

*Science, Service, Stewardship*

Tab B, No. 11(a)



# Five-Year Review of the Grouper-Tilefish IFQ Program

**NOAA  
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<https://ifq.sero.nmfs.noaa.gov/ifqgt/>



## Purpose

Gulf of Mexico Grouper-Tilefish IFQ  
program has completed it's fifth year  
Mandatory 5-year process has begun

### Overview:

- Guidance for 5-year reviews
- Data collection to date



## Guidance document

Office of Sustainable Fisheries is finalizing a guidance document for 5/7 yr reviews of catch share programs

- Identifies key components of review process, review document, and questions/issues to be addressed
- Will be seeking input from Councils on guidance

Guidance references:

- MSA sections 301, 303, and 303A,
- NOAA Catch Share Policy,
- Design and Use of Limited Access Programs (Anderson/Holliday Tech Memo),
- Completed, ongoing, and interim reviews/reports



## Process

### Review Plan

- Plan established before the end of the 5<sup>th</sup> year.  
Council review before finalized and starting significant work.

### Review Team

- Representatives from the Council, Regional Office, Science Center, and Office of Law Enforcement

### Interim Reports

- Annual or biennial reports
- Help to identify gaps in available data and analyses



## Process

Review team responsible for compiling data, conducting analyses, and writing report

Drafts of report made available to Council and advisory groups (e.g. SSC, Advisory Panels)

Feedback incorporated into report

Review Final Report

—Council, Regional Office, Science Center, Office of Law Enforcement, and General Counsel approve review before considered final



## General Approach and Scope

Purpose: to describe and analyze the effects that have taken place *since* the baseline time period (pre-implementation or implementation) or last review

Incorporate by reference and summarize other relevant findings when possible, but no length restriction

Use standardized indicators when possible

Consistent with other guidance and legal mandates

Holistic approach. For e.g., if two or more programs found to have significant interdependencies, joint reviews may be completed after the initial reviews.



## Structure

- Purpose and Need of review
- Goals and Objectives of the program, FMP, CS Policy, and MSA
- History of Management
- Description of biological, ecological, social, and administrative effects
- Evaluation of above effects with respect to goals and objectives
- Summary of conclusions
- Recommendations regarding potential changes



## Analysis Components

Goals and Objectives

Examine existing allocations within or related to program

Eligibility requirements

Transferability

ACL/AM/Quota Performance

Accumulation limits/caps

Cost Recovery

Data collection





## Analysis Components

Monitoring and Enforcement

Duration

New Entrants

Auctions/Royalties

Consideration of Fishery, Species, and Gears

In depth presentation of Guidance  
document at a future Council meeting

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# Grouper-Tilefish IFQ 5-year Review



## Goals and Objectives

Reduce overcapacity of the fishing fleet

Increase harvest efficiency and profitability

Mitigate or prevent race to fish

Anticipated benefits:

- Increased market stability
- Elimination of quota closures
- Improved safety at sea
- Balance social, economic, and biological benefits
- Reduce bycatch and associated bycatch mortality



## GT-IFQ program species

- 5 Share categories
  - 13-18 species (5 species removed in 2012)
- Flexibility measures
  - Red grouper multi-use
  - Gag multi-use
  - SWG – DWG flexibility
    - SWG scamp landed under DWG
    - DWG Warsaw grouper and speckled hind landed under SWG
  - 10% overage for accounts with shares
    - Once per year per share category



## Goals and Objectives Analyses

- Changes in Fleet Technical Capacity
  - Addresses overcapacity and derby fishing
  - Employ stochastic distance frontier framework
    - Distance function measures efficiency by distance from frontier
    - Stochastic framework better represents reality than deterministic models (DEA)
  - Results include measures of fishing capacity, capacity utilization, overcapacity and technical efficiency before and after IFQ



## Examine Allocation and Eligibility

- Survey IFQ participants
  - Perceptions of allocation distribution
  - Perceptions of eligibility
- Empirically estimate the structural multiple species/gear targeting technology – LL/VL
- Model of fishing behavior across space, time and depth
  - Incorporate properties of reef fish stock with abundances that vary across space and time
  - Individual efficient shares of reef fish stock are estimated using observed behavior of fishers



## Transferability

- Description of share and allocation transactions
- Model of fishing behavior across space, time and depth
  - Individual efficient shares/allocation are estimated using observed behavior of fishers



## ACL/AM/Quota Performance

- Summation of landings and quota
- Are the flexibility provisions written into the GT-IFQ Program effective in meeting the stated goals of reducing bycatch mortality and discards in the GT commercial fishery component?
- Model of fishing behavior across space, time and depth
  - Description of reef fish ecology and identifies costly targeting for discard avoidance





## Accumulation Caps

- Summation of data collection to determine caps
- Changes in market power
  - Entity-level analysis
  - Monopoly/Oligopoly
  - Monopsony
  - Sharecropping
- Technical efficiency in relation to share and allocation caps



## Cost Recovery

- Summation of collected cost recovery feeds
- Analyze cost recovery fees
  - Is 3% appropriate?
  - Does it cover NMFS's incremental costs?
- Analyze compliance with respect to cost recovery fees



## Monitoring and Enforcement

- Summation of seizures
- Types of non-compliance
- Rates of compliance



## Fishery, Species, and Gears

- Policy simulations to assess fishing behavioral responses and economic B&C <sup>JAS6</sup> associated with flexibility provisions
- Feasibility of merging with red snapper IFQ Program
- Addition or subtraction of species to the program
- Analyze interdependency with other fisheries