

# Learning from the Development of Sector Management in New England's Groundfish Fishery

Considerations for other fisheries and regions in designing and adopting catch share systems



**Gulf of Maine  
Research Institute**

Science. Education. Community.

## Background

On May 1, 2010, New England's groundfish industry began operating under a dramatically new set of regulations. Managers no longer rely solely on restricting fishing effort through days-at-sea limits to control the annual catch of the fishery's 13 regulated species. Instead, 85% of the fleet has joined one of the region's 17 groundfish sectors – groups of harvesters that collectively receive an annual allocation of fish in return for agreeing to operate under a strict set of rules for harvesting, monitoring, and reporting.

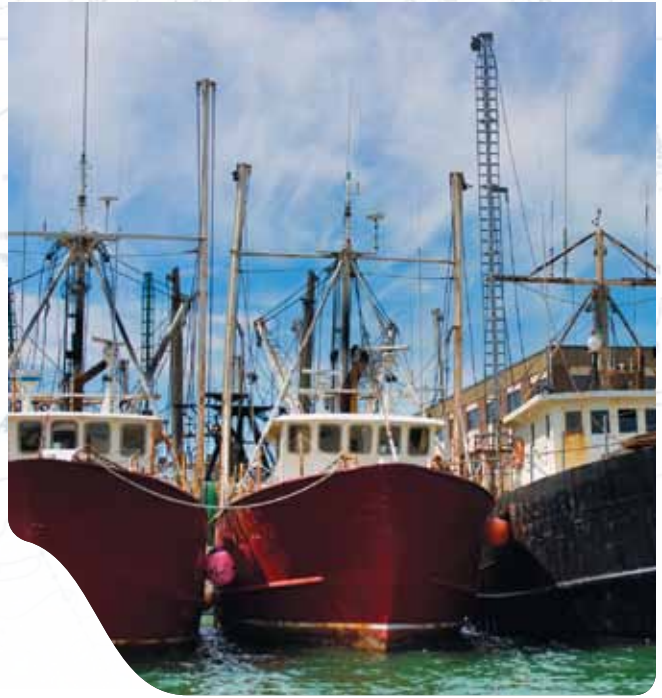
### *The fishery*

Sector management applies only to the stocks managed under the Northeast Multispecies Fishery Management Plan – a collection of 13 species divided into 21 stocks and known generally as groundfish. Fishermen harvest groundfish under a limited access federal permit with either mobile gear, such as otter trawls, or fixed gear, such as gillnets or baited hooks. The fleet is roughly divided between “day boats” that stay closer to shore, fishing for a day or so at a time, and larger “trip boats” that head offshore for up to a week or more. Major fishing ports include Port Clyde and Portland, ME, Gloucester, New Bedford, Boston, and Chatham, MA, and Point Judith, RI, as well as coastal NH.

The number of active participants has declined in recent years due to a combination of decreasing revenues, increasing costs, and tighter regulations to control effort. In 2001, there were 1,314 active groundfish permits. By 2009, that number dropped to 633. Revenues (in 1999 dollars) decreased over that span from \$98.6 million to \$57.5 million.

### *Amendment 16*

In June, 2009, the New England Fishery Management Council passed Amendment 16 to the Northeast Multispecies Fishery Management Plan. The amendment established annual catch limits and accountability measures, as required under the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006. In addition, the amendment created the opportunity for fishermen to join a sector rather than fish under the days-at-sea system. (Sectors came into being under Amendment 13, but their adoption was limited to a small group of fishermen on Cape Cod and a single stock – Georges Bank cod.) NMFS published the final rule in April of 2010 and the Amendment's provisions took effect with the beginning of the fishing year on May 1, 2010.



