



**CCA FLORIDA
SPECIAL REPORT**

**TRUTHS, MISCONCEPTIONS AND MISREPRESENTATIONS
ABOUT
CATCH SHARES AND IFQ'S**

“Catch shares are obviously a major focus for this Administration and we are concerned not only about the impact they have on recreational fisheries, but also at the pace with which they are being pushed into the management system. Catch shares are on a fast track and are a real threat to the future of a number of recreational fisheries and they are not going to just go away anytime soon. We are going to stay very active on this issue to make sure recreational anglers are not left out of the debate...and out of the fishery.”

Chester Brewer
CCA National Government Relations Committee

“The evolution of exclusive fishing rights for commercial fisheries is colliding with a large and growing recreational angling population.”

Matthew Paxton – CCA Federal Lobbyist

The National Marine Fisheries Service (NMFS) is intensively promoting and implementing programs which grant exclusive access privileges to public fishery resources to private individuals and corporations. Several national environment groups and the commercial industry are also promoting catch shares. Unfortunately, in mixed fisheries where there is a large and growing recreational sector, exclusive fishing rights proposals maximize benefits to the commercial fishing industry while ignoring the participation and beneficial economic impacts of recreational fishing. Damaging impacts on recreational fisheries are being disregarded.

Recreational fisheries will not be allowed to expand because too many of the fish will be “locked up” in the commercial catch shares. As populations increase and more people try to fish, the bag limits and seasons will be even more restrictive until the recreational fishery is no longer viable. The more valuable recreational fisheries will be strangled.

The controversy over catch share programs, also known as IFQ's (Individual Fishing Quotas), ITQ's (Individual Transferrable Quotas) and LAPP's (Limited Access Privilege Programs) is spreading as more fisheries are targeted for such programs. Gulf of Mexico red snapper is in an IFQ program. The Gulf of Mexico red and gag grouper IFQ program recently received final approval and legal challenges against it have been filed. The Gulf of Mexico Fisheries Management Council is looking at all the reef fish species for a new catch shares program. King mackerel has also recently been added to the catch share discussions. Many of the following truths, misconceptions, and misrepresentations come from the ongoing debates and catch share battles in the Gulf of Mexico.

The NMFS has approved and is implementing the largest public resource giveaway in Florida's history.

True. The National Marine Fisheries Service (NMFS) has expedited the implementation of an IFQ (Individual Fishing Quota) program for exclusive access privileges for Gulf grouper. The Gulf Council's Grouper IFQ program will allocate and grant exclusive right of access to more than 65 percent of all the Gulf red and gag grouper. This exclusive right of access will be given to a limited number of commercial interests. The magnitude of this giveaway is unprecedented. It is the largest public fishery giveaway in Florida's history!

Commercial fishers argue that they, and the consumers they sell to, have a right to take grouper, snapper and other fish.

False. They do not have "the right." Neither commercial nor recreational fishers have a right to take fish. All citizens have a constitutional right to vote and to bear arms but there are no constitutional rights to fish. All marine fisheries are publicly owned resources, just like ducks, deer and wild turkeys, and access to those resources is a privilege granted by public trustees established by law to manage those public resources.

"On the argument that the U.S. federal government is the steward of the resources for all its citizens and the commercial fishermen is providing consumer access to that resource, the U.S. is the steward of all its resources – sunfish, ducks, deer, and striped bass – all of them. The concept that a private commercial enterprise is necessary to provide the public with the enjoyment of those resources by selling them to consumers so they can eat them was rejected by the federal government and state wildlife managers before 1900. There is no basis in any federal common law, any wildlife law or the constitution for such proposition."

Robert Hayes, CCA Legal Counsel, 2008

The NMFS says that an IFQ does not convey title, or ownership of the resource, to the commercial fishers. However, the commercial fishers will be allowed to take, sell, lease, broker and even bequeath quota shares. For this privilege the commercial interests will pay absolutely nothing.

True. The NMFS also claims that the IFQ program can be ended anytime. However, once the commercial interests are given the individual rights to millions of dollars of grouper and they sell, lease, buy or broker those millions of dollars of grouper, it is clear that the public, the true owners of the resource may never get any of those fish back. There has never been an IFQ program that has been discontinued. The NMFS also says the grouper allocation in the IFQ can be reallocated to other commercial and recreational fishers in the future; that is extremely unlikely after shares have been bought, sold and leased. There has never been any reallocation in any existing IFQ, and the Council has thus far refused to include a provision for future reallocation in the plan.

