ECOSYSTEM-BASED MANAGEMENT INDICES AND INFORMATION

Ecosystem Goal: Humans are part of ecosystems

Fishing overcapacity programs

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Overview

Overcapacity, wherein there is an excessive level of investment or effort relative to the available fisheries resources, is considered a problem in fisheries throughout the world. The problem is often manifested in short fishing seasons, increased enforcement and safety problems, and reduced economic viability for vessel owners and crew-members. Overcapacity can, under certain conditions, have grave implications for conservation as well.

The North Pacific Fishery Management Council (Council) has developed several programs to address overcapacity in the Alaskan fisheries. Moratorium programs were implemented in the crab and groundfish fisheries to limit the number of harvesting vessels that may be deployed off Alaska, and access has since been limited further by replacing the moratoria with license limitation programs (LLP). However, rights-based management is increasingly being used to “rationalize” fisheries.

An Individual Fishing Quota (IFQ) program has been used to manage the halibut and fixed gear sablefish fisheries since 1995. Rather than explicitly limiting the number of harvesting vessels, this program grants quota holders the privilege of harvesting a specified percentage of the Total Allowable Catch (TAC) each year. A similar program developed by the Council will, beginning in 2005, place management of most crab fisheries of the Bering Sea and Aleutian Islands (BSAI) under a quota system, in which quota shares are issued to harvesters (including vessel captains) and processors. The program also includes community protection measures (hence the term “three-pie” program), and provides for voluntary harvesting cooperatives. Some features of this crab program had to be authorized by Congressional action. The Council also is considering comprehensive rationalization of Gulf of Alaska (GOA) groundfish fisheries and sector allocations of groundfish in the BSAI. Congress has provided additional statutory tools to help relieve overcapacity. The American Fisheries Act (AFA) retired nine catcher-processors, limited entry of additional harvesting vessels, authorizes harvesting cooperatives to which a portion of the total allowable catch of BSAI pollock is granted, prevents pollock fishery participants from expanding historical activities to other fisheries, and stabilized deliveries to shoreside processors. Congress later authorized a BSAI crab “buyback” program that, if approved by industry, will retire crab licenses, vessels, and vessel histories prior to implementation of the crab quota program. And, as a prelude to the more complex GOA rationalization program, Congress recently directed National Marine Fisheries Service (NMFS), in consultation with the Council, to develop a two-year demonstration quota program for Gulf of Alaska rockfishes.

Moratorium on New Vessels

A moratorium on new vessel entry into the federally managed groundfish and crab fisheries was implemented in 1996. The program was considered a place holder while more comprehensive management measures were developed. The owners of 1,864 groundfish and 653 crab vessels held moratorium fishing rights at the time the program was sunsetted (December 31, 1999). In addition to limiting the number of vessels the moratorium also restricted the lengths of vessels that could be deployed under moratorium permits. Qualifying vessels that were less than 125' in length overall received licenses that had a maximum length overall of 120 percent of the qualifying vessel’s length on June 24, 1992, or up to 125', whichever is less; vessels that were 125' or longer could not increase their length. The concern over increasing vessel length arises because such actions can increase harvesting capacity even though

additional vessels are prohibited from entering a fishery, thus undermining the effectiveness of the moratorium.

License Limitation Program for Groundfish and Crab

The LLP for groundfish and crab vessels was implemented on January 1, 2000 to replace the vessel moratorium. The original LLP, approved in 1995, was intended as the second step in fulfilling the Council's commitment to develop a comprehensive and rational management program for fisheries off Alaska. Amendments to that program recommended by the Council in 1998 and April 2000 tightened the LLP program and included additional restrictions on crab vessel numbers and on fishery crossovers. The amendments also limited participation in the non-trawl BSAI Pacific cod fisheries. The LLP reduced the number of vessels eligible to participate in the BSAI crab fisheries by more than 50% relative to the vessel moratorium (down to about 350 licenses, of which an estimated 309 are currently being used). The number of current LLP groundfish licenses (1,847) is similar to the number that held moratorium permits and some of both types of licenses were or are not actively used. At present, only 1,461 groundfish LLP licenses name vessels. However, the LLP is more restrictive in terms of the crab fisheries in which a license holder may participate, the groundfish areas in which a license holder can fish, and the types of gear that may be deployed. Also important to note is that the vast majority of the vessels that can be deployed under the LLP are longline vessels less than 60' (and are only eligible to participate in Gulf of Alaska fisheries). These vessels have typically had relatively small catch histories in past years. The LLP Program is being modified to accommodate changes implemented under the Crab Rationalization Program (CR Crab). In addition to crab endorsement changes resulting from new quota fisheries, some groundfish licenses will be modified to incorporate "sideboard" restrictions on GOA groundfish activities and avoid "spillover" effects of excess crab capital on groundfish fisheries.

