



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

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**NOAA
FISHERIES
SERVICE**

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Outline of Presentation

- ❑ Fisheries management/catch shares context
- ❑ Magnuson-Stevens Act & Terminology
- ❑ Catch Shares Task Force & NOAA Policy



Fisheries Management Trends

❑ **Pre-1976 Magnuson-Stevens Act**

Open access, 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**

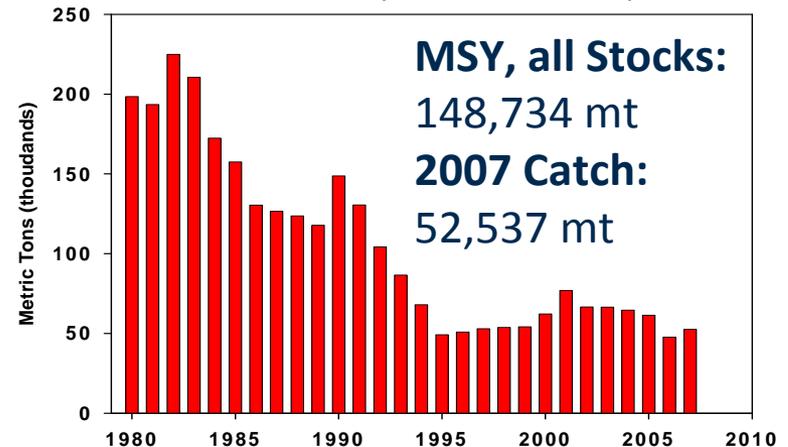
End overfishing, rebuild stocks, reduce overcapacity, limited access privilege programs



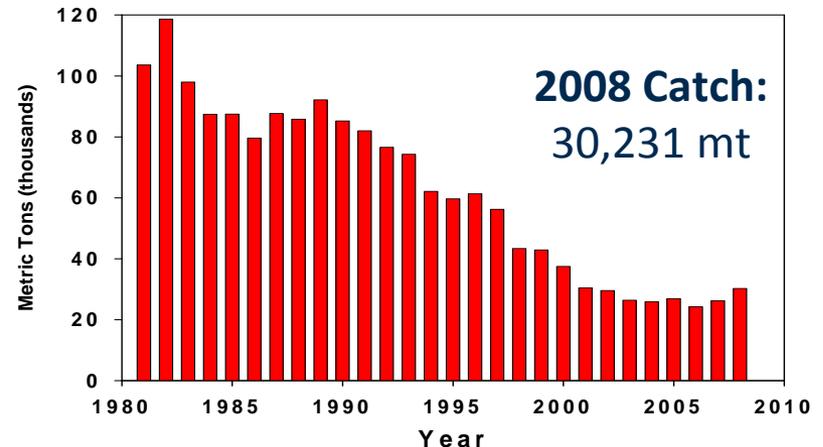
Fisheries Trends

- ❑ Over time, the landings of many stocks have declined, some significantly
- ❑ Current management programs (quotas, limited access, etc) have stopped further declines but have not rebuilt many stocks to ensure sustainable fisheries.

New England Groundfish Catches
All Stocks (includes discards)



West Coast Groundfish Landings, 1981-2008
(not including Pacific Hake)





Current Fisheries Management Challenges

Competition among fishermen under a common quota causes a number of problems:

- Fishery managers have difficulty controlling catch to an overall limit – can result in overfishing
- A race to catch as much fish as fast as possible leading to overcapitalization – too many boats, too few fish
- No incentive to reduce bycatch
- Seasonal gluts of fish in markets
- Fishermen go out in unsafe conditions



Consequences and Opportunities

- US fisheries are not currently producing their full economic value and employment
- Requests for economic assistance are increasing
- Rebuilding US stocks would increase the current ex-vessel value by an estimated \$2.2 billion (54%) annually from \$4.1 billion to \$6.3 billion annually.
- This would generate an additional \$31 billion in sales and support an additional 500,000 jobs.



Wide Choice of Policy Tools

- Open Access** ...control activity of participants, but not their number.

- Limited Access** ...improvements result from smaller number of participants. Private incentives are STILL not compatible with the aims of management.

