Future of the Atlantic Shark Fisheries (Amendment 6)

Presented to HMS AP Meeting
Karyl Brewster-Geisz
September 22, 2011
Outline

- Background
- Notice of Intent (NOI)
- Feedback on Catch Share Design Elements for the Atlantic Shark Fishery*
- Next steps

*NOTE: Topics are discussed more fully in the Catch Shares White Paper for the Atlantic Shark Fisheries.
Comments from ANPR topics:
- Quota Structure—species complexes/quotas, regions, retention limits
- Permit Structure—permit stacking, “use it or lose it”
- Catch Shares—support and opposition

Among other comments, NMFS received a catch share proposal from GOM stakeholders:
- Replace current LCS management structure with an IFQ program
- Integrate IFQ into existing catch share programs in the GOM
- Proposal included details on species, participants, qualifying years, and other IFQ issues

Comments from April 2011 AP Meeting:
- AP members were generally supportive of a catch share program
- Fishermen would like to know their landings history before making a decision
- NMFS needs to hear from all constituents
NMFS is considering implementing a catch share program

- Control Date – September 16, 2011
- Please **DO NOT** request your landings history at this time
- 1st Workshop – Sept 22, 2011 from 1:00 – 5:00 pm
- More Workshops – Dates and Locations TBD

- Comment period ends March 1, 2012
Catch Shares

• Umbrella term used to describe fishery management programs that provide a portion of the Total Allowable Catch (TAC) to individuals, cooperatives, communities, or other eligible entities.

• Can Include:
  - Limited Access Privilege Program (LAPPs)**
  - Individual Fishing Quotas
  - Sector Allocations/Fishery Cooperatives

** Note: Legal distinctions of a MSA Section 303A LAPP affect cost recovery, referendum requirements, participation and eligibility requirements, new entry, community protections, among others.
Catch Shares Program

- Need to determine how shares will be distributed among eligible participants at initial allocation and after subsequent transfers.

- **Share**
  - percentage of the commercial quota assigned to each fishermen or entity

- **Allocation**
  - pounds of fish each fishermen or entity can harvest each year
<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
<th>Feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region</td>
<td>Gulf of Mexico (GOM), Atlantic (ATL)</td>
<td>Should NMFS include all regions or only GOM?</td>
</tr>
<tr>
<td>Resource unit</td>
<td>Species, stocks, or aggregations with a total allowable catch (TAC)</td>
<td>Which species, species complexes, and gears should be included? Limit to commercial or include the recreational fishery as well?</td>
</tr>
<tr>
<td>Initial Allocation</td>
<td>Determines distribution of shares among participants. The allocation formula/method selected affects eligibility to receive an allocation.</td>
<td>Which allocation formula / method should be used to determine initial allocation?</td>
</tr>
<tr>
<td>Eligibility</td>
<td>The entities eligible to receive an initial allocation and subsequent transfer.</td>
<td>Should the catch share program limit eligibility to substantial participants in the fishery or adhere to more general criteria?</td>
</tr>
</tbody>
</table>
NMFS requests feedback for the following catch share design elements for the Atlantic Shark Fisheries

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
<th>Feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Management Measures</td>
<td>Duration; Transferability (e.g., Trading/selling shares); Monitoring and data recovery (e.g., Logbooks, Vessel Monitoring Systems (VMS)); Enforcement; and Cost recovery.</td>
<td>How should NMFS move forward with these implementation management measures?</td>
</tr>
</tbody>
</table>
Important

Many of the examples presented here are just examples and are not an indication of any decisions or preferences made by NMFS.
Which regions should be included?

<table>
<thead>
<tr>
<th>Species Group</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCS</td>
<td>GOM</td>
</tr>
<tr>
<td></td>
<td>ATL</td>
</tr>
<tr>
<td>SCS</td>
<td>No regional quotas</td>
</tr>
<tr>
<td>blacknose</td>
<td></td>
</tr>
<tr>
<td>blue</td>
<td></td>
</tr>
<tr>
<td>porbeagle</td>
<td></td>
</tr>
<tr>
<td>pelagics</td>
<td></td>
</tr>
</tbody>
</table>
Which species should be included?

