

HARVESTERS POSITION ON THE INITIAL ALLOCATION OF IFQ'S

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Because an unregulated fishery will result in both overfishing and excess harvest capacity, there are compelling environmental and economic reasons for limiting fishing effort. Fundamentally, effort controls are simply fishery management tools designed to help in preventing overfishing, minimizing waste, and, one hopes, increasing the economic return from the fishery. Which tool is best depends on the desired goal. Some goals are biological, such as achieving maximum sustainable yield, and other goals are social and economic, such as achieving optimum yield. Sometimes a tool which helps achieve one goal may conflict with attaining an alternative goal. For example, trip limits have extended fishing and marketing opportunities for groundfish throughout the year, however, they have also increased discards. Even though trip limits have helped prevent overfishing and improved the market, they have increased waste.

The simplest effort controls include gear restrictions, seasons, and area closures. As fishing effort grows over time, these simple controls are frequently ineffective. When more complex controls are needed, fishery managers turn to dedicated access privileges. The U.S. Ocean Commission coined the term "dedicated access privileges" referring to programs such as License Limited Entry and individual fishermen's quota (IFQ) systems. This term is currently used in both the U. S. Senate and House of Representatives bills that would reauthorize the Magnuson-Stevens Act. As the name implies, both forms of dedicated access privilege directly control fishing effort by limiting who can participate in the fishery. Of course, just limiting who can participate (as in a license limited entry system) does not limit the extent of their participation, and in complex multi-species fisheries a license system is often insufficient in achieving the full range of management goals. One example occurs when the incidental take of non-target species (by-catch) results in excessive waste and may even prevent the full harvest of the intended catch. In these situations, the development and implementation of an IFQ program is the next logical step. IFQ programs facilitate enhanced accounting and improve fishery management and conservation by allowing fishermen to customize their business through a market-based, transparent system.

Groundfish trawl fishermen asked the Pacific Fishery Management Council to begin the process of implementing an IFQ system for trawl caught groundfish in the fall of 2003. Trawlers saw the development of an IFQ program as the next logical step in the Pacific Groundfish fishery. The fishery has transitioned from an open access fishery with simple gear controls and no quotas, to a fishery with quotas, then trip limits, next was limited entry, and finally a buy-back program. Each of these steps came at the request of fishermen to better manage the resource. As fishing effort has grown and management becomes more complex, these steps have become necessary to help achieve the full range of management goals. At every step, regulatory actions were focused on fishermen as harvesters. Today the request for IFQ's is again coming from fishermen as harvesters who see a need to more effectively manage the resource.

The benefits from a well designed IFQ system are well documented. IFQ's can:

- improve marketing of the catch
- allow more efficient harvesting of the quota.
- reduce political pressure to exceed quotas
- enhance stewardship of the resource
- reduce bycatch and discards.

Because of full accountability, fish that are now wasted as discards, can be landed and utilized. This will increase landed catch even though overall quotas remain constant.

Every change listed here provides real benefits to coastal communities and substantial benefits to the Nation as a whole. Every change moves us closer to achieving the full range of management goals for the groundfish fishery. Every change helps attain the optimal yield.

A handful of companies that buy fish from fishermen are requesting that, if quota shares are issued, up to one-half of all the harvesting shares be issued to them. It must be remembered that these companies are customers of fishermen. They are not asking for shares because they have invested in harvesting fish, they are asking for shares solely because they bought fish in the past. They are customers.

Fishermen, as businessmen, like having customers for their product. Every person in business would rather have more customers than fewer. When many customers are seeking their product, business is good. This is how the American economy works best. It is called capitalism and it is good.

Fishermen believe that when past customers are guaranteed the right to buy product in the future competition will be restrained and their business diminished.

So, why do fish processors want to have quota shares issued to them?

IFQ shares issued to current processors will force fishermen to sell their catch to the customers who have bought fish in the past. Because fishermen have no choice about where they sell, these companies will then be in a position to dictate the price of fish. Those processing companies that also own fishing vessels would likely make their processing shares available only to their company boats. This would greatly reduce the fishing opportunity for non company boats. By influencing the price of fish and controlling who catches their processing shares, existing processors will greatly impede the ability of any new customer from entering into the fish processing business.

In order to promote competition, an open and free market place for groundfish, and to prevent the accumulation of excessive share of the resource, the initial allocation of IFQ shares of trawl caught groundfish should not be issued to fish processors as a group.

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