License Limitation Program for Scallops (LLPS)

The LLPS was implemented in 2001 to replace a 1997 temporary vessel moratorium program for this fishery. Under the LLPS, nine persons were issued transferable licenses authorizing them to deploy vessels in the scallop fishery off Alaska. The licenses restrict the lengths of vessels and the size and amount of gear that may be used.

Bering Sea and Aleutian Islands Crab Rationalization and Buyback

The North Pacific Fishery Management Council has developed a plan to rationalize the BSAI crab fishery.

A statutory change to the Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA) authorized an industry-funded buyback program for the crab fisheries. This program permanently retired the fishery endorsements of 25 vessels, and LLP crab licenses and vessel histories; as well as 15 limited entry licenses for groundfish (and some halibut quota share) associated with those histories. The program was approved by an industry referendum in which a majority of participants approved the proposed effort reduction and a debt retirement burden of $97.4 million.

The Council also developed, and NOAA Fisheries Service is implementing, the Crab Rationalization Program (CR Crab). This program includes allocations to Community Development Quota Groups, an allocation of one species of king crab to the community of Adak, and a complex quota system for harvesters and processors called the "three-pie voluntary cooperative program". CR Crab program attempts to balance the interests of several identifiable groups that depend on these fisheries. Allocations of harvest shares are made to harvesters, including captains. Processors are allocated processing shares. Community protection measures are designed to help provide economic viability of fishery-dependent communities. Designated regions are allocated landings and processing activity to preserve their historic interests in the fisheries. Harvesters are permitted to form cooperatives to realize efficiencies through

fleet coordination. The novelty of the program has compelled the Council to include several safeguards into the program, including a binding arbitration program for the resolution of price disputes and extensive data collection and review programs to assess the success of the rationalization program. These safeguards, together with the Council's continuing development of the program through a series of ongoing amendments and clarifications, demonstrate the Council's commitment to a fair and equitable rationalization program that protects the interests of those dependent on the BSAI crab fisheries.

As of August 1, 2005, NOAA Fisheries Service has initially issued one or more types of harvesting quota to 504 persons; and processing quota to 25 persons. For harvesters, NOAA Fisheries initially issued quota to 285 applicants who qualified based on holding a transferable LLP crab license; and to 231 individuals who qualified for "Captain" or "crew" shares by virtue of both historic and recent participation in these crab fisheries. Fishing under Crab Rationalization begins with two Aleutian Islands golden king crab fisheries, in August 2005.

Sablefish and Halibut Individual Fishing Quotas

The halibut and sablefish fisheries provide good examples of how the Council is working to control overcapacity in fisheries off Alaska. From 1975 to 1994 the Central Gulf of Alaska halibut fishing seasons decreased from approximately 125 days to single day openings, while catches increased. Faced with very short seasons and increasing fishing effort, the Council recommended an IFQ program for both the halibut and fixed gear sablefish fisheries. These programs were initiated in 1995. After implementation, the traditional short, pulse fisheries were extended to more than eight months long. IFQs have allowed participants to better match fishing capacity with the amount of fish they are allowed to harvest during a year, improving economic efficiency for harvesters and decreasing gear conflicts on fishing grounds, among other salutary effects. In recent years the numbers of vessels and persons have declined, even as the TACs have been increasing. A total of 4,828 persons were initially issued halibut quota share (QS) and 1,051 were initially issued sablefish QS. At the end of 2004, 3,369 persons held halibut QS and 885 held sablefish QS. The number of vessels landing halibut in the IFQ fishery declined from 3,450 in 1994 to 1,304 at the end of 2004; the number landing sablefish in the IFQ fishery declined from 1,191 in 1994 to 396 in 2004.

