



Tab B, No. 7  
April 2023

# IFQ Programs – Goals and Objectives



# Where we are...

No later than June 2023, the Council should conduct a review of IFQ program goals and objectives, and recommend changes. Based on the newly updated goals and objectives, the Council should then initiate an amendment to address program changes consistent with the resulting goals and objectives corresponding with the themes presented in Tab B, No. 5(c) at the January 2023 Gulf Council meeting.



# Catch Shares

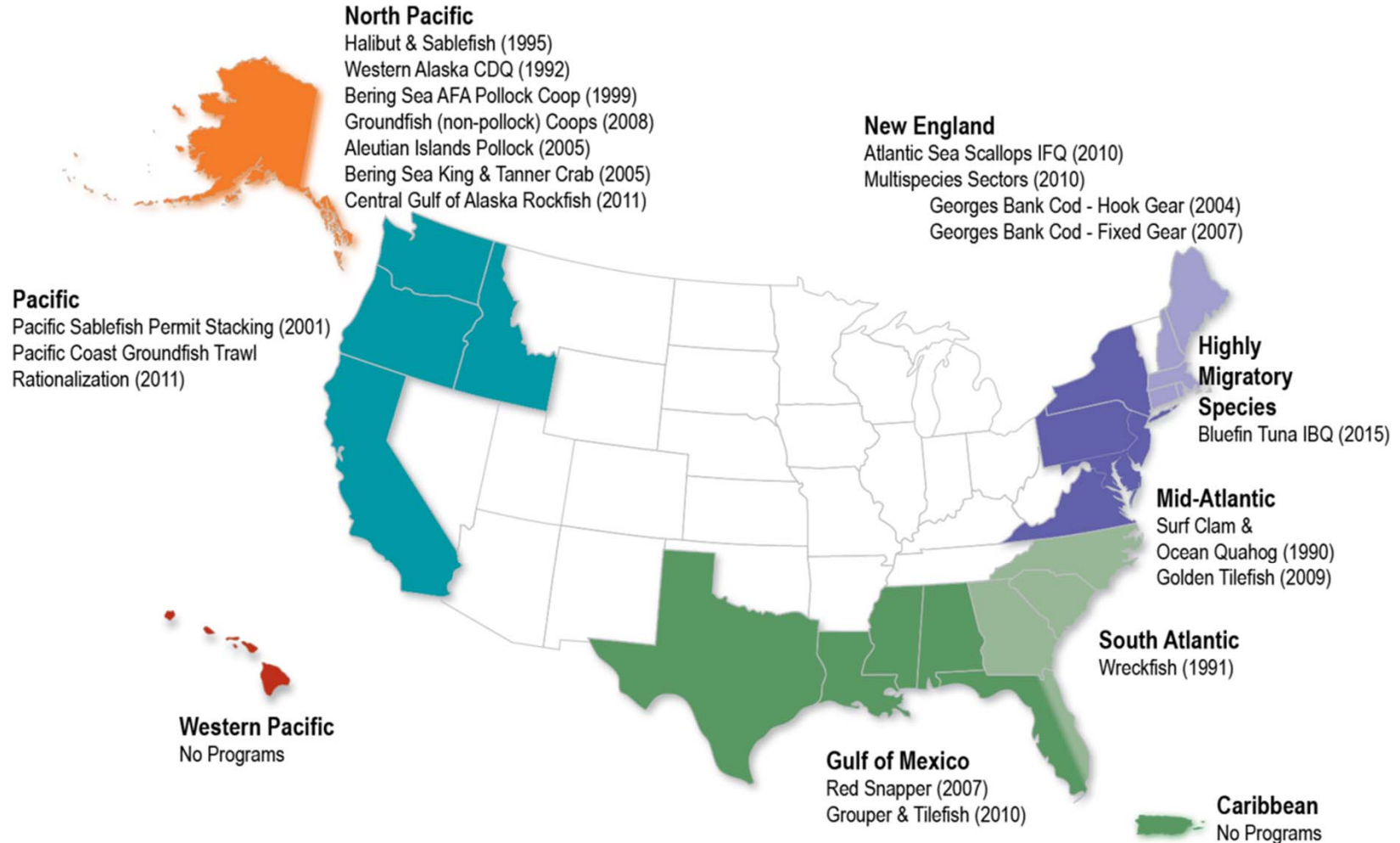
Catch shares is a general term associated with several fisheries management strategies that dedicate a secure share of fish to individual fishermen, cooperatives, or fishing communities for their exclusive use.

