

*Science, Service, Stewardship*



# *Draft* NOAA Catch Share Policy Process

May 2010

**NOAA  
FISHERIES  
SERVICE**



## What is a Catch Share?

Catch share is a 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.

A permit privilege; not a property right, not issued in perpetuity



## Catch Shares include:

- ❑ Programs defined in Magnuson-Stevens Act such as Limited Access Privilege (LAP) programs and Individual Fishing Quotas (IFQs)
- ❑ TURFs that grant an exclusive privilege to fish in geographically designated fishing grounds
- ❑ Other exclusive allocative measures such as sectors in NE



# Catch Shares in Context

Ecosystem-based science & mgt., emphasizing transparency & public participation

National ocean policy

Healthy resilient ecosystems

Sustainable fisheries - an essential component

***Catch Shares*** a powerful tool to manage fisheries to sustainable levels & improve their economic performance



# Catch Share Programs by Region

**14 Current Programs**

## North Pacific:

- Halibut & Sablefish (1995)
- Western Alaska CDQ (1992)
- Bering Sea AFA Pollock Cooperative (1999)
- Groundfish (non-Pollock) Cooperatives (2008)
- Bering Sea King & Tanner Crab (2005)
- Central Gulf of Alaska Rockfish Pilot (2007)

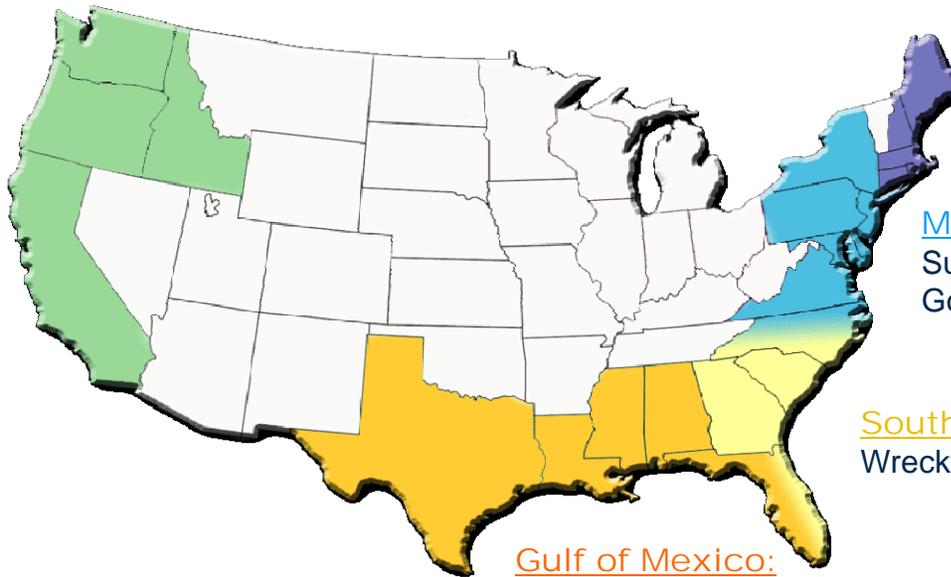


## New England:

- Multispecies Sector (2010) [*subsumed*  
*Georges Bank Cod – Hook Gear (2004)*  
& *Georges Bank Cod – Fixed Gear (2007)*]
- Atlantic Sea Scallops (2010)

## Pacific:

- Pacific Sablefish Permit  
Stacking (2001)



## Western Pacific

- No current programs



## Mid-Atlantic:

- Surf Clam & Ocean Quahog (1990)
- Golden Tilefish (2009)

## South Atlantic:

- Wreckfish (1991)

## Gulf of Mexico:

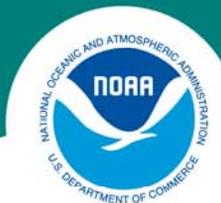
- Red Snapper (2007)
- Grouper & Tilefish (2010)

## Highly Migratory Species:

- No current programs

## Caribbean:

- No current programs



# Examples of U.S. Catch Shares

<http://www.nmfs.noaa.gov/catchshares>

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Catch Share Spotlight No. 10

## Georges Bank Cod Fixed Gear Sector



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**Vital Stats**  
**First year:** 2006  
**Type of Catch Share Program:** Sector Allocation  
**Management units:** The Georges Bank Cod Fixed Gear Sector, with operations within the Hook Sector Area as defined under 50 CFR 648.87.  
**Vessels / Gear types:** 28 participating fishermen in 2008. Vessels use sink gillnets, bottom longline (tub trawls), and rod and reel.