- Limited Access Privileges** ...uses the one traditional control (Hard TACs) that can potentially be biologically successful. Recognizes the necessity of controlling participation. Is structured to make the incentives facing participants to be compatible with the goals of management.



Magnuson-Stevens Act Section 303A – Limited Access Privilege Programs

(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





Okay, What is a Catch Share?

Catch Share is a general term for several fishery management strategies that allocate a specific portion of the total allowable fishery catch to individuals, cooperatives, communities, or other entities. Each recipient of a catch share is directly accountable to stop fishing when its specific quota is reached.

The term includes more specific programs defined in statute such as limited access privilege and individual fishing quota programs.



Catch Shares can include:

- ✓ **Individual Fishing Quota**
- ✓ Individual Transferable Quota (Not defined in MSA)
- ✓ Dedicated Access Privilege (Not defined in MSA)
- ✓ **Limited Access Privilege**
- ✓ **Limited Access System**
- ✓ **Fishing Community** allocation
- ✓ **Regional Fishery Association** allocation
- ✓ Sector allocation (Not defined in MSA)
- ✓ Fishery Cooperative allocation (Not defined in MSA)



What's the difference?

Conceptually they are based on the same principles...

but legal distinctions of a MSA Section 303A LAP program affects cost recovery, referendum requirements, participation and eligibility requirements, new entry, community protections, among others.

Catch Share Programs by Region

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)
5 potential programs

New England:

Georges Bank Cod – Hook Gear (2004)
Georges Bank Cod – Fixed Gear (2007)
8 potential programs



Pacific:

Pacific Sablefish Permit Stacking (2001)
3 potential programs



Western Pacific

6 potential programs



Mid-Atlantic:

Surf Clam & Ocean Quahog (1990)
8 potential programs

HMS:

1 potential program

South Atlantic:

Wreckfish (1991)
3 potential programs

Gulf of Mexico:

Red Snapper (2007)
2 potential programs



Caribbean:

1 potential program

- 12 programs in place now
- 5 scheduled to be implemented in FY 2011
- 32 additional programs will begin development in FY 2012



Catch Share Programs in Development

- ✓ Mid-Atlantic Golden Tilefish IFQ (effective 11/1/2009)
- ✓ Gulf of Mexico Grouper & Tilefish IFQ (effective 1/1/2010)
- Scallop General Category IFQ
- Northeast Multispecies Sectors
- West Coast Trawl Groundfish TIQ



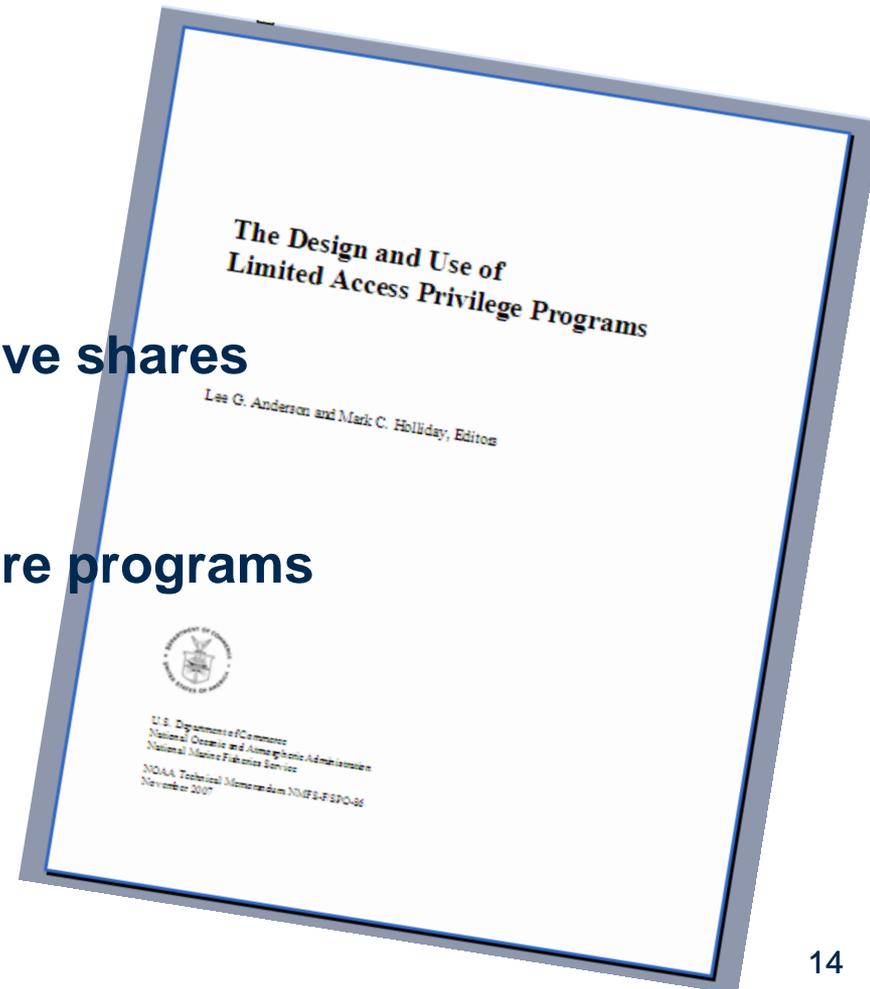
The Design Elements of a Catch Share Program

