

CATCH SHARE PROGRAM REVIEW PLANNING: TRAWL CATCH SHARES

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Introduction

This document provides a summary of the key guidance contained in the National Marine Fisheries Service (NMFS) “Guidance for Conducting Review of Catch Share Programs” [NMFSP1 01-121-01](#) with the context of planning for the upcoming review of the trawl catch share program—[Amendment 20](#) (A-20) to the West Coast groundfish fishery management plan (FMP). The purpose of a catch share review is to determine whether a program is meeting its goals and objectives and the goals of the MSA ([NMFSP1 01-121-01](#), p. 10). Headers in this document correspond to headers in the NMFS guidance (headers not relevant to the current exercise are omitted).

Periodicity of Reviews:

The Magnuson Stevens Act (MS) requires that catch share programs

include provisions for the regular monitoring and review by the Council and the Secretary of the operations of the program, including determining progress in meeting the goals of the program and

this Act, and any necessary modification of the program to meet those goals, with a formal and detailed review 5 years after the implementation of the program and thereafter to coincide with scheduled Council review of the relevant fishery management plan (but no less frequently than once every 7 years) MSA (303A(c)(1)(G)

Based on the start date for the previous trawl catch share review, the next review should be initiated no later than the June 2023 Council meeting. However, the Council decided to review the trawl catch share program once every 6-years, in order to time the main workload related to the review with the off-year for the biennial groundfish specifications process.

Process and Procedures

Review Plan

Ideally, review plans should be part of the development of catch share programs ([NMFSPi 01-121-01](#), p. 3). This guidance was not in place when the trawl catch share program was originally developed. However, the Council included as part of the program the data collections currently administered by the Economic Data Collection Program and has developed the 6-year review policy discussed in the previous section. If a more formal review plan is developed, the NMFS guidance specifies that it should be “periodically refined, revised, and updated as additional information becomes available and issues are identified.” The draft plan should be converted to a final plan before initiating the review (p.4). Review plans should provide:

- An overview of how the review will be conducted
- The time period for conducting the review
- What elements will and will not be analyzed as part of the review.

If such plans are developed, the Council, with concurrence from NMFS, should approve them.

Review Team

NMFS guidance suggests that the Council determine the appropriate members for a review team. Among others, representatives from the Council, NMFS Regional Office, Science Center and Office of Law Enforcement should be considered for membership, as well as external contractor support, if needed. The distribution and nature of responsibilities for the review should be identified and leads or co-leads for the review team identified.

External Inputs

Mechanisms should be provided for constituent and Council advisory comment on drafts of the review document.

Finalizing Reviews

The reviews are considered Council documents that, after approval by the Council, will be submitted to NMFS for concurrence that the review adequately meets relevant requirements and is consistent with the guidance for conducting reviews ([NMFSPi 01-121-01](#)).

General Approach, Scope of Review and Use of Standardized Approaches

General Approach

While the initial review compares and analyzes the fishery before and after the program's implementation, NMFS guidance indicates that subsequent reviews should focus on changes occurring after program implementation. The guidance suggests a baseline period of at least three years be used for comparison but also that the focus be more on trends than performance in a specific year. NMFS recommends the Council consider including the following eight elements.

- 1) purpose and need of the review (discuss legal/policy requirements),
- 2) goals and objectives of the program, the FMP, and the MSA,
- 3) history of management, ...¹,
- 4) a description of ...environments² before and since the program's implementation,
- 5) an analysis of the program's... effects,²
- 6) an evaluation of those effects with respect to meeting the goals and objectives (i.e., program performance), including a summary of the conclusions arising from the evaluation,
- 7) a summary of any unexpected effects (positive or negative) which do not fall under the program's goals and objectives, and
- 8) identification of issues associated with the program's structure or function and the potential need for additional data collection and/or research.

