

Golden Crab AP Catch Shares Report

August 25, 2009
Charleston, SC

Attendees:

David Cupka (Council Member and Golden Crab Committee Chair)
Bill Whipple (AP member)
Howard Rau (AP member)
Randy Manchester (AP member)
Glenn Ulrich (AP member)
Nuno Almeida (Golden Crab Fisherman)
Kate Quigley (SAFMC staff)
Gregg Waugh (SAFMC staff)

WORKING DOCUMENT

Program Goals:

- Enable the crab fishery to fulfill its potential to deliver high quality live crab anywhere in the world.

Program Objectives:

1. Develop catch share management that provides flexibility such that boat repairs and illness do not interrupt the ability of fishermen to make a living.
2. Allow for permit stacking on one vessel to maximize efficiency and enable fishing more than one zone in a trip.
3. Allow fishermen the ability to sell portions of their harvest privileges via catch shares.
4. Allow for increased stewardship opportunities for fishermen to protect corals by allowing for ownership of catch share privileges.
5. Provide protection for historical participation and traditional fishing grounds by implementing a catch share program that relies on catch history for initial allocation and prevents fishermen exceeding the TAC.

Eligibility for Initial Allocation

Option 1: Any person holding a current permit as of implementation date (yet unspecified) in any zone is eligible for initial allocation. Eligibility is based on vessel logbook data and varies based on initial allocation formula. Catch history is based on currently permitted vessels as of September 2009.

Vessel Catch History Initial Allocation

The following possible initial allocation formulas were developed and analyzed:

Option 1: 2002-2008 aggregate catch history by vessel

Option 2: 1995-2008 aggregate catch history by vessel

Option 3: 1998-2008 aggregate catch history by vessel. Vessels with below 5% initial allocation receive an extra 2% per vessel excluding those receiving greater than 30% initial allocation on vessels

combined. Extra 2% comes out of highest share holder. Must have 25,000 pounds aggregate to receive bonus.

Option 4: 1998-2008 catch history by vessel **and** must have catch history since 1998. Vessels below 5% initial allocation receive an extra 5% per vessel excluding those receiving greater than 30% initial allocation on vessels combined. Extra 5% comes out of highest share holder. Must have 25,000 pounds aggregate to receive bonus.

Option 5: 2006-2008 catch history by vessel. Vessels fishing between 2007 and 2009 that get less than 10% initial allocation receive an additional 7% per vessel excluding those that receive greater than 20% initial allocation on vessels combined. Extra 7% comes out of highest share holder. Must have 50,000 pounds aggregate to receive bonus.

Option 6: 2006-2008 catch history by vessel. If vessels fished in the last 5 years and received less than 20% initial allocation, each vessel owner receives an additional 5% excluding those that receive greater than 20% initial allocation on vessels combined. Extra 5% comes out of highest share holder. Must have 50,000 pounds aggregate to receive bonus.

Option 7: 50% catch history + 50% equal allocation

- Sub-option 1: 1995-2008
 - 1a: Must have 25,000 pounds aggregate to receive equal allocation portion.
 - 1c: Must have 50,000 pounds aggregate to receive allocation portion.
- Sub-option 2: 2005-2008
 - 1a: Must have 25,000 pounds aggregate to receive allocation portion.
 - 1b: Must have 50,000 pounds aggregate to receive allocation portion.
- Sub-option 3: 2002-2008, 50,000, 25,000
 - 1a: Must have 25,000 pounds aggregate to receive allocation portion.
 - 1b: Must have 50,000 pounds aggregate to receive allocation portion.

Option 8: 75% catch history + 25% equal allocation

- Sub-option 1: 1995-2008
 - 1a: Must have 25,000 pounds aggregate to receive allocation portion.
 - 1b: Must have 50,000 pounds aggregate to receive allocation portion.
- Sub-option 2: 2005-2008
 - 1a: Must have 25,000 pounds aggregate to receive allocation portion.
 - 1b: Must have 50,000 pounds aggregate to receive allocation portion.
- Sub-option 3: 2002-2008, 50,000, 25,000
 - 1a: Must have 25,000 pounds aggregate to receive allocation portion.
 - 1b: Must have 50,000 pounds aggregate to receive allocation portion.

Option 9: Equal allocation of the TAC

- Sub-option 1: 11 vessel owners
- Sub-option 2: 4 active vessels

Option 10: Best 3 years averaged

- Sub-option 1: 1995-2008
 - 1a: Must have 25,000 pounds aggregate to receive allocation portion.
 - 1b: Must have 50,000 pounds aggregate to receive allocation portion.
- Sub-option 2: 2005-2008
 - 1a: Must have 25,000 pounds aggregate to receive allocation portion.
 - 1b: Must have 50,000 pounds aggregate to receive allocation portion.
- Sub-option 3: 2002-2008, 50,000, 25,000
 - 1a: Must have 25,000 pounds aggregate to receive allocation portion.
 - 1b: Must have 50,000 pounds aggregate to receive allocation portion.