## Sectors

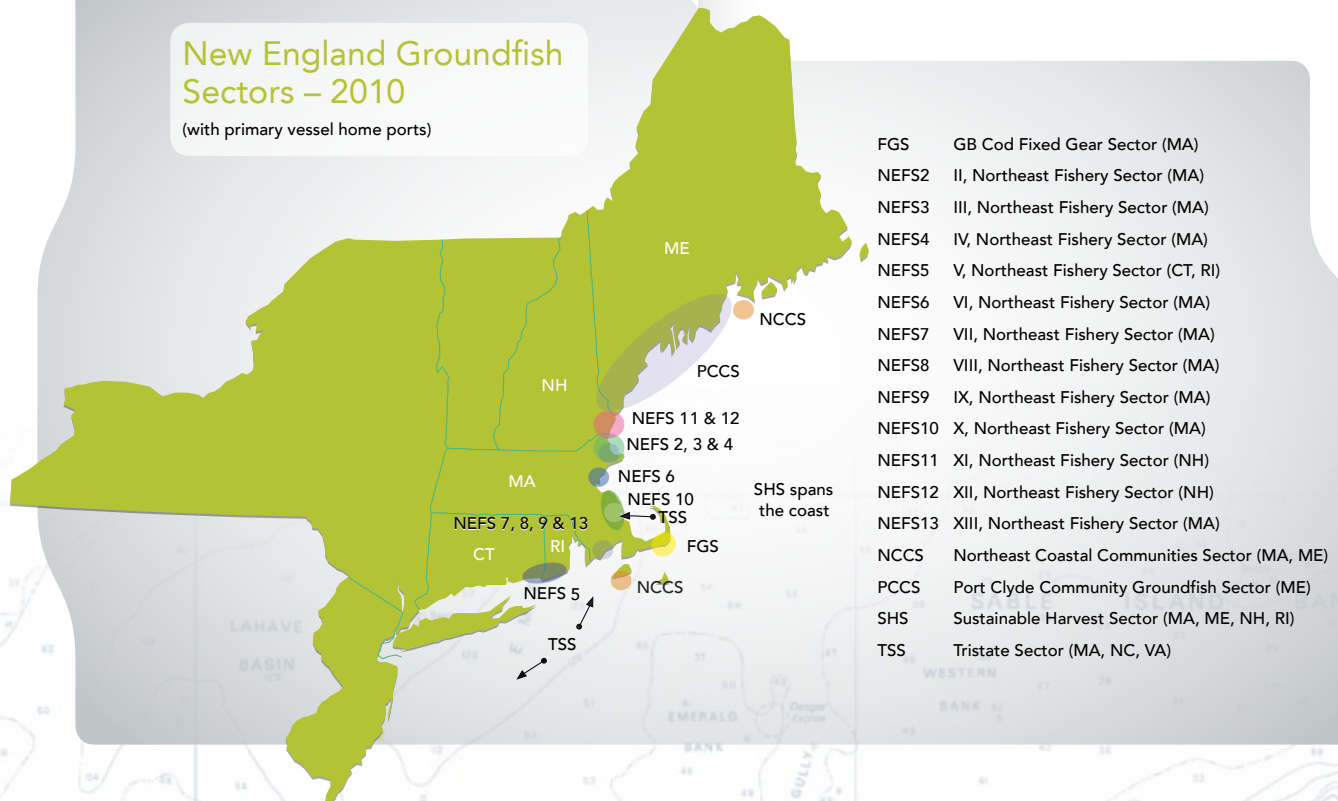
A sector is a self-selecting group of federal fishing permit holders who receive an annual allocation of groundfish, as determined by their collective catch history. New sectors must be authorized through an amendment or framework adjustment to the Fishery Management Plan. In addition, NMFS must approve a sector's operations plan, monitoring plan, and proposed roster. Once approved, members of a sector are exempt from days-at-sea restrictions and some other measures that were designed to reduce effort. The allocation is made to the sector, not the individual fishermen. Allocation may be traded or sold among sectors. Sectors report to NMFS on their allocation status weekly and submit an annual report at the end of the fishing year.

## GMRI's role

The Gulf of Maine Research Institute (GMRI) undertook both convening and technical assistance work to assist the groundfish industry during its transition to sectors. In 2007, GMRI facilitated several meetings, each focused on a different potential management scheme – sectors eventually became the only option considered in Amendment 16. Starting in 2008, GMRI provided technical assistance to 14 of the 17 sectors, to draft operations plans, harvesting rules, monitoring plans, and environmental assessments. Meanwhile GMRI also facilitated a series of meetings with industry, NMFS, and NGOs to develop an industry-wide standard for dockside monitoring. With sectors now operating, GMRI's work has focused on training sector managers and members as well as distributing federal assistance funds for dockside monitoring and sector operations.

### New England Groundfish Sectors – 2010


(with primary vessel home ports)



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The Gulf of Maine Research Institute pulled this report together so other regions that are considering a catch share for a fishery might gain from New England's experience with instituting sector management in the groundfish plan. The lessons are organized according to specific groups, but they are cross-cutting. We recognize that even within our four primary audience groups – industry, Councils, NMFS, and NGOs – opinions and motivations will diverge.

# Considerations for...



## Everyone Involved:

### Communication

During the development of a catch share program, it is imperative for the Fishery Management Council (Council) and the National Marine Fisheries Service (NMFS) to communicate clearly and often about what options are being considered and why. Extra effort may be necessary to engage the diversity of individuals involved and not just the extremely vocal or just the leadership from the industry.

“Promoting industry involvement as early as possible, be transparent to the direction you want to go, the industry will respond to that rather than trying to push something.”