**Available Trend Data**  
**Season length:**  
*Before Program:* Variable  
*After Program:* Year-long. One twelfth of the Sector's cod quota is allocated to each month of the fishing year that is not landed during a month is rolled over into the following month.  
**Ex-vessel value:**  
*Before Program (2003):* ~ \$110M entire groundfish fleet  
*After Program (2007):* ~ \$900,000 (entire groundfish fleet)  
*2003 value.* Sector allocation was 10.7% of the GB cod quota.  
**Consolidation:**  
 One vessel in 2006, 16 in 2007, 28 vessels in 2008 (16 vessels).  
**Stock status:**  
*Before Program (2003):* Overfishing: YES; Overfished: YES  
*After Program (2008):* Overfishing: YES; Overfished: YES  
 However, in 2008 the Fixed Gear Sector only caught 4% of the total cod catch and the sector is not engaged in overfishing.

**Nature of Harvest Privilege**  
**Eligibility:** To qualify for membership in the Sector, an individual must have limited access Northeast (NE) multispecies permit with must qualify through historical landings of GB cod. A binding contract that commits their vessels and permits for duration of the fishing year.  
**Duration:** Open-ended. Annual Operations Plan must be approved after consultation with New England Council. Council approval is required for program through the Council process. NMFS can withdraw a permit after consultation with the Council. Membership can be transferred to other participating vessels and/or permits, provided the given prior written consent to such transfer or lease.  
**Accumulation:** A vessel may not lease in more DAS than the vessel's permanent consolidation of DAS can occur through the program.

For more information on the Georges Bank Cod Fixed Gear Sector:  
<http://www.nmfs.noaa.gov/fishlist/multisector.html>

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Catch Share Spotlight No. 1

## Alaska IFQ Halibut and Sablefish Program



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**Vital Stats**  
**First year:** 1995  
**Type of Catch Share Program:** IFQ and CDQ for halibut and sablefish.  
**Management units:** Multiple area and vessel categories for sablefish and halibut.  
**Vessels / Gear types:** Longline catcher and catcher/processor vessels. Also pots for sablefish.

**Available Trend Data**  
**Season length:**  
*Before Program:* Less than a week  
*After Program:* More than 6 months  
**Ex-vessel value:**  
*Before Program (1990):* ~ \$150 M

*in 1994 dollars)*  
 halibut  
 sablefish  
 ed: NO

Individuals who were given initial... Citizens (individuals) who can... ng fish in any U.S. fishery; and for... U.S. citizen for purposes of the... nunity quota entities also may

ram through the normal Council

ct to eligibility and excessive... f the fishery. Leasing is very

In original landings history, no one... halibut or sablefish shares in... ering Sea, and Aleutians). There... e used on any single vessel... holders of vessels that had... s of catches from 1985-1990 for... calculate quota shares.

National Marine Fisheries Service

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Catch Share Spotlight No. 6

## Gulf of Mexico Red Snapper IFQ



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**Vital Stats**  
**First year:** 2007  
**Type of Catch Share Program:** IFQ  
**Management units:** Gulf Red Snapper.  
**Vessels / Gear types:** Bottom longlines, handlines, and bottom trawls

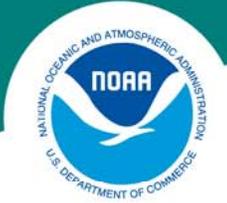
**Available Trend Data**  
**Season length:**  
*Before Program:* ~77 days  
*After Program:* Year-round  
**Ex-vessel value:**  
*Before Program (2004):* ~\$10 million; ~\$3.15/lb  
*After Program (2008):* \$8.3 million (decrease due to quota reduction); \$3.69/lb (worth \$3.24/lb in 2004 value)  
**Consolidation:**  
*Beginning of Program (2007):* 546 IFQ permits  
*After Program (2008):* 466 IFQ permits (14.6% reduction)  
**Stock status:**  
*Before Program (2004):* Overfishing: YES; Overfished: YES



## Why Look at Catch Shares?

### Current Fisheries Management Challenges...

- Difficulty controlling catch to an overall limit → overfishing
- 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, little product or market innovation
  - No incentive or opportunity to reduce bycatch
  - Seasonal gluts of fish in markets
- Fishermen go out in unsafe conditions
- Fisheries not currently biologically or economically sustainable
- Mgt. failures: requests for economic assistance increasing



## Designing a Catch Share Option

- ❑ Address your long-term vision for the fishery, including your biological, economic and social goals.
- ❑ Adopt features to improve profits; provide a more consistent, higher quality product; increase safety; maximize fishing season and capacity utilization; allow for better planning and business decisions.
- ❑ Design a program to meet your unique circumstances; adopt best practices; avoid/mitigate negative consequences.