[NMFSPI 01-121-01](#), p. 6

NMFS recommends that the evaluation include an assessment of net benefits in line with NMFS guidance for cost-benefit analyses, except that the comparison used for assessing net benefits should be the baseline period rather than what would have been likely to occur in the absence of the program. ***If particular information has not changed since the last program review or there are detailed analyses of the program conducted elsewhere, that information can be summarized and incorporated by reference.***

Scope of Review

NMFS recommends that the scope of the review take into account spillover impacts, including impacts between related fisheries and impacts to species that are outside the scope of the catch share program. Such analyses should consider the entirety of the operations of businesses affected, not just activities within the scope of the program. The NMFS guidance also notes: "In instances where two or more CSPs [catch share programs] are found to have significant interdependencies, joint program reviews would lead to a more holistic approach and thus more accurate analysis . . ." ([NMFSPI 01-121-01](#), p. 8).

Use of Standardized Approaches

NMFS recommends that "The review should make use of standardized performance indicators or metrics developed at the national level, to the extent practicable" ([NMFSPI 01-121-01](#), p. 8) as well as indicators that may have been developed and vetted at the regional level. Examples the guidance provides include stock assessments, observer program reports, and SAFE reports. With respect to economic and social

¹ "including a description of management prior to the program's implementation, a description of the program at the time of implementation (including enforcement, data collection, and monitoring), and any changes made since the program's implementation or the previous review (including an explanation of why those changes were made)"

² "biological, ecological/environmental, economic, social, and administrative"

conditions the guidance recommends use of NMFS Office of Science and Technology economic and social indicators. NMFS has developed a standard set of indicators that it regularly summarizes and reports for catch share programs:

Catch and Landings

- Quota allocated to the program (for A-14, sablefish allocation to the primary fishery and perhaps the limited entry fixed gear allocations)
- Total weight of landings under the program
- Whether or not the ACL or allocation was exceeded

Effort

- Total number of entities receiving quota at the beginning of the year
- Number of active vessels (landing one or more pounds under the program)
- Total trips under the program
- Days at sea while fishing under the program

Revenues

- Aggregate revenue from the species covered by the program
- Aggregate revenue from species not covered by the program but landed on program trips
- Aggregate revenue from by participating vessels on non-program trips
- Gini Coefficient – applied to vessel revenue as an indicator of the degree of aggregation of fishery benefits among fishing vessels

Share Accumulation

- Whether or not an ownership share or allocation cap is in place (as required by MSA)

Cost Recovery

- Amount collected for cost recovery

NMFS has also developed a number of social indicators for fishing communities:

1. Social Vulnerability
 - a. Labor Force
 - b. Housing Characteristics
 - c. Poverty
 - d. Population Composition
 - e. Personal Disruption
2. Fishing Engagement and Reliance
 - a. Commercial Engagement
 - b. Commercial Reliance
 - c. Recreational Engagement
 - d. Recreational Reliance

NMFS recommends that safety at sea and distributional changes also be included, using data from the US Coast Guard and National Institute for Occupational Safety and Health. Assessment of distributional changes should be used to determine whether small entities have been disproportionately affected.

Describing and Analyzing Program Performance

The following sections identify the components that Councils should consider including in the review. If it is determined that a component is not applicable to the trawl catch share program, an explanation of that finding should be provided. Also, if a component is subject to a current management action, “a summary containing a description of, rationale for and current status of the management action is sufficient” ([NMFSP1 01-121-01](#), p. 10).

Goals and Objectives

The primary goal of a review is to assess progress in meeting goals and objectives of the program and MSA. The NMFS policy states that the goals and objectives to be covered in the review include those of the program, the groundfish FMP, the Catch Share Policy, and the MSA, but the primary focus should be on those identified in the implementing FMP amendment. The last catch share review covered Amendment 20 goals and objectives and the national standards ([Table ES-1, in the Executive Summary](#)).

The review guidance states that the program goals and objectives themselves “should be evaluated with respect to whether they are measurable (at least qualitatively), achievable (i.e. are two or more objectives mutually exclusive?), and still appropriate under the current circumstances.” ([NMFSP1,01- 01-121-01](#), p. 10). If deficiencies in goals and objectives are found, these should be noted in the review. If numerous serious deficiencies in program performance are found with respect to the goals and objectives, NMFS recommends the Council evaluate the potential for program modification or elimination to address these shortcomings.