Part of the catch—or a share—of a species is allocated to individual fishermen or groups. Each holder of a catch share must stop fishing when he reaches his limit. In most cases, fishermen can buy/sell or lease shares in a given year.

From NOAA's Catch Share webpage: <https://www.fisheries.noaa.gov/insight/catch-shares>



# Current Catch Shares Programs



# Catch Shares are a type of LAPP

## ***Limited Access Privilege Programs*** (Section 303A of MSA)

(5) shall be considered a grant of permission to the holder of the *limited access privilege* or quota share to engage in activities permitted by such *limited access privilege* or quota share.

(c) REQUIREMENTS FOR LIMITED ACCESS PRIVILEGES.—

(1) IN GENERAL.—Any limited access privilege program to harvest fish submitted ... shall—

(A) if established in a fishery that is overfished or subject to a rebuilding plan, assist in its rebuilding;

(B) if established in a fishery that is determined ... to have over-capacity, contribute to reducing capacity;

(C) promote—

(i) fishing safety; (ii) fishery conservation and management;  
and (iii) social and economic benefits;



# Gulf IFQ Programs' Goals

## **Red Snapper IFQ Program (Amendment 26)**

The purpose of the IFQ program proposed in this amendment is ***to reduce overcapacity in the commercial fishery and to eliminate, to the extent possible, the problems associated with derby fishing***, in order to assist the Council in achieving OY. ... Additionally, the slower paced fishery anticipated under the IFQ program will support fewer fishermen operating over a longer season.

## **Grouper-Tilefish IFQ Program (Amendment 29)**

The purpose of this amendment is ***to rationalize effort and reduce overcapacity*** in the commercial grouper and tilefish fisheries .... Rationalizing effort should mitigate some of the ***problems resulting from derby fishing conditions*** or at least prevent the condition from becoming more severe. Reducing overcapitalization should improve profitability of commercial grouper fishermen. Collectively, working conditions including safety at sea should improve and bycatch in the tilefish and grouper fisheries should be reduced, and a flexible and effective integrated management approach for tilefish and the grouper complex and tilefish should follow.

# Examples of Goals in Other U.S. Programs

- PFMC – Pacific Sablefish Permit Stacking Program (2001)
- NPFMC – Halibut and Sablefish IFQ Program (1995)
- NEFMC – Atlantic Sea Scallops IFQ (general category) (2010)



# PFMC - Pacific Sablefish Permit Stacking

## Purpose and Need for Action:

... The Council is recommending permit stacking and related provisions limiting permit accumulation, extending the season length, requiring permit owners to be individuals and be on board during sablefish fishing operations, and restricting at-sea processing. The proposed action would restructure fishing regulations for the limited entry fixed gear sablefish fishery, ***addressing concerns in the current fishery related to safety, efficiency, and equity***. The proposed action would be implemented through Amendment 14 to the groundfish FMP and other regulatory amendments. ...





# NPFMC – Halibut & Sablefish IFQ

The IFQ program was developed to address issues associated with the *race-for-fish* that had resulted from the open-access and effort control management of the halibut and sablefish fisheries. Specifically, the Council identified several problems that emerged in these fisheries due to the previous management regime, including *increased harvesting capacity*, decreased product quality, increased conflicts among fishermen, adverse effects on halibut and sablefish stocks, and unintended distributions of benefits and costs from the fisheries.

Several key provisions of the program include:

- the process for initial allocation of QS;
- assignment of shares to vessel categories;
- provisions that allow the transfer or lease of QS in certain circumstance such as medical emergencies, military leave, and death of a QS holder;
- QS use and ownership limits;
- QS ‘blocks’ – grouped QS that cannot be broken up for sale or leases – and limits on block ownership to mitigate excessive consolidation;
- a process for allocating annual IFQ based on a participants’ QS; and
- the establishment of Community Quota Entities (CQE).