# Design Elements of a Catch Share Program

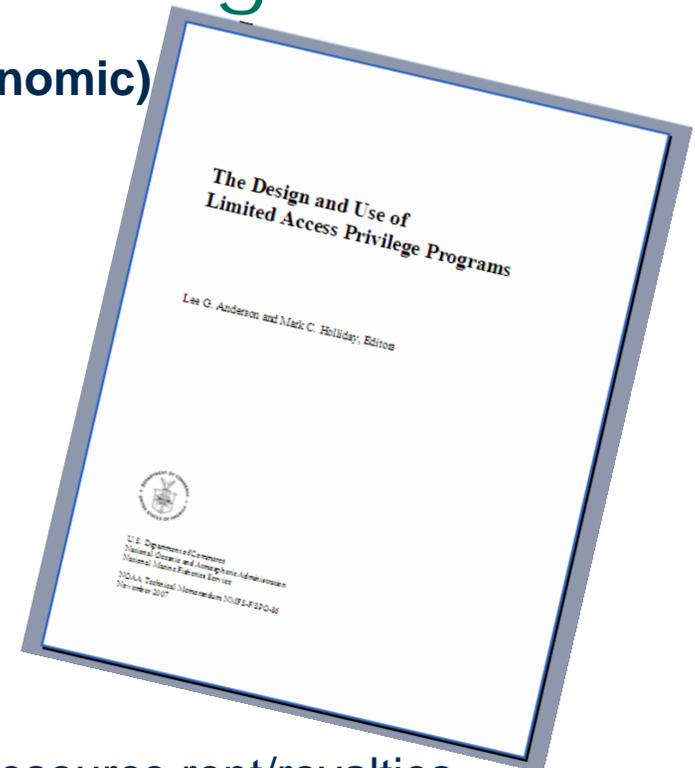
## 1. Define Program Goals (biological, social, economic)

## 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

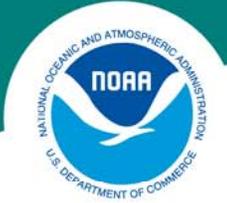
- |   |  |
|---|--|
| <input type="checkbox"/> Enforcement                    | <input type="checkbox"/> Resource rent/royalties |
| <input type="checkbox"/> Cost recovery                  | <input type="checkbox"/> Appeals                 |
| <input type="checkbox"/> Monitoring and data collection | <input type="checkbox"/> Performance reviews     |



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# NOAA's Draft Catch Share Policy



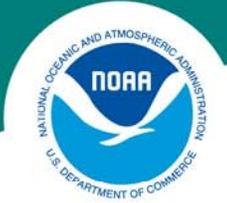
**NOAA** NATIONAL OCEANIC AND  
ATMOSPHERIC ADMINISTRATION  
UNITED STATES DEPARTMENT OF COMMERCE  
**CATCH SHARES TASK FORCE**

- June 22, 2009 – NOAA Administrator Lubchenco announced the formation of the Catch Shares Task Force
- 18 Participants:
  - 10 NOAA participants
  - 8 Regional Council participants (recreational & commercial sectors)
- Held four Task Force conference calls plus electronic work via intranet



## Process for Drafting Policy

- NOAA presentations to all Regional Councils
- Input on a draft catch share policy sought
- Stakeholder briefings by NOAA
  - Commercial Groups
  - Recreational Groups
  - Environmental Groups
  - Congressional Committees and staff
  - Industry and Community Organizations
- NOAA catch shares website  
([www.nmfs.noaa.gov/catchshares](http://www.nmfs.noaa.gov/catchshares))
- NOAA drafted policy for release December 10, 2009
- Draft policy public comment closed April 10, 2010



## Priorities & Lessons Learned Considered by Task Force

- Community sustainability & participation
- Performance metrics, monitoring, adaptation
- Transferability
- Council support and resource limitations
- Criteria for assessing catch share suitability
- Fair & equitable treatment for recreational and commercial sectors
- Cost recovery and resource rent
- Stakeholder knowledge/engagement
- Impacts on small entities, skippers, crew



## Common Catch Share Concerns Heard

### **“Unfairly treats recreational sector?”**

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

### **“Government giveaway of public resources?”**

All limited access 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



## Objectives of the Policy

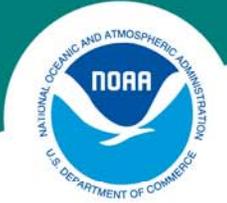
1. Reduce any administrative or organizational impediments to the consideration of catch shares;
  2. Inform and educate stakeholders of the different options and capabilities of catch share programs; and
  3. Help organize collaborative efforts with interested Councils, states, communities, fishermen and other stakeholders on the design and implementation of catch shares to meet their specific needs.
- High-level policy guidance; does not have the force of law
  - Catch shares NOT mandated / no specific numerical targets for Councils
  - Encourage broad consideration of catch shares; provide NOAA support