Nature of the harvest privilege

- Duration
- Eligibility
- Transferability
- Accumulation limit/Excessive shares
- Allocation procedures

Management elements of catch share programs

- Catch Monitoring
- Enforcement
- Cost recovery
- Resource rent
- Program performance





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

- June 22, 2009 – NOAA Under Secretary Lubchenco announced the formation of the Catch Shares Task Force
- 18 Participants:
 - Chaired by Monica Medina, NOAA Special Advisor
 - 10 NOAA participants
 - 8 Regional Council participants
- Input on a catch share policy submitted to Dr. Lubchenco; NOAA drafted policy for release.
- Draft catch share policy will be open for public comment until February 28, 2010



Objective of the Policy

To develop a NOAA policy on catch shares that encourages and supports the evaluation of catch share fishery management options authorized under the Magnuson-Stevens Act.

- High-level policy guidance; not a rulemaking
- Catch shares NOT mandated / no numerical targets
- Encourage broad consideration, aided by incentives.



Task Force Activities

- ❑ Presentations at all 8 Regional Councils
- ❑ Task Force Conference calls; electronic work via intranet
- ❑ Stakeholder briefings
 - Commercial, Recreational, Environmental Groups
- ❑ Public catch shares website (www.nmfs.noaa.gov/catchshares)





Catch Shares Policy Roll-Out

- Publish draft/interim policy on web/in Federal Register
- 90+ day public comment period (beginning in October)
- 2nd Round of Stakeholder briefings: Commercial; Recreational; Environmental
- Council presentations by NOAA Task Force members: October – February meetings
- Web-based public comments; other meetings/venues



Goals of the Policy

To help ensure the long term sustainability of our nation's fishery resources and fishing communities;

To urge the consideration and adoption of catch shares wherever appropriate in fishery management and ecosystem plans and amendments.



Desired Attributes

Want to remove technical and administrative impediments to the consideration and use of catch share programs.

Will not mandate the use of catch shares in a particular fishery, nor are catch shares appropriate for every fishery.



Desired Attributes

Want to promote fair and equitable treatment by ensuring the effects of catch shares are evaluated on all sectors associated with a fishery.



Desired Attributes

Want to ensure sustainable fishing communities, including continued working fishery waterfronts and fishery infrastructure, consistent with the goals of the MSA and each Council's fishery management plan's objectives.



Desired Attributes

Assist Councils if and when they determine that it is in the public interest to collect royalties in connection with the initial or any subsequent allocations of exclusive harvest privileges.



Desired Attributes

NOAA will provide leadership, technical advice and resources to support the consideration and use of catch share programs.

NOAA will collaborate with its many federal, state and constituency partners to support catch share programs in the following four categories.



NOAA Support

1. NOAA will reduce technical and administrative impediments to designing catch share programs.
2. NOAA will provide resources to design/adopt catch share programs.
3. NOAA will inform and educate stakeholders so that they can best participate in the design and implementation of catch share programs.
4. NOAA will coordinate data collection, research and performance monitoring of catch share programs.



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.
- ✓ Catch share incentives stimulate fishing activities that keep costs as low as possible and produce the highest valued product.
- ✓ Learn from other programs, but design a unique catch share program that works for you.