**Species**
- sandbar, blacknose, porbeagle, and blue sharks

**Complex**
- non-sandbar large coastal sharks (LCS): blacktip, bull, spinner, lemon, nurse, hammerhead
- non-blacknose small coastal sharks (SCS): Atlantic sharpnose, finetooth, and bonnethead sharks
- Pelagics: shorfin mako, thresher, oceanic, whitetip, porbeagle, and blue sharks

**Aggregate**
- non-blacknose small coastal sharks (SCS), LCS and pelagics
Which gears should be included?

- Bottom longline (BLL)
- Pelagic longline (PLL)
- Handgear (rod and reel, handline and bandit)
- Gillnet
Who should NMFS include in the catch share program?

Current TAC and Quota Distribution

- TAC
  - Commercial landings (directed, incidental, state shark landings)
  - Dead discards
  - Recreational landings

Resource Unit
Example
(250 = shark directed permit holders; 3,000 = recreational and incidental permit holders)

TAC (LCS)
1,045 mt dw

80%* 20%*

To be split among 250 eligible participants
Shark directed
836.4 mt dw

To be split among 3,000 eligible participants
Recreational, incidental
208.6 mt dw

* Note: These allocation percentages are examples, actual percentages still need to be discussed and decided upon.
How should shares be distributed?

- Allocation Formulas
  - Equal allocation
  - Catch History
  - Level of participation
  - Combination
Equal Allocation

- Shares **divided equally** among eligible participants

**Benefits**
- provides equal fishing opportunities

**Disadvantages**
- provides access to inactive permits / vessel owners
- decreases shares for active participants
- provides shares that are not economically viable to remain active
**Example (Equal Allocation)**

(250 = shark directed permit holders; 3,000 = recreational and incidental permit holders)

<table>
<thead>
<tr>
<th>TAC (LCS)</th>
<th>1,045 mt dw</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%*</td>
<td>20%*</td>
</tr>
</tbody>
</table>

- Shark directed: 836.4 mt dw = 3.3 mt dw each (7,275 lbs dw)
- Recreational, incidental: 208.6 mt dw = 0.07 mt dw each (154.3 lbs dw)

*Note: These allocation percentages are examples, actual percentages still need to be discussed and decided upon.*
Catch History

- An individual’s **share** is based on each **individuals landings history** determined within a **set of qualifying years**

- An individuals shares can be based on:
  - range of years (e.g., 2002 to 2010)
  - best fishing years (e.g., best 4 yrs out of 2002 to 2010)
  - level of participation (e.g., years in the fishery)
NMFS must balance past and future participation and regulatory modifications.
**Allocation**

What qualifying years should NMFS use?

**Examples:**

<table>
<thead>
<tr>
<th>Years</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-2010</td>
<td>Includes both historical and active participants; may not be representative of how the fishery currently operates.</td>
</tr>
<tr>
<td>2006 - 2010</td>
<td>Includes newer and more active fishermen, but would eliminate historical participants after implementation of restrictive management measures.</td>
</tr>
<tr>
<td>Best 4 yrs* from 2002 to 2010</td>
<td>Includes historical and newer, most active fishermen in the fishery; accommodates participants who may not have fished due to unavoidable circumstances affecting fishing opportunities</td>
</tr>
<tr>
<td>Level of Participation</td>
<td>Shares would be higher for fishermen who have fished for sharks every year relative to fishermen who have fished fewer years regardless of total landings.</td>
</tr>
</tbody>
</table>

* The number of years is an example. Actual number of years still need to be discussed and decided upon.
Allocation

Should the landings history be matched to the vessel or permit?

Issues

- Do the landings stay with the permit/vessel owner? (e.g., John Doe started with Vessel A, sold Vessel A, Bought Vessel B, sold Vessel C; should he retain all his landings history?)

- Or do they stay with the same vessel? (e.g., Jane Smith Bought John Doe’s Vessel A. Should she retain both John Doe’s and her own landings history?)
**Example**: Landings history stays with the permit holder; does not transfer to new owner (2003 - 2010)

<table>
<thead>
<tr>
<th>Permit holder</th>
<th>Landings used for allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Same permit for 7 yrs (120.1 mt dw)</td>
</tr>
<tr>
<td></td>
<td>Bought new permit, sold old permit (new permit (1 yr) 35.7 mt dw; old permit (6 yrs) 84.4 mt dw)</td>
</tr>
<tr>
<td>B</td>
<td>New entrant Bought new permit ((0 yrs) 120.1 mt dw)</td>
</tr>
<tr>
<td>C</td>
<td></td>
</tr>
</tbody>
</table>
Example: Landings history; stays with the vessel; transfers to new owner (2003 - 2010)

Vessel owner

A. Same vessel (7 yrs) (120.1 mt dw) → 120.1 mt dw

B. Upgraded vessel (old vessel = 84.4 mt dw; new vessel = 35.7 mt dw) → 35.7 mt dw

C. Bought new vessel (0 yrs) = 120.1 mt dw → 120.1 mt dw
Level of Participation

➢ Distribute shares based on the individual’s level of participation in the fishery

➢ Include **high**, **medium**, and **low** levels of activity in the fishery.

