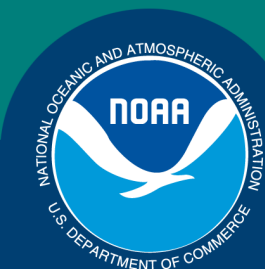


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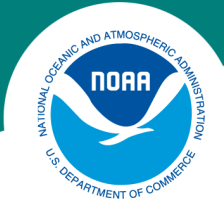
Introduction to Catch Share Programs

MAFMC Catch Shares Workshop

Dr. Mark Holliday
Director, NMFS Office of Policy
March 2010

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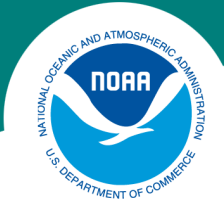
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What is a Catch Share?

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.



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 Share Programs by Region

15 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:

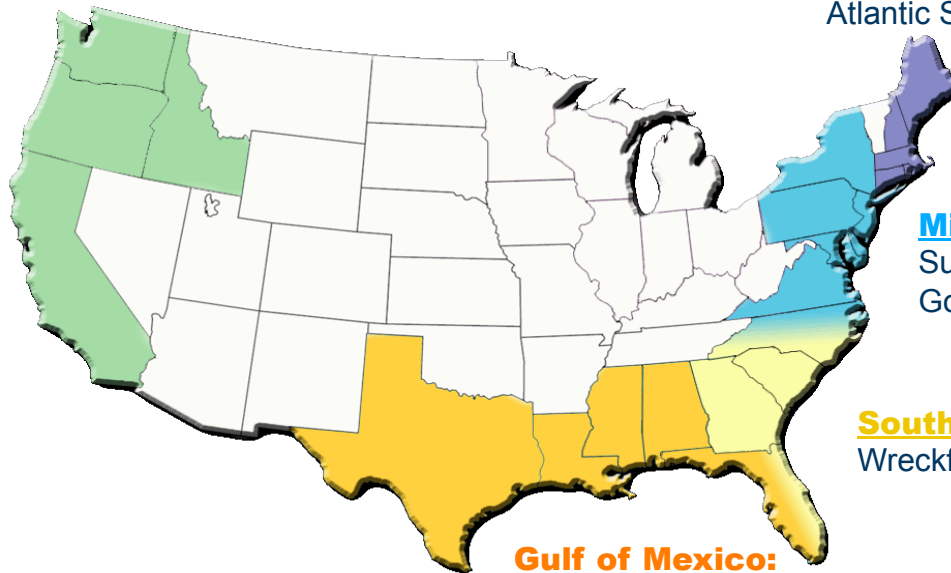
- Georges Bank Cod – Hook Gear (2004)
- Georges Bank Cod – Fixed Gear (2007)
- Atlantic Sea Scallops (2010)

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)

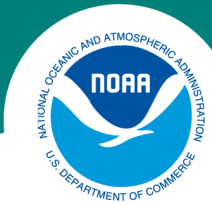


Caribbean:

No current programs

Highly Migratory Species:

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 Hock Sector Area as defined under 50 CFR 648.87.
Vessels / Gear types: 28 participating fishermen in 2006. 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 next month.
Ex-vessel value:
Before Program (2003): ~ \$110M entire groundfish fishery
After Program (2007): ~ \$900,000 (entire groundfish fishery 2003 value). Sector allocation was 10.7% of the GB cod fishery value.
Consolidation:
One vessel in 2006, 16 in 2007, 28 vessels in 2008 (13 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 metric tons of cod, and the sector is not engaged in overfishing.

Nature of Harvest Privilege
Eligibility: To qualify for membership in the Sector, a vessel must have limited access Northeast (NE) multispecies permit with most quota through historical landings of GB cod. Membership is a binding contract that commits their vessels and permits for duration of the fishing year.
Duration: Open-ended. Annual Operations Plan must be developed after consultation with New England Council. Council program through the Council process. NMFS can withdraw a vessel from the program after consultation with the Council. Membership can be transferred. Participating vessels and/or permits may 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 Permanent consolidation of DAS can occur through the program.
Initial Allocation: Sector allocation set annually, based on historical landings, and available stock allocations.