Allocations

NMFS Fisheries Allocation Review [policies \(01-119, 01-119-01\)](#) provide a mechanism for ensuring periodic allocation reviews and require triggers for reviews of sector allocations. The triggers were implemented by this Council in [COP 27](#). COP 27 specifies that the trigger for a review of allocations relevant to the trawl catch share program is the trawl catch share program review.

The NMFS catch share review guidance also indicates that due to the time and resources required for an allocation review, Councils might want to consider those reviews separately and then incorporate them by summary and reference.

Eligibility

NMFS recommends that reviews evaluate who is allowed to hold quota and the effects of those eligibility criteria. If the needed resources and information is available, this evaluation might also include effects on those who have left the fishery.

Transferability

NMFS recommends that the review assess whether transferability limitations are conducive to achieving the program objectives.

Catch and Sustainability

NMFS recommends that the review assess whether the program has kept harvest within applicable limits such as ACLs, evaluate achievement of full utilization, analyze impacts on the minimization of bycatch and bycatch mortality, and discuss changes in the status of the stocks covered by the program.

Accumulation Limits/Caps

NMFS recommends that “Reviews should analyze and evaluate the equity/distributional impacts of existing caps and the impacts those caps have had on the creation of market power by affected entities [and] analyze whether and to what extent QP caps or limits have generated technical inefficiency for firms operating in a CSP” ([NMFSPi 01-121-01](#), p. 14). *As with the section on allocation, because the types of analysis described here can be time and resource intensive, it might be appropriate for separate analysis and with a summarization in the review document.*

Other considerations for this section of the analysis are whether existing data collection and monitoring programs are adequate to determine ownership and evaluate compliance with the caps and whether the caps are being applied at levels that ensure they are serving their intended purpose. Capacity control might also be covered in this section and, if so, “should be conducted in a manner consistent with the terminology and methods outlined in [NMFS’ National Plan of Action for the Management of Fishing Capacity.](#)” ([NMFSPi 01-121-01](#), p. 15).

Cost Recovery

NMFS recommends that reviews identify whether cost recovery is in place and if costs and fees are being appropriately assessed. It should also evaluate the economic effects of the fees on program participants along with any compliance or enforcement issues. The cost project described in Agenda Item G.8, September 2022 may contribute information to an assessment of cost recovery, either as part of this review or as a follow-on document.

Data Collection/Reporting, Monitoring, And Enforcement

NMFS recommends that

“The review should contain a description and assessment of the existing data collection, monitoring, and enforcement programs (e.g., observers, logbooks, economic data reporting, etc.), including a discussion of any changes since the CSP’s implementation or the previous review” ([NMFSPi 01-121-01](#), p. 16). The assessment should indicate whether the information available is adequate to support the review, the reporting burden imposed by data collections, and opportunities for improvements along with related costs and opportunity for cost savings.

“With respect to enforcement, particular attention should be paid to assessing whether the current enforcement provisions and activities, including resources for conducting the latter, are sufficient to ensure a high rate of compliance with program requirements” ([NMFSPi 01-121-01](#), p. 17).

Additionally, “. . . a description and overall assessment of the CSP’s administrative costs should be provided to determine whether total administrative costs are being minimized to the extent practicable, which is consistent with National Standard 7” ([NMFSPi 01-121-01](#), p. 17—also see previous section on cost recovery).

Duration

NMFS recommends that the review indicate the life span of the catch privileges (a maximum of 10 years but with the possibility of automatic renewal if not revoked, limited, or modified) and discuss the pros and cons of the current specification of the catch privilege duration.

New Entrants

Additionally, NMFS recommends that the review assess opportunities for new entrants including cost of entry and whether those costs have increased to the point where market power is being exercised, resulting in economic inefficiencies. Equity and distributional effects, including intergenerational effects, should be considered.

Auctions and Royalties

For catch share programs implemented after January 12, 2007, MSA requires consideration of auctions or royalties for the initial or any subsequent distribution of limited access privileges. Such considerations were part of the original Amendment 20, and it is not clear what further assessment might be required as part of a review.

PFMC
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