

BACKGROUND BRIEFING ON COUNCIL CONSIDERATION OF INDIVIDUAL QUOTA PROGRAMS

Individual quota (IQ) programs have been under Council discussion since before the 1987 inception of the limited entry committee that designed the West Coast groundfish license limitation program. Individual quota programs allocate a share, or amount of fish, to individual fishing operations and thereby control “output”(amount of fish harvested).

The groundfish license limitation program is an “input” control, controlling the number of vessels, but still requiring government managers to impose numerous regulatory restrictions in order to ensure that allowable harvests are not exceeded. Under the individual quota “output” control, fishers are provided considerable latitude as to when and where they harvest their quota, allowing them to increase the efficiency of their operations. Common property resource problems faced by harvesters and fishery managers are largely resolved by IQs and, if IQs are transferable, market mechanisms will cause individual quota to be transferred into the hands of the most efficient producers. Properly designed IQ programs can substantially resolve overcapacity problems.

Council consideration of limited entry programs, such as license limitation and IQs, has been in response to significant over capacity problems in the harvesting sector of the groundfish fishery. When the Council adopted the groundfish license limitation program in 1991, it acknowledged that additional capacity control measures would be required. It was anticipated that the license limitation program would limit the growth of harvesting capacity but would not resolve the overcapacity problem.

The groundfish strategic plan, adopted in October 2000, listed reduction of harvesting capacity as one of its main goals and included a trawl vessel buyback program as a short to intermediate term objective, and a trawl IQ or mandatory stacking program as an intermediate to long-term objective. Since the adoption of the groundfish strategic plan, a significant portion of the fixed gear sablefish fishery has been placed under a tiered, stackable permit system that is generally regarded as a kind of IQ program. Currently, there is also a bidding and referendum process under way which may result in a buyback program that will substantially reduce the number of groundfish trawl permits.

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