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

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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 8 months
Ex-vessel value:
Before Program (1994): ~ \$150 million


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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): 548 IFQ permits
After Program (2008): 466 IFQ permits (14.6% reduction)
Stock status:
Before Program (2004): Overfishing: YES; Overfished: YES
After Program (2008): Stock status has not been assessed since 2005. An assessment is currently being completed and will be available soon, but there has been no official status determination for 2008.

Nature of Harvest Privilege
Eligibility: Initial eligibility restricted to persons who owned a Class 1/Class 2 red snapper license.

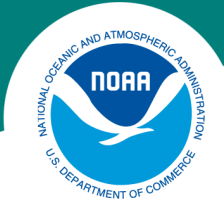
in 1994 dollars)
 but
 sablefish
 O
 ed: NO
 (ouals) who were given initial
 Citizens (individuals) who can
 ng fish in any U.S. fishery; and for
 U.S. citizen for purposes of the
 unity quota entities also may
 ram through the normal Council
 ct to eligibility and excessive
 f the fishery. Leasing is very
 n original landings history, no one
 halibut or sablefish shares in
 arling 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



Why 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 leading to 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
- US fisheries are not currently producing their full economic value and employment
- Requests for economic assistance are increasing



Mid-Atlantic Council Choices...

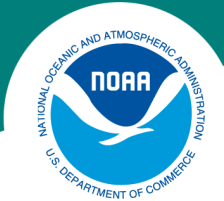
“Why implement catch shares? Our fisheries are not overfished / overfishing is not occurring....”

- Are you achieving your long-term vision for the fishery, including your biological, economic and social goals?
- Catch shares can help a fishery improve profits, provide a more consistent, higher quality product, increase safety, maximize fishing season and capacity utilization, better planning and business decisions.
- Catch shares do change a fishery (e.g., consolidation in the harvesting sector) but you control the outcome.



Criteria for Comparison Catch Shares vs. Other Options:

- ✓ Consistency with management objectives for the fishery
- ✓ Compliance with National Standards, MSA, other law
- ✓ Direct and indirect impacts (on other sectors, other FMPs)
- ✓ Treats causes not symptoms
- ✓ Level of complexity
- ✓ Operational effectiveness
- ✓ Cost vs. return on investment



Design Elements of a Catch Share Program

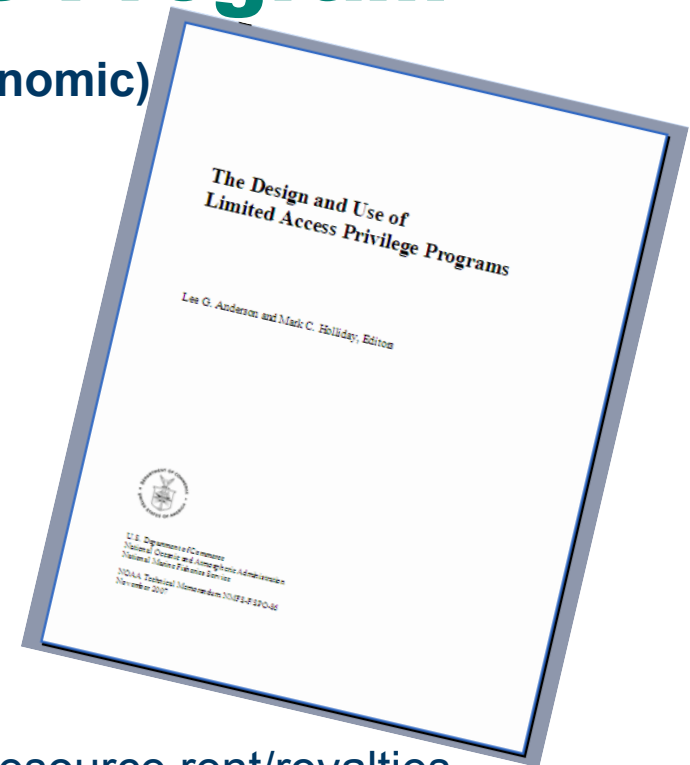
1. Define Program Goals (biological, social, economic)

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





Catch Share Concerns...

