

North Pacific Fishery Management Council
Presentation by Dr. Jim Balsiger on Catch Shares Task Force
June 4, 2009

Many thanks to the Chair and Council membership for allowing me time to meet with you on the important topic of catch shares. With your agreement I'd like to begin with some prepared remarks and reserve the majority of time for questions and answers.

Two weeks ago at the Council Coordinating Committee (CCC) meeting in Boston, NOAA Administrator Dr. Jane Lubchenco announced the creation of a **Catch Shares Task Force**. The Task Force will help NOAA to facilitate the consideration and adoption of catch shares where appropriate as a management strategy in Regional Council and Secretarial fisheries management plans.

Appropriately designed catch share programs have proven that they can resolve the race to fish, reduce overcapacity and improve economic efficiency, and help ensure harvests are within annual catch limits. There is no better evidence of catch share effectiveness than the pioneering work the North Pacific Council has undertaken for its fishery management plans.

The Task Force is being led by Monica Medina, Special Advisor to the NOAA Administrator, and is charged with submitting findings and recommendations to Dr. Lubchenco on five priorities no later than August 1, 2009.

The group has been tasked with the following:

1. To develop a new NOAA policy on catch shares that ensures that catch shares are fully considered when Councils take up fishery management plan amendments.
2. To make sure that Councils who want to move forward with catch shares have the technical and administrative support to move quickly to design a catch share system while empowering local fishermen to be part of the process.
3. To make sure that catch share designs achieve the best possible environmental and economic performance supporting healthy ecosystems, meeting annual catch limits, reducing bycatch and habitat damage and enhancing economic performance.
4. To consider whether any organizational changes are needed within NOAA to provide the best possible communication and support.
5. To provide advice to the Under Secretary on how to allocate resources to the Councils to support this work, and how to create milestones so that we can evaluate our progress.

My objective today is to open a dialogue with the Council on the consideration and use of catch share strategies.

While acknowledging the tremendous progress and accomplishments the North Pacific Council has already made, it was clear from Chris Oliver's report in Boston that there is still additional catch shares work the Council wants to accomplish. The Task Force wants to learn from Council members and staff about the impediments that are in the way of the Councils to fuller consideration or implementation of catch shares. Beginning today and in continuing discussions with Councils over the next two months, we'd like you to help identify problems and suggest solutions to resolve funding, policy, legal, and infrastructure issues that are impeding progress. We need specifics about the issues and what you want and expect to be done about them, including how the Councils can help.

Discussion of these issues can identify needed changes in NOAA and Council capacity, and specify the requirements to support the design and implementation of well thought out catch share programs. For example,

- * What additional investments could ensure the greatest transparency and participation by stakeholders in the design of catch share programs?
- * Where is additional capacity needed to evaluate the effects of individual and community allocation of privileges?
- * What research and information is currently missing to design programs that meet Council goals for both sustainable fisheries and sustainable fishing communities?
- * What standards and practices will best avoid accumulation of excessive shares?
- * What are the design options that best meet the Council's objective for new entrants or small-scale operators?

Identification and discussion of impediments can also target where we need to make investments in research, policy, decision analysis and/or new technology for the operation of catch share programs. For example, such discussions may point out where we can adopt a common infrastructure for administrative appeals, tracking allocations and share leases or sales, or derive other operational benefits from economies of scale as more catch shares programs come on line. The re-use of reporting and recordkeeping systems and the design of multi-fishery compliance and monitoring systems can help make the best use of available appropriations and minimize the cost recovery impact on the industry. Such cost efficiencies can make it possible to apply catch shares strategies to more fisheries.

For the North Pacific Council in particular, given your experience with existing catch share programs, it is our goal to identify and share your major lessons learned (both the positive and negative). We are looking for your advice, especially those experiences that may constitute best practices, to inform other Councils just now considering the use of

catch shares. We will also use this advice to inform and help us craft a national catch shares policy. Your experiences will be invaluable in developing a strategy to move forward on making catch shares management more available to fisheries in the United States.

Why is this so important to NOAA? Recent scientific peer-reviewed analyses confirm that fisheries managed with catch share programs perform better than fisheries managed with traditional tools. Even in the first years after implementation, catch share fisheries are stable, eliminate the race to fish, and even increase their productivity. The scientific evidence is compelling that catch shares can also help restore the health of ecosystems and get fisheries on a path to profitability and sustainability. These results - these scientific analyses - are why moving forward to implement more catch share programs is a high priority. Catch shares that are well designed and thoughtfully prepared are the best way for many fisheries to both meet the Magnuson mandates and have healthy, profitable fisheries that are sustainable.

The Task Force will conduct research and analysis and provide the NOAA Administrator with recommendations addressing the use of catch shares in federally managed fisheries. Dr. Lubchenco and Monica Medina are committed to making sure we pursue this priority in the right way.

The membership of the Task Force was originally proposed to include only NOAA employees. Based on feedback and suggestions at the CCC meeting, the Task Force will now be comprised of a geographically balanced mix of senior NOAA and Council representatives.

Monica Medina has emailed all eight Councils asking them in the next week to suggest collectively up to six Task Force nominees for Dr. Lubchenco to choose from. NOAA nominees are also currently being vetted and a final selection of participants will be made from among all the suggestions to obtain an optimal mix of expertise, experience and geographic representation. The group will operate by consensus rather than majority vote (it is exempt from the Federal Advisory Committee Act requirements).

Since the Task Force is by design only a short-term proposition (reporting its findings and recommendations by August 1st), NOAA is also requesting the CCC to consider establishing a standing Catch Shares Subcommittee that NOAA could work with on an ongoing basis. This would ensure continuity of communication, performance monitoring and follow up action by NOAA and Councils to the Task Force recommendations. It would also serve as a venue for discussion of future catch shares issues as they come up.

As a third element of moving forward, NOAA is also proposing a reinvigoration of the **Limited Access Privilege Program Working Group**. That working group was comprised of NOAA staff and a Council Executive Director, Council member and Council staff person. They successfully developed the guidance document published as a NOAA Technical Memorandum called "Design and use of limited access privilege programs."

For catch shares programs to move forward, we need to have some expert advice available on how to do catch shares – much like a consulting team. These experts would advise and assist the various Councils as they work through setting these programs, responding to specific design and/or policy problems identified by Councils. Since there is no one-size-fits-all catch shares solution, we will need to provide a lot of support.

A **Terms of Reference** for this in-house consultation group of NOAA and Council staff is forthcoming, and it will be re-titled the Catch Shares Working Group in deference to supporting the Catch Shares Task Force as well as the expanded scope beyond Limited Access Privilege Programs. The Terms of Reference will be circulated for comment along with a request for Council and NOAA staff participation.

Dr. Mark Holliday, Director of Policy for NOAA Fisheries Service, has been asked by Monica Medina to serve as the Executive Director of the Catch Shares Task Force and the **Catch Shares Working Group**.

Moving forward on catch shares is a joint venture between NOAA and the Councils. We've seen in the North Pacific just how successful this partnership can be. Dr. Lubchenco is committed to working with all the Councils to find ways to make the health of the oceans go hand-in-hand with the prosperity of fishermen and the well-being of coastal communities.

We think catch shares provides one of if not the best opportunity to achieve this outcome. However, NOAA needs you as a partner to ensure we have the intellectual capacity, the political will and the necessary resources for success. Therefore, I hope you take advantage of this opportunity to help advance our shared stewardship responsibilities.

Thank you. I'd be pleased to take any questions, and then hear from you about what are the impediments to further use of catch shares by the Council, and the keys to your past success.