



NOAA
FISHERIES

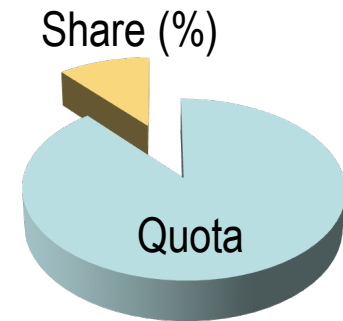
Southeast
Regional
Office

Electronic reporting in online catch share systems: Southeast Regional System

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Terminology

- Shares
 - Percentage of the quota
 - Results in annual allocation
 - Allocation
 - Calculated from shares
- Allocation (lb) = Share (%) * Quota (lb)*
- Also called quota pounds
 - Used to harvest fish



Online Catch Share programs

- Functional Structure
 - Participation roles
 - Relationship to permits
 - Roles used to determine actions
 - Rarely changed – system rewrite
- Operational Elements
 - Enforcement or management requirements
 - Unique to each program
 - Can change over time

SERO's Functional Structure

- Account types are the base structural unit
 - Must be unique and identifiable
 - Method to access and transfer the rights
 - Method to process landings and deduct used allocation (quota pounds or coupons)
- Must be able to be linked to the permit system
 - Must follow permit conventions for harvesting
- Share categories and species

Operational Elements

- Independent of base structure, unique to each program
- Examples include:
 - Program eligibility
 - Hail out / hail in requirements
 - Transferability rules (shares and/or allocation)
 - Data submission frequency
 - Units of measure (wt, #)
 - Cost recovery % and frequency
 - Offload/Landing restrictions
 - Transport restrictions
 - Fish Tag Requirements
 - Allocation deductions (e.g. landings, discards)
 - Flexibility measures (e.g. overages, multiuse)
 - Share or allocation cap %

3 Program Types within SERO system

- IFQ – Individual Fishing Quota
 - Shares attached to individual(s) account
 - Gulf of Mexico's Red Snapper and Grouper-Tilefish programs
- CCS – Cooperative Catch Share
 - Shares attached to collaborative manager account
 - Gulf of Mexico's Headboat Collaborative Program (HBC)
- PFQ - Permit Fishing Quota
 - Shares attached to permit (transfer with permit)
 - Atlantic HMS' Bluefin Tuna Bycatch Quota program (IBQ)

Comparison of Program Types

| | IFQ | HBC | IBQ |
|--------------------------|---------------------------------------|---|---|
| Geographic Region | Gulf of Mexico | Gulf of Mexico | Gulf of Mexico and Atlantic Ocean |
| Share Category & Species | 5 categories 16 species | 2 categories 2 species | 4 categories 1 species |
| Category basis | Species Groups | Species | Region Fishing |
| Allocation unit | Pounds | Numbers | Pounds |
| Account Eligibility | Reef Fish Permit holders & US citizen | For-hire Permit holders <i>in pilot study</i> | Pelagic longline and purse seine permit holders |
| Harvest Eligibility | Reef Fish Permit holders | For-hire Permit holders <i>in pilot study</i> | Permit holders with vessel association |

Comparison of Program Types

| | IFQ | HBC | IBQ |
|----------------------------|-------------------------------|---|--|
| Share Distribution | Shareholder account | Manager account | Permanently affixed to permit |
| Share transferability | Yes; incremental | N/A | No (transfers with permit) |
| Allocation distribution | Based on shares | Allocated by manager | Based on shares |
| Allocation transferability | Incremental To any account | Incremental To vessel or manager accounts | Incremental To accounts with active permit |
| Allocation applied to: | Landings | Landings | Landings Dead discards |

Functional Structure

Shareholder account

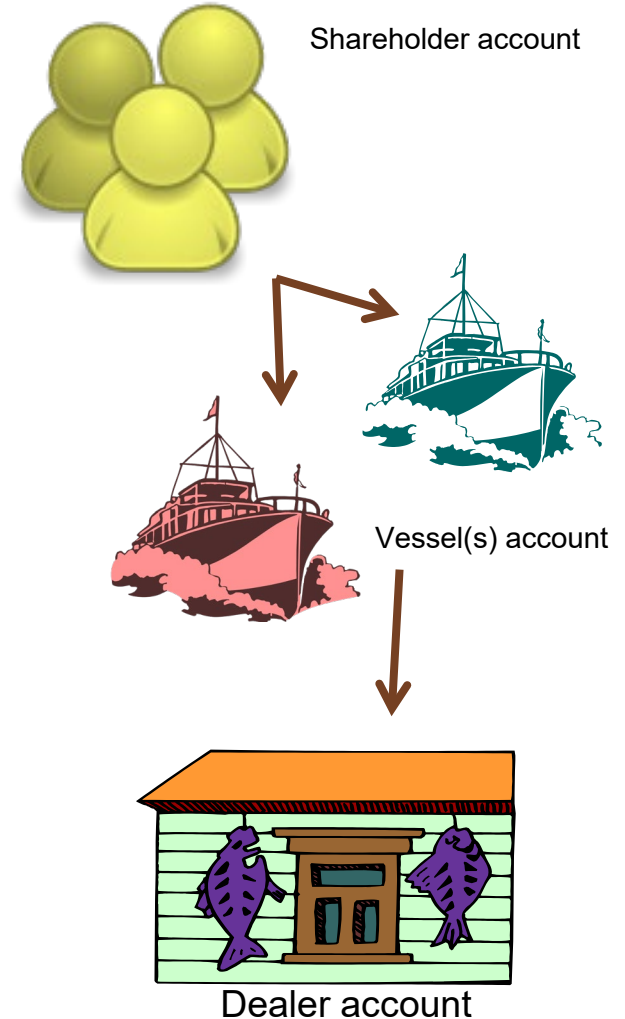
- Each account composed of unique entities
 - Typically linked to permit entities
- Holds shares and/or allocation
- Transfer shares and/or allocation

