Designing Dedicated Access Privileges: Alternative Approaches to Balancing Benefits Among Harvesters, Processors, and Communities in North Pacific Fisheries

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Background on the Council

**Origin:** the NPFMC is one of 8 regional councils established by the Magnuson Act of 1976. The North Pacific Council is unique in that jurisdiction is specific to waters off only one state.

**Structure:** 11 voting members: Alaska (6), Washington (3), Oregon (1), and 1 from NMFS; and 4 non-voting members (other federal agencies).

**Function:** The Council maintains 5 fishery management plans (GOA Groundfish, BSAI Groundfish, Crab, Scallop and SE Salmon troll). Approval and implementation of these FMPs is effected through our partnership with NOAA Fisheries.

**Process:** Council meets 5 times/year, concurrently with its advisory groups: Advisory Panel (21 members from various constituencies), Scientific and Statistical Committee. Public testimony is taken at all meetings, for all issues.
Fisheries Off Alaska

- Would rank in the top 10 producing countries
- Represent 50% of total U.S. catch
- Catch between 3 and 5 billion pounds of groundfish annually for 30 years
- Are the number one private sector employer in Alaska
- Are second only to oil in revenue to the State
360,000 square miles of fishable continental shelf

47,000 miles of coastline
Alaska Landings
3 million mt (1998-2005)
(8 Yr Average)

- Groundfish: 81%
- Salmon: 15%
- Herring: 2%
- Shellfish: 2%
- Nearshore: 0%
Ex-Vessel Value of All Alaska Landings
$1.18 Billion (2001-2004 Average)

- Groundfish: 57%
- Salmon: 15%
- Shellfish: 14%
- Halibut: 13%
- Herring: 1%
Major groundfish species in the Bering Sea/Aleutian Islands

>20 million mt biomass

- **Pollock-EBS**: 50%
- **Flatfish Total**: 33%
- **Pacific Cod**: 7%
- **Pollock-Bogoslof**: 1%
- **Pollock-Al**: 1%
- **Atka Mackerel**: 3%
- **Others**: 3%
- **Rockfish Total**: 2%
- **Atka Mackerel**: 3%
- **Others**: 3%
- **Sablefish**: 0%
Major species in the Gulf of Alaska
~4 million tons total biomass

- Arrowtooth: 32%
- Sablefish: 5%
- Rockfish: 19%
- Flatfish: 16%
- Pollock: 17%
- P. Cod: 11%
Vessels range from:

- Small skiffs - longline and jig fishing
- Mid-size seine, trawl and longline vessels
- Large trawl, longline and pot vessels
- Very large catcher/processors
Dedicated Access Privileges, 
Or, 
What is Rationalization?

Current Magnuson-Stevens Act definition:

‘a federal permit under a limited access system to harvest … a percentage of the total allowable catch…held for exclusive use by a person.’
Primary types of Rationalization Programs in Alaska’s Federal Fisheries

- Harvester IFQ (Alaska halibut and sablefish fisheries, Western Alaska CDQ program)
- ‘Two–pie’ IFQ/IPQ program (Bering Sea/Aleutian Islands crab fisheries)
- Fishery Cooperative program (Bering Sea pollock, Bering Sea/Aleutian Islands crab fisheries, Central Gulf of Alaska rockfish)
- Programs under development (Gulf of Alaska groundfish and Bering Sea/Aleutian Islands non-pollock catcher processors)
Elements of the Halibut and Sablefish Harvester IFQ Program (implemented 1995)

Small vessel fishery with strong coastal community ties. Program elements designed to allow efficiency and consolidation while maintaining coastal community structures and fleet composition, end derby (was 24 hour fishery - now open 10 months), increase safety.

- Allocation of shares to individual vessel owners
- Vessel type and size categories
- Owner-on-board requirements (some categories)
- Limits on leasing/transferability (across categories)
- Use/ownership caps (individual and vessel level)
- Loan program (for new entry)
- Block program (further check on consolidation)
- Community purchase program
Elements of the Bering Sea Pollock Fishery Cooperative Program (implemented 1999)

High-volume, industrial fishery. Important on-shore and at-sea processing components. Rationalization to address allocation conflicts, end derby, increase utilization/recovery rates, improve safety.