“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);
M-S Act gives Council authority to decide policy on collecting resource rent

“Loss of small boat fleets and communities?”

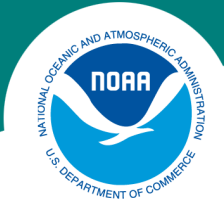
Use available design features to ensure sustained participation of small boat, owner-operator fleets and preservation of fishing communities through eligibility, participation, allocation and transferability choices



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

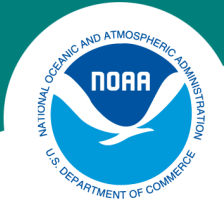


Critical Design Features

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 only allow leases---not sales---to preserve the existing distribution of privileges while participants adjusted to the program

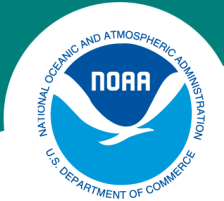


Critical Design Features

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.



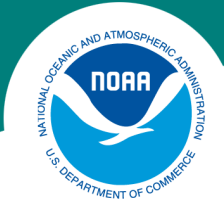
Critical Design Features

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:

Section 303A 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

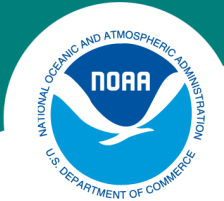


Critical Design Features

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., When catch shares are proposed for the commercial sector but not the recreational sector; when catch shares proposed in EEZ but not states 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.

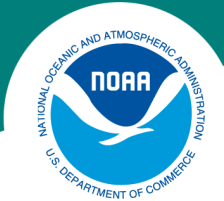


Critical Design Features

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:

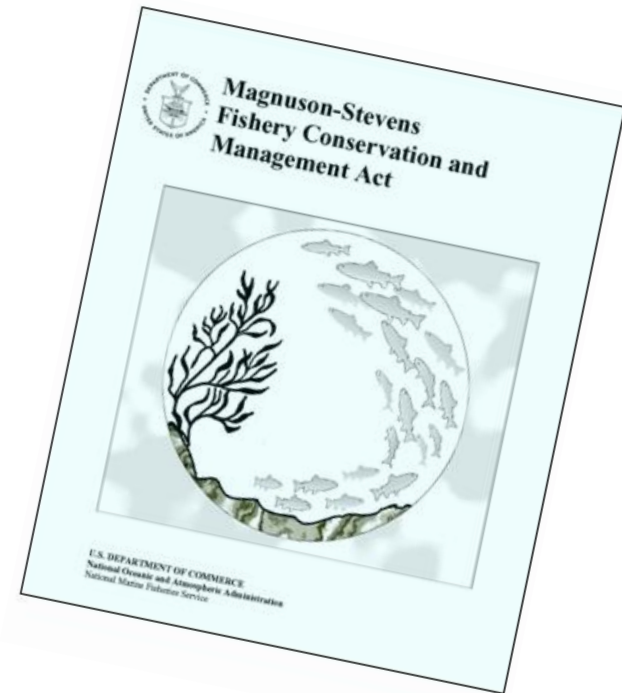
All MSA 303A programs must have formal and detailed review within 5 years, not less than every 7 years thereafter



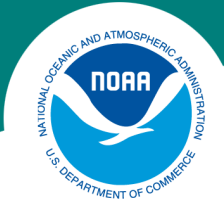
MSA Section 303A – Limited Access Privilege Programs

Legal distinctions of MSA LAP programs will affect design features such as:

- Cost recovery
- Participation and eligibility requirements
- New entrants
- Community protections



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NOAA Draft 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 extends until April 10, 2010.

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

Public comments can be submitted electronically via the web at:

www.nmfs.noaa.gov/catchsharescomments

or emailed to

catchshares@noaa.gov



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 data collection and information management
 - Performance evaluation of catch share programs