Vessel account

- Sub-account of Shareholder account
- Permit entities must match shareholder entities
 - May have multiple vessels to shareholder account
- Restricted access to allow for captains (if not shareholder)

Dealer account

- Must be associated with a federal dealer permit
- Initiates and submits landing transactions
- Can **not** hold shares or allocation



Main Structure Elements (IFQ or PFQ)

- Shareholder account
 - Must match entities on permits
 - Linked to at least one permit for the fishery
 - Name changes on permit require new accounts
- Vessel accounts
 - Needed since the permit system allows for multiple permits to one entity
 - Belongs to the shareholder account
 - Limits access if captain is harvesting

Benefits of Electronic Reporting

- Increased flexibility
 - Allocation and share transfers
 - Allocation increments to 1 lb increment
 - Ledgers for participant business practices
- Increase timeliness and efficiency
 - Distribution of allocation
 - Reporting data
 - Transferring rights
 - Mandatory data collection fields (eliminates data gaps)
- Streamline administrative burden
 - Data contained in one system managed by one office
 - Direct link to permits
 - Monitoring of share caps
- Improve program enforcement and monitoring
- Inclusion of economic data collection fields

Program Structure Differences

| | Paper | Online |
|-----------------------------|--|---|
| Shares | Certificate, numbered | Percentage |
| Allocation | Mailed Coupons, 100 or 500 lb increments | 1 lb increments, stored online |
| Share transfers | Mail-in certificates, new certificates | Online transfer to eligible participant; nearly instantaneous |
| Allocation transfers | Coupon signed over | Online transfer instantaneous |
| Permit | Snapper-Grouper and Wreckfish permit | Snapper-Grouper with participation eligibility limits |

Fishing Year

- Current:
 - April 15 – Apr 14 fishing year
 - Fishing closes Jan 16 through Apr 14
- If moving online:
 - System has built in shut down Dec 31-Jan1 for resetting for the year
 - Could change fishing year to Jan 1 – Dec, with closed season Jan 16 – April 14.
 - Would allow share transfers up to Dec 31 and again on Jan 1

Offloading Sites and Time

- Current provision:
 - Offload catch between 8 am and 5 pm local time
 - Offload only at fixed facility of dealer with GSAD permit OR must contact NMFS law enforcement not less 24 hr prior to offload
- Online system could:
 - Streamline location submission to OLE
 - Submit and approve other locations
 - Submit notice of offload

Wreckfish Permits

- Current requirement:
 - Snapper-Grouper permit (limited access)
 - Wreckfish permit (need to be shareholder or agent of shareholder and must have Snapper-Grouper permit)
- Potential changes:
 - Snapper Grouper permit
 - Restrict allocation transfers to accounts with shares
- Potential area of concern:
 - Provision that the shareholder must be the vessel owner or *vessel owner/operator must be an employee, contractor, or agent of the shareholder*
 - Difficult to make 'agent' determination as is in current permit system

Economic data collection additions

- Limited surveys available impeded program analysis
- Need census level data due to small fishery size
- Annual survey could be included in online system
 - Streamlines Paperwork Reduction Act requirements
 - Streamlines analysis and increases timeliness
 - Expectation and question types well known to participants

Cost Recovery

- Required by law
 - Other older programs now implementing
- Can not exceed 3% of the ex-vessel value of fish harvested
 - Many programs have <3% fees
- Fee percentage based on incremental costs
 - Costs directly related to the program that would not have been incurred without the program
 - It is a with vs without program comparison not a pre vs post program comparison
 - Difficult to measure incremental costs

Cost Recovery

- Categories used to track incremental costs:
 - Personnel costs
 - Data collection costs, including IT infrastructure, software, and software maintenance costs
 - Travel
 - Supplies and Training
 - Enforcement
- If sharing an online system, data collection costs related to IT needs may be split among all programs

Cost Recovery Considerations

- MSA requires collection at:
 - Time of landings
 - Filing of landing report or sale of fish
 - Last quarter of the year
- Payment frequency and responsible party must fit into MSA requirements
 - May effect calculation of cost recovery fee due
- Method of payment typically pay.gov