American Fisheries Act

The AFA, passed in late 1998, among other things limited the number of harvesting and processing vessels that would be allowed to participate in the BSAI pollock fishery. Only harvesting and processing vessels that met specific requirements, based on their participation in the 1995-97 fisheries are eligible to harvest BSAI pollock. At the inception of the AFA, 21 catcher/processors and 112 catcher vessels qualified, or were specifically identified, as eligible to participate under the AFA guidelines. Nine other catcher/processors were bought out at a cost of $90 million.

Specific provisions in the AFA allow for the formation of cooperatives among catcher/processors, among the catcher vessels that deliver to the catcher-processors, among eligible motherships and catcher vessels in the mothership sector, and among the eligible catcher vessels in the inshore sector of the BSAI pollock fishery. Within each cooperative, each member company is then contractually allocated a percentage share of the total cooperative allocation based on its historical catch (or processing) levels. The catcher-processor cooperative is called the Pollock Conservation Cooperative (PCC) and is made up of eight companies that own 19 of the 20 catcher-processors currently eligible to fish in the pollock fishery (the fishing privileges of the 21st eligible vessel were purchased by the PCC in 2000, and one eligible vessel has not joined the PCC). The catcher vessel cooperative is called the High Seas Catchers' Cooperative (HSCC), and comprises seven catcher vessels authorized under the AFA to deliver to the eligible catcher/processors (these vessels had traditionally delivered the majority of their pollock to catcher/processors).

Under the AFA, the PCC is currently allocated 91.5% of the total offshore pollock allocation (the rest is allocated to members of the HSCC). When the new fishery cooperative structure was adopted in 1999, not all of the eligible catcher/processors fished during the 1999 late winter and early spring pollock seasons; four catcher/processors opted not to fish during the A/B season and six chose not to fish during the C/D season. This pattern continued in 2000 and 2001 when four and three catcher/processors were idle in the A/B season, respectively. Five of the catcher/processors were idle in both 2000 and 2001 for the C/D season. In 2002, three vessels were idle in the A/B season and four were idle in the C/D season. In 2003, sixteen of nineteen vessels harvested pollock during the year, while in 2004 this number increased to eighteen. These increases in vessel participation relative to earlier post-AFA years can probably be attributed to the increase in the pollock TAC.

The HSCC is allocated 8.5% of the offshore pollock allocation. However, since the formation of the cooperative, they have leased much of their TAC allocation for pollock to catcher/processors. In fact, since 1999, none of the seven HSCC vessels have engaged in directed fishing for pollock, choosing instead to lease their catch to the AFA catcher/processor fleet.

The AFA also authorizes three motherships to participate in the BSAI pollock fishery. In 1998, 31 vessels landed greater than 10 mt of pollock to be processed by offshore motherships. In 1999, this number decreased to 27. In 2000, the first year in which a cooperative was operating in the mothership sector, 19 of the 20 catcher vessels eligible to deliver pollock to these motherships actually did so. The same number of vessels made deliveries to motherships in 2001, dropped to 17 vessels annually in 2002 and 2003, and increased to 18 in 2004.

In 1998 107 inshore catcher vessels each delivered more than 10 mt of pollock to inshore processors (including stationary floating processors). That number decreased slightly in 1999 (100 vessels), again decreased in the 2000 roe fishery (91 vessels), remained at that level in 2001, and dropped to 85 in 2002. Although the number of vessels delivering at least 10 mt of pollock to inshore processors dropped to 83 vessels in 2003, the number increased back up to 85 vessels in 2004.

Finally, it should be noted that the AFA also restricts eligible vessels from shifting their effort into other fisheries. “Sideboard” measures, as they have become known, prevent AFA eligible vessels from increasing their catch in other fisheries beyond their average 1995-97 levels. Sideboard restrictions reduce the likelihood that the fishing capacity of AFA eligible vessels will spill over and compete in other fisheries.