U.S. Industry Perspectives on Catch Shares Panel Discussion

Panelists discussed the conditions in their respective fisheries prior to and after the implementation of a catch share program and shared their perspectives (see Appendix C for the individual perspectives of the panelists).

Questions to the Panel

- What key needs and interests in your fishery led to consideration of a RBM approach?
- What considerations were most important to you and others as the merits of shifting to a catch share program were weighed?
- What were the most significant concerns, and what were some of the strongest arguments in favor of moving to catch shares (i.e., pros and cons)?
- Reflecting on your experience with catch shares in your fishery, if you had to do it again, would you?

***Elizabeth "Libby" Etrie**, program director for the Northeast Sector Service Network, coordinates and facilities various operational and organizational needs to foster an efficient and economically viable sector management system for member Northeast groundfish sectors. Previously, she worked as a coordinator with the Gulf of Maine Research Institute, where she provided technical developmental assistance to participants in the New England multispecies groundfish fishery who were organizing sector options as the New England Fishery Management Council developed the new management policy.*

***Linda Kozak**, a lifelong Alaskan, grew up in Bristol Bay and fished commercially for salmon from a young age. She has resided in Kodiak for 35 years and began working as a fisheries consultant in 1987 for Kodiak hook-and-line fishermen fishing for halibut, sablefish, and Pacific cod. This expanded into working with Bering Sea/Aleutian Islands (BSAI) crab fishermen by the early 1990s. Currently, Ms. Kozak provides consulting services for several groups and individuals involved in the fixed gear fisheries of the Gulf of Alaska and the BSAI. Her harvester clients are involved in the halibut and sablefish individual fishing quota (IFQ) fishery, the BSAI Pacific cod freezer longline cooperatives, and the primary BSAI crab rationalization fisheries for golden king crab, Bristol Bay red king crab, and opilio and snow crab. She has worked on the development of several catch share programs and regularly attends the meetings of the North Pacific Fishery Management Council and Alaska Board of Fisheries, as well as other science and regulatory meetings.*

***Michele Longo Eder** is an attorney from Newport, Oregon. She is a graduate of Johns Hopkins University and Lewis and Clark Law School. She has served on the North Pacific Research Board and the U.S. Arctic Research Commission, and is currently a member of the Groundfish Allocation Committee of the Pacific Fishery Management Council. In 2012, she was appointed by the Secretary of Commerce to serve on the Marine Fisheries Advisory Committee. She is also the author of Salt in Our Blood: The Memoir of a Fisherman's Wife. She and her husband, commercial fisherman Bob Eder who has fished sablefish and dungeness crab with pots for more than 30 years, own the F/V Timmy Boy. Ms. Eder worked with commercial fishermen on the West Coast in support of the sablefish fixed gear limited entry program.*

***Bill Tucker** is a commercial reef fish fisherman in the Gulf of Mexico. He serves on several advisory panels to the Gulf Fishery Management Council, and is the Secretary of the Gulf of Mexico Shareholders Alliance, a fishing industry association. He helped design both the red snapper and the grouper and tilefish IFQs in the Gulf.*

Panel Discussion Points

- **Catch shares can afford greater operational flexibility in the business of fishing.**
  Alleviating concerns about time constraints on fishing opportunity allows for more flexibility in the ways one can conduct business. For example, rather than basing decisions to catch and sell fish on presumptions about when the total allowable catch for the fishery will be reached, individuals have greater flexibility to choose what fish to pursue and how to market their catch based on current conditions. This is particularly advantageous for multi-species harvesters and processors. One panelist reflected on their skepticism and personal introspection about moving to catch shares, "I had to take off my fishing boots and try to see things as objectively as possible—to ask, why didn't I like [catch shares] and to realize it was because of an in-grown belief that someone would get a larger share than the other." It became clear that "if I knew what my limits were, then I could relax."

- **Before designing a program, problems should be assessed and goals established.**
  Panelists agreed that engaging industry at the outset to create program goals and objectives is essential and that long-term values should be reflected. One panelist articulated that the strong ethic developed in competitive fisheries—"to go out and fish to the best of your ability"—is a vital principle to preserve in any catch share program. Another added, "you must create the program to make the fishery what you want it to be in 10 to 20 years." Contentious core issues that arise during program design will require thoughtful consideration, dialogue, and consensus to proceed. These issues include eligibility to participate (crew, communities, etc.); flexibility around gear types; initial allocations; leasing and transfer guidelines; and ownership caps. As one panelist put it, "How do you allocate the quota? There are a million ways, but the answer is that you do what addresses your objectives."

- **It takes time and knowledge to develop a catch share program.**
  Panelists noted that the process of developing the programs is time-consuming, and described situations where time constraints affected decision-making. Information exchange and engagement with industry were identified as critical to program design, with lack of participation having negative implications once the program was implemented. One panelist expressed, "There are thousands of lessons to be learned with [our program], but mainly we just wish we knew then what we know now."

- **Over-capitalization and/or the lack of stability in fisheries were key drivers in adopting catch share programs.**
  These drivers were generally consistent across the four fisheries represented. Common to all was a derby-style fishery with too much effort and short fishing seasons. This led to "too many boats pursuing too few fish," as one panelist articulated. Market gluts, inconsistent product availability, and depressed fish prices resulted. This in turn led to uncertainty, instability within the fleet, and crews who were inefficient and less than professional with only short-term seasonal employment opportunities available to them.

- **Catch shares change the nature of entering a fishery, but they do not preclude new entrants.**
  When designed appropriately, a catch share program will provide flexibility and address new entrant opportunities through purchase, leasing, and transfer of quota. One panelist explained, "Catch shares gave us the ability to control effort in an overcapitalized fishery in a way that didn't eject people, but rather allowed people who value cash more than fish to voluntarily choose that." Another panelist described how a catch share permit might be cost-prohibitive for a 25-year-old, but that new entrants have the ability to lease quota to build up capital. Another panelist suggested that the market is capable of keeping quota purchase prices within reach, i.e., the market adjusts when asking prices are higher than buyers' willingness or ability to pay.

- **A full-time, more professional fleet and a fair market for allocations resulted.**
  One panelist underscored the benefits of catch shares for the fleet. As more fishermen were able to fish full-time under the program, the fishery went from "being an avocation to being a business and career; catch shares professionalized the fleet." In several fisheries, fishermen were able to catch fewer fish (i.e., less effort needed) yet make the same or more money as prices rose and stabilized. Overcapacity dropped as a result of allocation purchases and transfers when participants cashed out of the fishery. The programs created markets for permits, so that participants who wanted to build their fleet could finance and purchase permits.