# NEFMC – Atlantic Sea Scallops IFQ

The primary need for this action is to implement more effective management measures to control fishing mortality by the general category component of the scallop fishery. ***The first purpose of this amendment is to consider measures that will address capacity and fishing mortality*** in the general category fishery and allow the Council to develop alternatives that will more directly control the level of mortality from the general category fleet.



# Commonalities

- Could not find an example of quantified goals.
- Common problem prior to catch share implementation:  
**Too many boats chasing too few fish!**

“***Reducing capacity*** was noted as a management objective or expected effect in all catch share programs.”

Source: Brinson and Thunberg (2016) “Performance of federally managed catch share fisheries in the US”



# Program Provisions

- Currently, shares and allocation are fully transferable in Gulf programs (up to the share cap specified for each share category)
- Transfer provisions and restrictions in other programs:
  - Restrictions on the transfer of shares for social objectives (e.g., shares cannot be transferred outside of the community to which they were assigned in NPFMC).
  - Require permit owners to be individuals and be on board during fishing (PFMC).
  - Require allocation to be landed in certain areas, for a specified number of days, or by certain size/class of vessel (NPFMC, NEFMC).



# NEFMC – Atlantic Sea Scallops IFQ

- Leasing allowed in IFQ program, but not other limited access program(s).
- In 2022, NEFMC explored allowing leasing in the LAGC non-IFQ harvest through scoping. Based on stakeholder feedback, Council decided against initiating an amendment.

Permit Type	Harvest Limits	Vessel-level Allocation	Form of Allocation
Limited Access (Cat. A)	94.5% of annual projected landings after set-asides and incidental catch removed.	Yes (No leasing allowed)	DAS and access area trips
<b>LAGC IFQ</b> (Cat. A)	<b>5.5% of annual projected landings...</b>	<b>Yes (Leasing allowed)</b>	<b>IFQ pounds; set # AA trips at fleet level</b>
LAGC NGOM (Cat. B)	Up to TAC for management area, not linked to annual projected landings estimate.	No	Harvest in area until LAGC fleet reaches TAC
LAGC Incidental (Cat. C)	Deducted from annual projected landings before allocating to LA and LAGC IFQ.	No	Harvest is allowed until limit is reached

LAGC = limited access general category; DAS = days at sea

# Reef Fish Commercial Vessels

- Multi-species fishery; multi-species IFQ programs
  - Various vessel sizes, range, and gear type (e.g., vertical and longline).
  - Targeted trips and incidental catch in multi-species fishery.
  - Single and multi-vessel ownership.
- *Hypotheticals* for the 2023 RS allocation of 7,075,676 lbs:
  - Less than 71 vessels could catch 100,000 lbs allocation each
  - 283 vessels could catch 25,000 lbs each
- In 2021, 397 vessels landed RS; 393 vessels landed GT (89% overlap).
  - There is no vessel cap.
  - 2002-2006, average of 485 vessels landed RS.



# IFQ Shareholdings

- Red snapper with 6% share cap
  - Minimum possible number of entities is 17.
- Currently have 332 RS shareholding entities.
  - Smallest shareholding: .000003%
  - 3 entities hold about 4-4.5% each.



# *What do you want the IFQ programs to look like?*

- Should shareholders be required to have a permit to lease allocation?
- Should the share caps be revised?
- Should vessel caps be considered?
  - Allocation cap is set annually at account level for GT-IFQ, totaled 411,818 lbs in 2020.





# *What do you want the IFQ programs to look like?*

- Should quota increases be distributed other than to existing shareholders?
- Should non-shareholders receive allocation from quota increases, rather than small shareholders?
- How would small shareholders be identified?



# What do you want the IFQ programs to look like?

- How should the next generation of fishermen (replacement fishermen) enter the fishery?
  - As crew, buying small amounts of shares before buying a permit?
  - By buying a permit and vessel, and leasing allocation?
  - By buying a permit and shares that are permanently associated with each other?



# What do you want the IFQ programs to look like?

- How can discards be reduced in a multi-species fishery?
- If more red snapper allocation is provided to eastern Gulf, would discards increase in western Gulf?