*Disadvantages of using vessel catch history – individuals that own two active permits and one vessel, would suffer under vessel catch history allocation.

*Disadvantages of using permit catch history – some individuals lease permits but use their own vessel. Using permit catch history, they would not be included in the initial allocation

*Disadvantages of no allocation for latent permits – Individuals with inactive permits receive nothing for their permit even though they made an investment in the fishery

*Advantages of no allocation for latent permits – Active vessels receive more than if latent permits are included, which would enable active participants to continue fishing if the ACL is low.

Permit Catch History Initial Allocation

*Permit catch history data has been requested and will be available by December.

Eligibility for Harvest

Preferred Option 1: Any person holding a current (as in paid fees) permit in any zone is eligible to participate in the golden crab catch share program. New entrants to the fishery must purchase annual pounds and purchase or lease a permit. There are 11 permits in the fishery and to obtain a permit, someone would have to purchase or lease one of the 11 permits.

Appeals Process

Preferred Option 1: 1-2% of TAC will be set aside for the appeals process. If set aside is not used, it will be returned back to the overall quota pool and will be redistributed based on the original initial allocation to all share holders. The NMFS Regional Administrator would administer the appeals process. The process will be conducted 90 days after initial allocation and before the bonus is distributed. There will be no hardship clause and the appeals process will rely upon trip tickets to establish additional landings.

Program Duration

Preferred Option 1: The program will exist in perpetuity unless modified by the SAFMC.

Program review

Preferred Option 1: Perform review every 5-7 years. The program reviews would coincide (one year post) with stock assessments, if possible, so that changes to the program in response to the stock assessment can occur.

Transferability

Preferred Option 1: Program allows for all or a portion of permanent (quota share) and temporary (annual pounds) sale of quota among all permit holders and those leasing a permit.

Quota Share Ownership Caps

Option 1. Cap on ownership of quota share where the maximum percentage (quota share) initially allocated would serve as the ownership cap.

Option 2. 55%

Option 3. 65%

Option 4. 75%

Option 5. Cap on ownership of quota share that is lower than the amount initially allocated to the highest quota share holder

Sub-option A. 55%

Sub-option B. 65%

Sub-option C. 75%

Use It or Lose It

Preferred Option 1: Permit owner or person leasing a permit must have used at least 10% of an individual's quota share for one year (fished, quota share sale, or sale of annual lbs) on a cumulative basis during a two year period using a running average.

Cost Recovery

As defined by the MSA

*NMFS cost estimates requested.

Boat Length Limit

Option 1: Leave boat length limit rule.

Preferred Option 2: Eliminate boat length limit rule in the middle and southern zones.

Rationale: Greater length is sometimes needed after implementation of the RSW system. A larger boat is more efficient. However, the vessel length is somewhat limited by the catch shares and the quota share ownership cap.

Zone Issues

Preferred Option 1: Participants can use quota in any zone for which they possess a permit.

Preferred Option 2: Eliminate box in southern zone originally established to protect against very large vessels.

Note: not mutually exclusive. The GC AP has an interest in both occurring.

Rationale: Eliminating the box would allow vessels over 65 feet to participate in that area. Very little fishing has occurred in the Southern Zone, perhaps because of the box, for some time and it is seen as no longer necessary in that the problem that created this solution (implementation of the

box) no longer exists. If you are smaller than 65 feet and have a permit in the Southern Zone, you are restricted to fishing in the box and cannot fish outside the box.

Permit Stacking

Preferred Option 1: Allow for stacking of up to three permits on one vessel so that any zones for which the vessel has a permit can be fished in one trip.

Monitoring

Option 1: Phase in additional monitoring as necessary based on the economic capacity of the fishery. Explore real-time reporting via electronic monitoring (recording trip ticket and logbook data on a website upon landing).

Note: There may be a discrepancy between logbook landings and trip ticket if, during shipping, there is shrinkage (5-10%) and any such comparison between logbooks and trip tickets would need to account for this.

Enforcement

Option 1: Consider requiring hail in (at least 3 hrs ahead of time whereby a message could be left or texted in excess of 3 hours) when landing with location and time or other information deemed necessary by enforcement. The specific hours of landing and departing are difficult to identify due to weather, tides, and nature of the Gulf Stream. Because the crabs are brought in live, time is of the essence. In order to maintain a quality product, landings need to occur immediately upon arrival at the dock. Also, renewing re-circulating seawater is not always an option near shore where water is murky and of low salinity. Therefore, landings need to occur at any time during 24 hrs. Work with law enforcement to determine specifics.

New Entrants

Option 1: Set aside some amount of annual pounds for new entrants when quota is:

- ❖ released as a part of a violation
- ❖ lost quota (use it or lose it provision); and
- ❖ when the TAC exceeds 3 million pounds

Note: Look into what new entrant programs have been implemented in other catch shares programs.

Banking and Borrowing

Preferred Option 1: 20,000 lbs borrowing allowance each year (Check with Monica – Is there a problem with this given ACLs and AMs?)

Preferred Option 2: 20,000 lbs banking allowance each year