Promoting the Viability of the Gulf of Mexico Shark Fishery

What is the Proposal?

- Derbies risk lives and vessels at-sea, greatly multiply the costs of fishing, waste fish and make overfishing worse, and reduce the value of fisheries and fishing businesses. These are bad for the U.S. economy, especially now.
- This problem is faced by the Gulf of Mexico shark fishery.
- Fishermen in the Gulf of Mexico propose to replace derbies with a regional shark fishery IFQ program.
- Sharks can be added to the Gulf's existing IFQ system.
- IFQs would assign allotments of shark quotas to individual fishermen held responsible for managing the catch and complying with rules.
- Rules designed to control catches but instead promote waste of sharks and money – including trip limits, size limits, closed seasons, and length, tonnage & horsepower limits – would be eliminated.

What are the goals?

- Increase the viability of fishing businesses and communities
  - More efficient harvesting –
    - Cut harvest costs with ability to plan trips
    - Ability to land sharks as target or incidental catch throughout the year
  - Raise and stabilize dockside prices –
    - Spread catch throughout year and region
    - Improve quality of sharks landed
  - Increase quotas –
    - Reduce amount of sharks subtracted from quotas for dead discards
    - Plan harvest of 100% of the quota rather than 80%
- Stop overfishing
  - Reduce discarding by landing and counting sharks caught
  - Improve accountability with better monitoring and enforcement
  - Allow integration of shark incidental catch with reef fish target catch
- Improve governance
  - Better monitoring / accounting with real-time reporting
  - Easier enforcement with targeted interceptions
  - Increased cooperation between industry and regulators

What is the timeline?

Since regulations have reduced the fleet and made running a viable business nearly impossible, fishermen can't wait long. We propose Gulf region IFQ design workshops in the fall of 2011, a pre-draft Amendment in spring 2012, draft Amendment in the fall of 2012, and final rule and implementation in 2013.

How can a Gulf shark IFQ program be designed?

1. How could it be administered? It should be integrated into the Gulf's existing IFQ (reef fish) program.

2. What species should be included? The program should include large coastal sharks, sandbars (when the fishery is started again), and possibly small costal sharks.

3. Who should participate? All federal shark permit holders in the Gulf and Atlantic, directed and incidental, should be eligible to participate, including buying, selling, and leasing IFQ shares and annual allocation. (The distinction between directed and incidental would not be needed in an IFQ program.)

4. Who should receive initial allocation of IFQ shares? Initial shares should be distributed to current federal directed and incidental shark permit holders based on the history of the permit(s) he holds. Industry can negotiate an allocation formula based on a specific range of years that considers participation, impacts of regulations, etc. – these may vary between large coastal, small coastal, and sandbar sharks. Gulf states should receive a share based on similar criteria to manage on behalf of state water fishermen.

5. Are there caps on IFQ share holdings? The Magnuson-Stevens Act requires limits to prevent excessive consolidation. Caps should not limit the flexibility of businesses to operate and grow, but still prevent excessive control by one or a few individuals/businesses.

6. How should an IFQ program be monitor and enforced? The program should follow the Gulf's model with modifications to accommodate sharks. This system includes VMS 24/7, call-out and call-in requirements, fishermen and dealer on-line dockside reporting, offloading rules, allowance for end-of-year overages, and approved landing sites.

7. How should the industry be involved in designing the program? Shark fishermen and dealers working in the Gulf of Mexico should be directly and actively involved in designing the program with NMFS and others in regional workshops.

8. How can people afford to buy shares? As needed, a government low interest loan finance program, like the one used in Alaska, would help ensure affordability to expand a business and allow new entrants.

9. How should the appeals process work? Landings record appeals should be based on NMFS' logbooks if available, or state landings records and data can be used. A total of 3% of commercial quota should be set-aside to resolve appeals. Any amount remaining after the appeals process should be proportionately distributed to IFQ shareholders.

10. Is there a cost recovery fee? The Magnuson-Stevens Act requires a cost recovery fee – the maximum is 3% of landed value.

11. How is the cost recovery collected? It could be collected consistent with the existing IFQ system – the dealer collects the fee and pays quarterly.

12. What happens if someone doesn't use his quota shares? The program should ensure that quota does not remain unused for a long time. If quota is consistently unused, then it should be returned and distributed proportionally to shareholders.