➢ Determined by:
  - landings per year
  - trips per year
  - years fishing
# Allocation

**Level of participation (2003-2009)**

<table>
<thead>
<tr>
<th>Level of Participation</th>
<th>Number of years in the fishery</th>
<th>Landings per year [mt dw (lbs dw)]</th>
<th>Number of trips per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>≤ 3</td>
<td>≤ 3.9 (&lt; 8,000)</td>
<td>&lt; 9</td>
</tr>
<tr>
<td>Medium</td>
<td>4</td>
<td>&gt;3.9 &amp; &lt; 10.1 (&gt; 8,000 &amp; &lt; 22,300)</td>
<td>9-13</td>
</tr>
<tr>
<td>High</td>
<td>≥ 5</td>
<td>≥ 10.1 (22,300)</td>
<td>≥ 14</td>
</tr>
</tbody>
</table>
### Example: Allocation based on Levels of Participation

<table>
<thead>
<tr>
<th>Level of Participation</th>
<th>Share</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>70% (474.4 mt dw)</td>
<td>7.7 mt dw</td>
</tr>
<tr>
<td>Medium</td>
<td>20% (135.5 mt dw)</td>
<td>2.2 mt dw</td>
</tr>
<tr>
<td>Low</td>
<td>10% (67.8 mt dw)</td>
<td>0.6 mt dw</td>
</tr>
</tbody>
</table>

Commercial quota = 677.8 mt dw
Combination of Allocation Formulas: Example

Commercial quota

Catch History or Participation
Distribution of shares assigned to each participant based on catch history over a range of qualifying years.

Equal Allocation
Distribution of a base-amount of quota for minimal landings of sharks.
Example: Allocation based on Levels of Participation

Adjusted LCS commercial quota = 677.8 mt dw

<table>
<thead>
<tr>
<th>Level of Participation</th>
<th>Catch History (70%)</th>
<th>Equal (30%)</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>70% (332.1 mt dw) + 33% (67.1 mt dw)</td>
<td>6.4 mt dw</td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>20% (94.9 mt dw) + 33% (67.1 mt dw)</td>
<td>2.6 mt dw</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>10% (47.4 mt dw) + 33% (67.1 mt dw)</td>
<td>0.9 mt dw</td>
<td></td>
</tr>
</tbody>
</table>
Management Measures

Additional Management Measures:

- Duration – Length of catch share program
- Transferability – Trading/Selling shares (including who is eligible?)
- Monitoring and data recovery – Logbooks, VMS
- Enforcement - Hail in/out, restrict offloading times, approved landings sites
- Cost Recovery – Cannot exceed 3%
Next Steps

- ✔ Scoping and Workshops – Fall / Winter 2011
-   Pre-Draft – Mid 2012
-   Proposed Rule – TBD
-   Final Rule - TBD
Questions for AP

- Should NMFS encompass all regions (Atlantic and Gulf of Mexico) or only the Gulf of Mexico?

- What shark species should be included?

- Who should be eligible to receive an initial allocation?

- Who should be eligible to receive transfers after the initial allocation (i.e., new entrants)?

- What qualifying years should NMFS use?

- What allocation formulas should NMFS use (e.g., equal allocation, catch history, level of participation, combination)?

- What about the other management issues (duration, transferability, monitoring and data collection, enforcement, cost recovery, referendum)?
Your thoughts are important to us, please share them with us
Karyl, LeAnn, Guý, Pete, Delisse, Mike, Jen:
301-427-8503

Jackie:
240-338-3936

Steve:
202-670-6637

HMS Catch Share Website:
http://www.nmfs.noaa.gov/sfa/hms/sharks/catchshares.htm
Backup Slides
Level of Participation

• Metrics of Participation: Median and/or percentile (1^{st}, 2^{nd} and 3^{rd} quartile)

• Relative levels of participation:
  - trips per year
  - landings per year
  - years fishing

• Entities: shark directed vessels landing sharks in the 2003-2009 shark fisheries
Number of Active Permits (2006-2009)