

# **Fishery Sector Allocations**

## **What is a Sector?**

The term “sector” has been applied in many ways in different fisheries. One way that “sector” has been used in recent years is to describe a group of persons acting as an entity to which NMFS has granted a share or fraction of the Total Allowable Catch(es) (TAC) in order to achieve objectives consistent with a Fishery Management Plan (FMP). The group normally has voluntarily agreed to certain fishing restrictions for a specified period of time. The term “sector” is not defined explicitly in the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act.

A sector is different from an Individual Fishing Quota (IFQ), because a group, not an individual, may seek a quota allocation. A sector allocation, if granted, may be based on the sum of the individual permit holder’s catch histories and would be in effect for a set period of time, such as for one particular fishing year. Sectors may negotiate and enforce plans, agreements, and contracts similar conceptually to those required of Fishing Communities and Regional Fishery Associations (See Limited Access Privilege Programs white paper for definitions).

In the formation of a sector, sector participants may select who will participate. Participation in a self-selecting sector is voluntary. Vessels that decide not to join may remain in the common pool of fishermen operating individually under the standard constraints imposed by the FMP.

Sectors often operate under rules set up by the sector and agreed upon by NMFS. A newly-formed sector could be considered a new business entity that might have its own bylaws, articles of organization, and a Board of Directors.

Please see the attached Comparison of Sector Allocations with Limited Access Privilege Programs table by Andrew Kitts for more information.

## **Potential Sector advantages**

- Potentially increases profitability as a result of cooperation among sector members
- May align economic and conservation incentives
- Potential regulatory exemptions through negotiation:
  - Reduced trip level restrictions
  - Reduced seasonal/area closures
  - Flexibility with gear requirements
- Potentially reduces regulatory complexity
- Allows for greater balance of social and economic goals
- Encourages local decision making

## Potential Sector disadvantages

- Each vessel operator and owner may be charged jointly and severally for civil penalties and permit sanctions
- In some sectors, members must remain in the sector for the entire fishing year for TAC management and enforcement purposes
- In some sectors, once a TAC for any stock is achieved, all fishing operations must cease for the remainder of the fishing year in that stock
- Fishermen may be forced to face allocation issues
- May increase catch/monitoring costs
- Organizational costs associated with forming a sector
- NMFS must keep track of varied plans
- Common pool vessels may be forced into de-facto sector as more sectors form

## Examples of current Sectors

- Georges Bank Cod Fixed Gear Sector
- Georges Bank Hook Sector
- Rhode Island Fluke Sector
- Montauk Tilefish Association

## Resources

GRMI <http://www.gmri.org/community/display.asp?a=5&b=16&c=56>

Cape Cod Commercial Hook Fishermen's Association <http://www.ccchfa.org/pages/4/>

Sector Allocation as a Management Tool

[http://seagrant.gso.uri.edu/fisheries/sector\\_allocation/index.html](http://seagrant.gso.uri.edu/fisheries/sector_allocation/index.html)