Those who support the resource giveaway to commercial interests argue that recreational fishers do not pay anything for the fish either.

False. In Florida, recreational fishers pay more than \$22 million annually for saltwater fishing licenses for access to marine fisheries. These fees are used for marine fisheries research, management and law enforcement. Commercial fishers pay only \$3.5 million in annual license fees. Most of the fees are for the trap limitation programs for stone crabs, spiny lobster and blue crabs which were requested by the industry.

Recent amendments to the Magnuson-Stevens Federal Fisheries Act require the establishment of catch share programs in federal fisheries.

False. The Magnuson Act does not require adoption of catch shares or IFQ's nor is there any deadline for adoption. These programs are being promoted and pushed by several national environmental groups and the current Administration.

Catch shares are an effective new tool to manage and restore depleted fisheries.

False. The catch share debate is not about conservation, it is about allocation and access to public resources. The most important management measures to restore and protect fisheries are scientifically determined total allowable catches (TAC) with effective and enforceable implementing regulations. Catch share supporters have stated that in a number of fisheries, ITQ (catch share) programs have halted, and reversed, declining fish stocks. However, further reviews show that in those recovering fisheries scientifically determined total allowable catches have been established. Catch share critics argue that the implementation of scientifically determined total catches was the critical factor in restoring those fisheries.

Catch shares and IFQ's can be valuable tools in fisheries that are predominantly commercial with little or no recreational component.

True. Catch shares can benefit commercial fisheries by allowing fishers to take fish at the most economically valuable time of the year and increase safety by eliminating the race for fish before quota closures. The large commercial operators who receive the tremendous windfall profit of the initial catch shares, are the ones who benefit the most. However, experiences in British Columbia indicate that the quota leasing component of the programs hurt the financial performance of other working fishermen. The large operators, sometimes referred to as “armchair fishermen” and “slipper skippers,” stopped fishing and began leasing their initial windfall gifts of quota shares to working commercial fishermen who did not receive shares, or not enough shares. The creation of such middleman leasing did not enhance the overall value of the fishery.

Some have stated that conveyance of the huge windfall profit of the initial commercial catch shares is necessary to get the support of the commercial fishers. It is, in effect a “bribe” for their support.⁽¹⁾

True. Despite objections from recreational and other interests, the catch share programs continue to give away the initial commercial catch share and supporters insist that it is necessary to establish the program. However, others disagree.

Having received this enormous free income stream, embodied in something they imagine to be a ‘right,’ renders them more willing to accept hard TACs. We might, to good effect, understand this to be a form of bribery: We will give you, for free, all of that wealth and all we ask in return is that you now behave better than you have heretofore.”

Daniel Bromley, 2009

The Gulf of Mexico grouper recreational fishery generates nearly three times the economic value than that of the commercial fishery; however, the Gulf grouper IFQ gives 65 percent of the total allowable catch to the commercial fishery.

True. The recreational grouper fishery is far more valuable than the commercial fishery. A recent economic analysis (Gentner, 2009) established the annual economic value of the Gulf red and gag grouper recreational fishery at \$223 million annually. The commercial fishery was \$94 million. Florida has a major interest in the fishery because 96 percent of all the Gulf red and gag grouper are caught off of and landed on the west coast of Florida. The Grouper IFQ Program will reduce the economic value of this resource to Florida and the nation.

In the Gulf grouper IFQ, 57 percent of the catch shares are being given to the commercial longline boats that are killing large numbers of threatened loggerhead sea turtles.

True. There is a huge loss of sea turtles each year to bottom longline gear. Recent research has revealed that bottom longline gear for reef fish, along with longline gear set for sharks, is taking much larger numbers of endangered loggerhead and other sea turtles than anticipated by the 2005 Biological Opinion required by the Endangered Species Act. The information extrapolated from the recent survey indicates 974 interactions of endangered sea turtles and bottom longline gear with 433 turtles released. 325 released dead and 216 status unknown.

