

North Pacific Fishery Management Council LAPPs

Summary for Council Coordinating Committee (CCC) – by Chris Oliver, Exec. Director
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Overview: There are several programs in place in North Pacific fisheries that fit the description of ‘limited access privilege programs’, or LAPPs, ranging from traditional individual fishing quota (IFQ) programs to fishery cooperatives that assign catch allocations to sectors or groups of vessels. While none of these programs have been developed under the most recent MSA provisions for LAPPs, we are in the process of considering new programs, or changes to existing programs, which will fall under the new MSA provisions.

Below is a list of programs in existence, or under development, and the key features of each.

[1.] Halibut and Sablefish IFQ program:

Implemented in 1995, this was the first major ‘LAPP’ program in the North Pacific. This is a harvester IFQ program applied to the commercial longline fisheries for halibut and sablefish. These are primarily small vessel fisheries with strong ties to coastal communities. Program elements were designed to allow efficiency and consolidation while maintaining coastal community structures and fleet composition. Partial allocations (in Bering Sea/Aleutian Islands) to Community Development Quota (CDQ) program. What was a 24 hour derby is now a 10 month fishery.

Key features include:

- allocation of shares based on catch history to individual vessel owners
- vessel type and size categories
- owner on board requirement for some categories
- limits of leasing/transferability across categories
- use and ownership caps (individual and vessel level)
- loan program (for new entry)
- community purchase program
- minimal observer coverage, only on sablefish vessels over 60’
- dockside monitoring through ‘swipe-card’ (debit card) delivery system

[2.] Bering Sea pollock fishing cooperatives:

Implemented in 1999 as a result of Congressional action and subsequent Council action. High volume, industrialized fishery with important on-shore and at-sea processing components. Program addressed allocation conflicts, derby conditions, and resulted in increased utilization and product recovery rates.

Key features include:

- allocation of catch shares based on catch history to cooperatives organized around historical processors (112 harvest vessels in eight different cooperatives, plus 14 vessels in single catcher-processor cooperative)
- cooperative/processor associations based on historical landing patterns

- limited mobility to move among cooperative or deliver to other processors
- use and ownership caps
- sideboard limits to reduce encroachment on other fisheries
- high degree of fleet 'self management' through agency approved cooperative agreements (contracts)
- high degree of observer coverage at vessel and processing plant levels (200% coverage on all catcher/processors; overall 95% of all pollock catch observed)

[3.] Bering Sea/Aleutian Islands Crab Rationalization Program:

Implemented in 2005 as a result of Congressional action and concurrent Council action. Industrial fishery with strong on-shore processing and community linkages. Several species/area subfisheries. Design elements intended to end derby, promote economic efficiency, maintain landing and processing patterns, improve safety. Key feature include:

- Harvest vessel IFQs to license holders (90% 'A' shares which are subject to regional delivery and matching processor share delivery requirements: 10% 'B' shares free of landing requirements)
- Processor share (IPQs) with one-to-one correspondence to harvest shares
- 15 harvest cooperatives coordinate catch from 100 vessels across 26 processors
- Price arbitration process for A share landings
- Captain's ('C') share allocation (3% of harvest shares originally to licensed captains but can be obtained by crew)
- use/ownership caps
- liberal transfer and 'stacking' allowances
- mandatory economic data collection and comprehensive program review requirements
- Catcher vessel observer coverage ranges between 20% and 50% depending on fishery. Catcher/processors have 100% observer coverage. Landings also monitored through dockside sampling program upon delivery.

Currently the Council is in the process of considering several amendments to the program, including consideration of basic program elements and possible alteration of the IPQ allocation percentages for some crab fisheries.

[4.] Central Gulf of Alaska Rockfish Pilot Program:

Implemented in 2007 as a result of Congressional action and subsequent Council action. Originally a two-year pilot program, extended for additional three years through 2011. Mid-sized 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.

Key features include:

- Allocation to cooperatives
- Limited access for non-members
- Processor/cooperative associations (with no harvester mobility)
- Allocations include high value incidental catch species (sablefish, cod, etc.) and non-retainable halibut bycatch

- Use/ownership caps
- Requirements for comprehensive program review
- 100% observer coverage requirement for participating vessels. Plant observers also monitor deliveries.

Currently the Council is considering numerous adjustments to the program, including a potential full-program reauthorization beyond 2011. This program reauthorization will likely be required to comply with the new LAPP provisions of the MSA.

[5.] Bering Sea/Aleutian Islands non-pollock Catcher-Processor cooperatives:

Implemented in 2008 through Council FMP amendment. Relatively small, homogenous fleet of medium to large catcher-processors primarily targeting flatfish species, cod, and Atka mackerel. Minimal direct ties to communities or on-shore processing.

Rationalization intended to promote economic efficiency, improve safety, and reduce bycatch and discards (and allow them greater ability to operate within existing minimum retention standards).

Key features include:

- Allocations to one or more voluntary cooperatives
- Includes target species, incidental species, and halibut bycatch allowances
- Limited access for non-members of cooperatives
- Use and ownership caps
- Incentive fishery (for participants able to reduce incidental bycatch)
- Liberal transfer and 'stacking' allowances within cooperatives
- Requirements for economic data collection and program review
- 200% observer coverage requirements (i.e., 2 observers on board and all hauls must be observed).

Currently the Council is considering amendments to the program relative to number of cooperatives allowed to be formed, and relative to vessel replacement allowances.

[6.] Halibut Charter Boat – potential inclusion in IFQ program:

The Council has struggled for several years with allocation issues between the growing charter boat sector and the existing commercial IFQ sector. An amendment package to incorporate this fishery into the commercial IFQ program was submitted in 2003 and was subsequently withdrawn.

Most recently the Council adopted a catch-sharing plan with specific allocation percentages. Further consideration of incorporation into the IFQ program may be taken up by the Council in the next few years, following review of the catch-sharing plan (pending Secretarial approval).

Major Lessons Learned in North Pacific LAPPs:

1. Identify goals up front, often balancing environmental and social considerations against economic efficiency gains
2. Select program and design elements that suite the unique features of the fishery, its participants, and the management objectives
3. Maximum flexibility to program managers is necessary
4. Cooperative model can be very effective in achieving balance of benefits across sectors and reducing management burden
5. Include information collection requirements, review the program after implementation, and amend program where necessary

Significant Issues in Future LAPPs:

1. Balancing competing interests of those who rely on the fishery (vessel owners, processors, captains and crew, communities)
2. Developing coordination among different participants (within and across sectors)
3. Significant monitoring and observer requirements
4. Agency implementation costs challenge budget constraints
5. Fee collection authority (currently exists for IFQs, but not cooperatives?)

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Chris Oliver's summary for CCC - Boston, May 2009.