Rip Cunningham, Chair, Groundfish Committee, New England Fisheries Management Council

### It takes a community

The transition to sector management relied on the foresight, commitment, and dedication of key individuals in leadership positions within industry and the work of staff at numerous organizations. Industry leaders, Council members and staff, advisory panels, Plan Development Teams, NMFS staff, nonprofits, and Sea Grant programs all had critical roles to play, especially to bring divergent views to the table.

## Council:

### Measurable goals

Fishery Management Councils considering a transition to catch shares would benefit from a series of conversations within the community about socioeconomic goals early in the process. Ideally, this dialogue would precede any discussion about allocation of catch as these goals should be used to design an allocation system.

“You really have to reflect upon what you are trying to achieve and what is important to you as a community and then you need to develop management systems.”

Jackie Odell, Executive Director, Northeast Seafood Coalition

### Research

Although quota-based management is not a new concept, only a handful of individuals in New England understood these systems and their impacts on fishing communities. Issues such as initial allocation, trading, reporting, and monitoring require significant consideration to get right.

### Allocation

Allocating shares of the total catch is the most contentious and controversial decision the Council will make. The conversation ought to include a thorough vetting of the implications for each allocation formula being considered and the process for decision making needs to be transparent, thoughtful, and deliberate.



## Industry:

### Getting organized

The fishery management process in the United States is complicated, time-consuming, and often frustrating to navigate. It does not lend itself to the independent-minded open water fisherman who works long days at sea. Industry must be well organized to influence fisheries policy and engage effectively in the council process.

*“The biggest thing would be ... to try to get the fishermen all together cause you need that - you need them to think together as a team. You need them to come together as a group first, cause they got to start thinking collectively ... and you need leadership. If you don't have somebody that keeps everybody in line (or tries to) or scolds them when they need it, nothing will happen.”*

Glen Libby, President, Midcoast Fishermen's Association, Member, New England Fisheries Management Council

*“You can leverage working together in a cooperative fashion for scientific purposes or research. You can stand together at a council meeting or state meeting and be represented more effectively. There are economic incentives to work together. You can cost share some innovative things that you need to do.”*

John Pappalardo, CEO, Cape Cod Commercial Hook Fishermen's Association Chair, New England Fisheries Management Council

### Becoming involved in science

The scientific and fishing communities in New England have been fortunate to have numerous opportunities and dedicated resources for cooperative research. Some of this research has resulted in new gear technology to reduce bycatch of certain species and other results have greatly improved the amount of information needed for accurate stock assessments.

### Paying attention

Many hundreds of fishermen in New England either chose not to get involved in development of the sector program, thought that the whole idea would be tabled, or felt too discouraged from the grueling Amendment 13 process. As a result, the public hearings to provide feedback on sector policy, including the allocation formula, were not well attended.





## NMFS:

“ There are always things that are going to come up, no matter how much you think about it, that you hadn't considered before. Issues are raised; we are still dealing with issues almost every week.

Susan Murphy, Supervisory Fishery Policy Analyst, Sustainable Fisheries Division, Northeast Regional Office, National Marine Fisheries Service

### Embracing the transition

The earlier NMFS can acknowledge and accept that the management system is undergoing change, the better for all involved. This is obviously difficult with competing demands on staff time and resources, but ultimate authority for fisheries management lies with NMFS. Staff need to be actively engaged with the industry and other stakeholders to design a system that works.

### Getting data systems in order

The implementation of catch share systems demands accurate and timely information to be effective. The database systems to monitor catch and integrate reporting information in New England were not up to task for the start of the fishing season. These systems need to be beta-tested and evaluated before there is an expectation that nearly the entire fishing industry will be using the system.

### Producing timely and accurate assessments

There is a major disconnect between the amount of time it takes to accurately assess groundfish stocks and the real-time nature of fishing under a catch share system. Catch shares requires NMFS to invest much more heavily in the assessment process for all the stocks being fished.

## NGOs:

### Finding the money

There is little doubt that non-governmental organizations (NGOs) played a key role in enabling the transition to groundfish sectors. These organizations occupied a unique niche in the management process and their work would not have been possible without significant funding from private foundations and other sources.

### Supporting industry leaders

There have been a handful of exceptional leaders within the fishing industry who have taken extremely risky positions and worked tirelessly to craft the best outcome. These leaders need an incredible amount of support to bring other fishermen along and pave the way forward.

### Building meaningful relationships

True change happens when people have trust in each other, confidence that moving forward is in their best interest, and support to take a risk. Positive change is built on establishing open and meaningful relationships and a dedication to rolling up one's sleeves and getting the messy work done...together.

“ Invest in technology – make sure the agency is invested in technology, is excited about it and really understands it.

Sally McGee, New England Fisheries Policy Director, Environmental Defense Fund

Member, New England Fisheries Management Council

