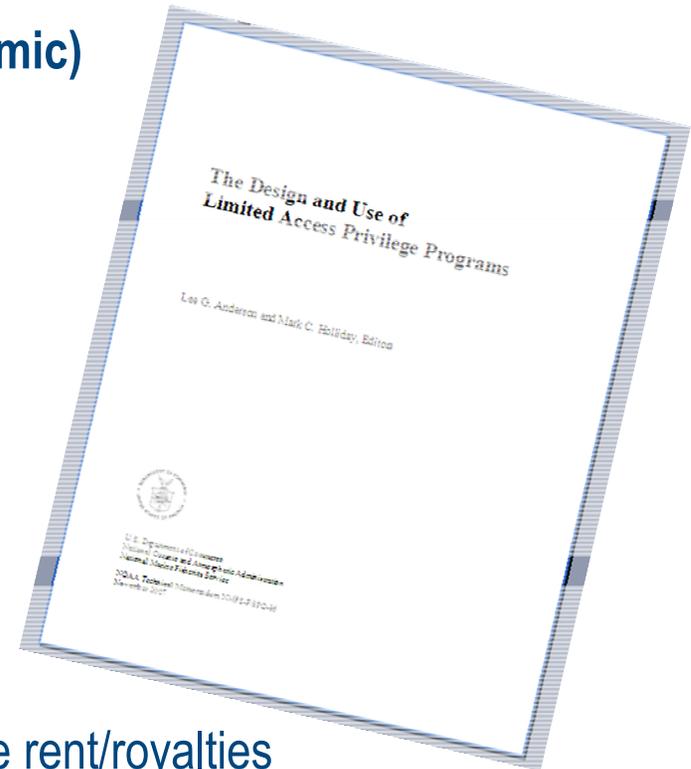
1. Define Program Goals (biological, social, economic)

2. Describe Nature of the harvest privilege

- Duration, Eligibility
- Initial Allocation
- Transferability
- Accumulation limit/Excessive shares
- Community sustainability considerations
- New Entrant/Small Business provisions

3. Specify Management elements

- Enforcement
- Cost recovery
- Monitoring and data collection
- Resource rent/royalties
- Appeals
- Performance reviews



Critical Design Features

Specific Management Goals – All fishery management programs, including catch shares, should identify specific measureable goals for management

GOAL	EXAMPLE PROGRAM
Eliminate overfishing	Gulf of Mexico Red Snapper IFQ
Stop derby fishing / reduce overcapitalization	Alaska Sablefish and Halibut IFQ
Reduce bycatch	BSAI Non-pollock Cooperatives
Improve socio-economic conditions for communities	Western Alaska CDQ Program

Critical Design Features



Duration: *Councils should explicitly define the duration of their catch share program to reinforce the fact they are temporary privileges, not property granted in perpetuity*

Eligibility: *Councils should consider a broad range of participation criteria to ensure the most fair and equitable quota share distribution for a given circumstance*

Critical Design Features

Allocations: *Councils should include consideration of conservation, economic, and social criteria. Should be revisited on a regular basis*

Transferability: *Councils should thoroughly assess the net benefits of allowing transferability of quota shares (percent) and/or quota pounds (pounds in a specific year). The choice of whether, when and to whom to allow transfers (by sale or lease) of quota is one of the most significant Council decisions*

Critical Design Features

Transferability Cont'd:

- *Develop written policies what happens to privileges upon the retirement, death, bankruptcy of the initial recipient.*
- *Establish a clear record linking management goals and objectives to any provisions limiting transferability such as “owner-on-board” “use it or lose it” or “active fishing entities” criteria.*
- *Design programs that help protect fishermen during transition periods, such as prohibiting sales or limiting the nature of transactions to leases in the initial year(s), as well as provide extensive outreach and training materials on conducting business in transferable privilege markets.*
- *Allow inter-sector transferability of catch share privileges to respond to changes in demand and promote future access opportunities.*



Critical Design Features

Accumulation limits: *Councils should implement an accumulation limit or cap on the amount of quota share an entity can own. This is one method for limiting the amount of consolidation that can occur in a fishery*

Community Sustainability Considerations: *Councils are encouraged to develop policies to promote the sustained participation of fishing communities and take advantage of the special community provisions in the MSA*

New Entrant/Small Business Provisions: *Councils should consider small vessel owners/new entrants by evaluating designs that provide for next generation of fishermen or small vessel access to the fishery*

Critical Design Features

Consider Impacts in Mixed-Use Fisheries:
Councils need to evaluate the direct and indirect effects of catch shares on all sectors (e.g., commercial, recreational, tribal) associated with a mixed-use fishery

No fishery or sector (e.g., commercial, recreational or subsistence) is obligated to adopt catch shares under the policy

NOAA does not advocate the use of catch shares for private recreational anglers



Critical Design Features

Royalties: *Councils should consider if and when it is in the public interest to collect royalties in connection with the initial or any subsequent allocations of exclusive harvest privileges*

Enforcement and Monitoring: *Individual accountability and the ability to accurately track quota and catch are critical to success*

Cost Recovery: *NMFS will compute and recover from participants only the incremental management, data collection and analysis, and enforcement costs associated with LAPPs*

Critical Design Features

Review Process: *Councils should establish relevant, specific, measureable performance measures. Councils should plan on being adaptive, periodically reviewing all catch share (and non-catch share) programs to gauge whether a program is meeting its objectives.*



Common Catch Share Questions

“Unfairly treats recreational sector?”

No sector mandated to adopt catch shares; quota shares distribute Council allocation decisions within a sector; include allocation review in FMP; set asides, transferability can modify initial allocations

“Government giveaway of public resources?”

Limited access privilege programs recover costs (up to 3% ex vessel value); Councils have authority to collect resource rent (royalties)

“Loss of small boat fleets and communities?”

MSA-design features to ensure sustained participation of small boat, owner-operator fleets and preservation of fishing communities through eligibility, participation, allocation and transferability choices

Catch Share Truisms



- *There is no one size fits all catch share program; there is almost infinite design flexibility*
- *Not all fisheries can/should be managed via catch shares*

NOAA Support

NOAA will work with the Councils, recreational, commercial and other stakeholder groups to help them assess their options, understand the advantages and disadvantages of adopting a catch share program, and research areas that need further investigation

When designing and implementing catch share programs, NOAA will:

- 1. Reduce technical & administrative impediments*
- 2. Provide expertise and related support*
- 3. Help inform and educate stakeholders*
- 4. Coordinate data collection, research, and performance monitoring*

For More Information Visit

http://www.nmfs.noaa.gov/sfa/domes_fish/catchshare/index.htm

For links to:

- *Catch Share Policy*
- *Map of current catch share programs and program spotlights*
- *Frequently Asked Questions*
- *Compilation document showing critical design features of existing catch share programs (coming soon)*
- *Research papers and references*
 - *Anderson and Holiday 2007 “Design and Use of Limited Access Privilege Programs”*

For Additional Information or Questions Contact:

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