- Allocation of shares to cooperatives (112 harvest vessels in eight processor co-ops plus 14 vessels in one catcher/processor co-op)
- Closed class of harvesters and processors
- Cooperative/processor associations based on historical landing patterns
- Limited mobility to move among cooperatives or deliver to other processors
- Use/ownership caps
- Sideboards to limit encroachment on other fisheries
- High degree of fleet ‘self-management’ through agency approved cooperative agreements
Elements of the Bering Sea/Aleutian Islands Crab Rationalization Program (implemented 2005)

Industrial fishery with strong on-shore processing and community linkages. Design elements intended to end derby, promote economic efficiencies, maintain landing and processing patterns, and improve safety.

- Harvester IFQs to license holders (90 percent “A shares” which are subject to regional delivery and processor share delivery requirements; and, 10 percent “B shares” – free of landing requirements)
- Processor IPQs (with one-to-one correspondence to “A shares”)
- 15 harvest cooperatives coordinate catch from 100 vessels across 26 processors
- Price arbitration process for A share landings
- Captains share allocation (3% of harvest shares)
- Use/ownership caps
- Liberal transfer and ‘stacking’ allowances
- Data collection and comprehensive review
Elements of the Central Gulf of Alaska Rockfish Pilot Program (two-year program)

Mid-size trawl vessel fishery with both shore-based and at-sea fleets. Rationalization intended to promote economic efficiency by maximizing total value in multi-species fishery and test feasibility of multi-species program management.

• Allocations to cooperatives
• Limited access for non-members of cooperatives
• Processor/cooperative associations (with no harvester mobility)
• Allocations include high value incidental catch species (sablefish, Pacific cod, shortraker, rougheye, and thornyhead rockfish) and non-retainable halibut bycatch
• Use/ownership caps
• Comprehensive review
Bering Sea/Aleutian Islands non-pollock catcher processors (program pending)

Small, homogenous fleet of medium to large catcher/processors. Minimal direct ties to communities or on-shore processing. Rationalization intended to promote economic efficiencies, improve safety, and facilitate reduction of bycatch and discards (minimum retention standard pending).

- Allocations to one or more cooperatives
- Includes target species, incidental catch species, and halibut bycatch allowances
- Limited access for non-members of cooperatives
- Use/ownership caps
- Incentive fishery (for participants able to reduce incidental catches)
- Liberal transfer and ‘stacking’ allowances within cooperatives
- Data collection and review provisions
Possible Elements in Gulf of Alaska Groundfish Rationalization (under development)

Numerous sectors and constituencies (vessel sizes, gear types, processors, crewmembers, coastal communities, regions, jurisdictions). Rationalization intended to promote efficiencies and balance benefits across various sectors. Difficult challenge!

- Different alternatives for different sectors (trawl, longline, pot, jig)
  - Unrestricted harvester IFQs
  - Harvester IFQs with processor license limitation
  - Harvester IFQs with processor landing linkages
  - Allocation of IFQs to processors
  - Allocations to cooperatives with cooperative/processor associations
- Allocations include incidental catch species and prohibited species catch
- Use/ownership caps
Possible Elements in Gulf of Alaska Groundfish Rationalization Programs (continued)

• Crew and captains allocations or licensing programs
• Regional landing requirements
• Community allocations and purchase options
• Data collection and comprehensive review
• Division of fisheries between State and Federal waters and coordination of management
Lessons from North Pacific experiences:

• Identify goals, often balancing environmental and social considerations against economic efficiency gains

• Select program and design elements that suit the unique features of a fishery, its participants, and the management objectives

• Maximum flexibility to program managers is necessary

• Cooperative model can be very effective in achieving balance of benefits across sectors and reducing management burdens

• Include information collection requirements, review the program, and amend the program when necessary
Issues in Future Rationalization Programs

• Balancing competing interests of those who rely on the fisheries (vessel owners, processors, captains and crew, communities)
• Developing coordination among different participants (within and across sectors)
• Significant monitoring and observing requirements
• Agency implementation costs challenge budget constraints
• Fee collection authority (currently exists for IFQs, but may authorize collection from cooperatives also)