Catch share supporters mistakenly point to upland game management programs such as deer tags and duck stamps and to the Florida tarpon tag program as examples of successful catch shares programs.

True. Those people either misunderstand or are misrepresenting the facts. There is no commercial take or sale of publicly owned deer, ducks or wild turkeys. Commercial exploitation and sale of such species was prohibited more than 100 years ago. Those species have been successfully managed for many years allowing public harvest using size, species and bag limits, closed seasons and no commercial sale.

“States began to eliminate the commercial exploitation of wild resources beginning early in the 19th century. The federal government stepped in to prevent the commercial harvest of ducks, geese and buffalo. The commercial take of deer, elk, quail, pheasant, wild turkeys, bass, sturgeon and trout was eliminated in favor of conservation and providing increased public access to public resources. As an unexpected but welcome bonus, governments quickly realized that doing so brought the highest economic return in the form of revenue and taxes.”

Ted Venker – CCA Tide Editor, 2009

Many of the catch share supporters, particularly those in environmental organizations, have little or no understanding of, or experience with, recreational fisheries.

True. One of the best examples of this lack of knowledge is the reference to the Florida tarpon tag as a successful catch share program. Adopted in 1989, the tarpon tag was not implemented to reduce the take or control effort. Tarpon is a highly valued gamefish, there is no commercial take allowed and they are not a food fish. The problem was the wasteful display of tarpon on the docks to promote more charters. With replica mounts none of the tarpon are needed for mounting purposes, it is just measured and released

alive to fight again. The \$50 tag and replica mounts stopped the wasteful activity and virtually eliminated the killing of tarpon.

Supporters say that IFQ's establish a free market program with transferability that allows other users, like recreational fishers to purchase catch shares, to participate in the program.

False. That is not allowed in the current Gulf of Mexico red snapper or grouper IFQ's. There is no open market or any public lottery or auction involved in distributing the quota shares, the shares go only to the commercial interests. The Gulf grouper and red snapper IFQ's have been designed by commercial interests to have quota shares retained in perpetuity by commercial interests. One of the restrictions established in the red snapper IFQ, and also in the IFQ for grouper, prohibits the use of quota shares unless the individual also possesses a federal commercial reef fish permit. The issuance of these permits was halted in 1992. Therefore, even if another user, or group of users, bought quota shares they could not use them without also finding and buying a reef fish permit. Additionally, to obtain such a permit, the individuals must demonstrate that at least 50 percent of their income is in commercial fishing. This requirement immediately "locks out" a substantial alternative group of resource users.

Other programs, such as grazing and timber leases, which give exclusive commercial access to publicly owned natural resources require some form of resource rent or other payment to the public trust for such use.

True. However, the IFQ's give exclusive access privileges to millions of dollars worth of red snapper and grouper and the commercial fishers pay nothing for the gift. There is no open market or any public auction involved in distributing the initial quota shares to the commercial interests. In addition, public auctions involving commercial and recreational users would place recreational interests at a financial disadvantage because they do not, and are prohibited from, selling their catch.

References

1. Bromley, Daniel W. 2009. "Abdicating Responsibility: The Deceits of Fisheries Policy." *Fisheries*, Vol. 34, No. 6, June 2009.
2. Gentner, Brad. 2009. Allocation Analysis of the Gulf of Mexico Gag and Red Grouper Fisheries.
3. Johnston, Robert Et.Al. (2009) "Fish Harvest Tags". Evolving Approaches to Managing Marine Recreational Fisheries. PERC (Property and Environmental Research Center).

4. National Marine Fisheries Service. Fisheries Management Plan for Reef Fish Resources of the Gulf of Mexico. Data and Regulations from Amendments 29, 30B and 31.
5. Paxton, Matthew. 2009 “The History of Exclusive Fishing Rights.” Tide Magazine. March/April 2009.
6. Venker. Ted. 2009. “What’s Good for the Goose.....” Tide Magazine. July/Aug. 2009

For More Information Go To:

- CCA National website at www.joincca.org and visit the Newsroom Feature.
- CCA Florida website at www.ccaflorida.org and visit the press release and position statements areas.

Special Report prepared by: CCA Florida 11/3/09
Tallahassee Advocacy Office
Ted Forsgren
Trip Aukeman
(850)224-3474