

Individual Transferable Quotas for Commercial Fisheries

Individual Transferable Quotas (IQs) are shares of an existing commercial fishery, assigned to a permit holder based on historical landings. ITQs do not create private property interest in the resource itself but instead represent exclusive property rights for the harvest of public resources that can be bought or sold between fishermen, businesses or other interests. The West Coast federal Individual Trawl Quota (ITQ) program (under development since 2003) is scheduled for implementation January 1, 2011. Although individual quota programs exist elsewhere in the U.S. and worldwide, they are based on single-species fisheries and are far less complex than the one proposed for the West Coast trawl fishery. This program is complicated by the inclusion of about 80 groundfish species, the limited number of quota shares available for overfished species and the small poundage of fish associated with each of these overfished shares (making them extremely valuable).

Federal regulators and the Pacific Fishery Management Council (PFMC) expect the ITQ program to maintain or increase the value of the fishery, consolidate (and thereby shrink) the West Coast groundfish trawl fleet and improve the government's ability to document the trawl fleet's catch. Under this program, it is believed fewer boats will be fishing and, by buying shares from other boats, will individually catch more fish resulting in greater profit for fishermen that pursue the fishery. Boats that sell their shares will be free to pursue other fisheries or activities. Through the ITQ program, other entities, such as processors, can obtain shares to support a boat/fleet. Establishing share accumulation limits will protect against a cornering of the market.

Unless carefully crafted to protect smaller trawl businesses, there is a possibility that some of California's more vulnerable ports will be negatively impacted because groundfish trawl vessels and businesses in those ports will no longer be profitable enough to operate. In many instances, groundfish trawlers account for a substantial portion of the total fishing activity in these ports. For many California vessels, a low number of catch shares will be issued for overfished species. Without enough of these "bycatch shares" trawlers cannot fish for their primary quota species because the financial risk associated with catching the overfished species is too great.

Since the ITQ program is a federal program, the Department of Fish and Game (DFG) will not be involved in the issuance of fisheries or bycatch shares. However, because this program will have a significant impact on California's other commercial fisheries, California groundfish trawlers and, undoubtedly, related businesses, DFG is actively monitoring the development and implementation of this program and its potential impacts. DFG supports exploring alternative management solutions to address some of the hardships vessels may face from the disproportionate issuance of quota shares. DFG also supports trailing amendments to the program through the PFMC process, in which DFG is actively involved as a voting member. DFG game wardens have been actively engaged with the PFMC during all phases of the ITQ program development. Beginning November 2010, wardens will begin joint training with the National Marine Fisheries Service on the ITQ program. This training will provide an understanding of these new federal regulations and is the first step in ensuring their compliance.