## Draft Catch Share Policy

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

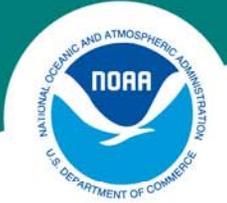
**NOAA encourages the consideration and adoption of catch shares wherever appropriate in fishery management and ecosystem plans and amendments, and will support the design, implementation, and monitoring of catch share programs.**



## Critical Design Features

**Specific Management Goals** - *All fishery management programs, including catch shares, should identify specific 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

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

Example:

### **GOM Red Snapper IFQ**

The Council chose to limit transferability in the first two years to allow leases---not sales---to only other permit holders to preserve the existing distribution of privileges while participants adjusted to the program



## Critical Design Features

**Consider Impacts in Mixed-Use Fisheries:** *Councils need to evaluate the direct and indirect effects of catch shares on all sectors associated with a mixed-use fishery (e.g., commercial sector but not the recreational sector; EEZ but not state waters)*

Example:

### **Alaska Halibut Charter**

Council still working on a catch share program for the recreational fishery; Longstanding differences in charter sector vs. non-guided sector of the halibut fishery; views on transferability of allocations commercial vs. recreational.



## Critical Design Features

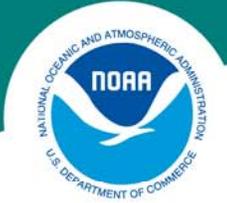
**Consider small vessel owners/new entrants:** *Consistent with Council goals, evaluate designs that provide for next generation of fishermen or small vessel access to the fishery.*

Example:

**Bering Sea Crab IFQ**

**Halibut/Sablefish IFQ**

Low interest 25-year federal financial assistance program loans to small vessels and first time purchasers to acquire quota shares.



## Critical Design Features

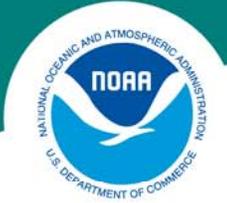
**Fishing Community Sustainability:** *Councils are encouraged to take advantage of special community provisions in the MSA to help assure sustainability of fishing communities, including the preservation of working fishery waterfronts and fishery infrastructure.*

Examples:

***Fishing Community and Regional Fishing Association*** provisions establish means to hold and manage privileges in specific ports or geographic areas

### **NE Sectors**

Voluntary regional associations to pool landings history and risks, managing fishing and monitoring of the group's participants



## Critical Design Features

**Resource rent:** *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.*

Example:

**None.**

However, MSA section 303A(d) requires Councils to consider collection of royalty payments; timing and form is flexible; receipts are deposited in a special fund to be expended only in the fisheries from which they came. Social, economic and community objectives could be supported including research, monitoring, set-asides.



## Critical Design Features

**Review Process:** *Councils should plan on being adaptive, periodically reviewing all catch share (and non-catch share) programs, ensuring specific goals are measurable and tracked to gauge whether a program is meeting its objectives.*

### Example:

All MSA 303A programs must have formal and detailed review within 5 years, not less than every 7 years thereafter



## US Catch Share Policy Outside EEZ

- Some U.S. catch shares will have to address stocks that cross international boundaries.
- U.S. could facilitate implementation of catch shares by other nations
- Assistance from U.S. for data collection and performance monitoring of international catch share programs
- RFMOs are currently active in allocating catch shares on the basis of contracting parties and/or gear sectors (some to individual authorized vessels). Issues include:
  - Initial allocations,
  - Transferability between flag states (including RFMO/flag state approval of private sector transfers),
  - Chartering of other nation's vessels to harvest the catch share,
  - Carryover of unharvested allocation to a subsequent year, and
  - Pay back of overharvest.



## NOAA Catch Share Support

- NOAA will provide leadership, technical advice and resources for the consideration & use of catch share programs.
- This includes collaboration with our international, federal, state and constituency partners to evaluate catch share options and explore program designs.



# NOAA FY2011 Budget Request

## **NOAA has requested an increase of \$36M (to \$54M total)**

- ❑ +12.4M for analysis, evaluation, development of new programs and core infrastructure
- ❑ +\$24.2M for implementation of pending/recent catch share programs in NE, Mid-Atlantic, Gulf of Mexico, and Pacific coast regions, including:
  - Enforcement activities
  - Further implementation of electronic log books, dockside & at-sea data collection, and information management
  - Performance evaluation of catch share programs



## Summary - Catch Share Policy

NOAA has developed a draft Catch Share policy for the voluntary consideration of catch shares by Councils in fisheries they deem appropriate. Public comment period ended April 10, 2010.

As part of the policy, NOAA proposed 22 activities to support Councils, Regions and stakeholders to evaluate, design and help implement catch share programs in the fisheries they choose.

Over 4,000 comments received, the majority form letters; but 62 substantive replies from Regional Councils, ENGOS, commercial and recreational industry members and individuals, state fishery agencies, Commissions, State legislators.

Final policy in early summer