



# Report In Brief

MAY 1, 2014

## Background

“Catch share” is a general term for several fishery management strategies that allocate a specific portion of the total allowable fishery catch to individuals, cooperatives, communities, or other entities.

Catch share programs have been used in U.S. federal fisheries since 1990, and now include 15 programs managed by 6 different Fishery Management Councils (FMCs). Each program is designed by the relevant FMC with features tailored to the specific program goals and objectives or other unique characteristics of the fisheries in their region.

## Why We Did This Review

This report is part of a multiple-phase review OIG is conducting in response to Congressional concerns about the National Marine Fisheries Service (NMFS) and the FMCs. It is focused on the development of rules for the commercial fishing industry and the fisheries regulation process at NOAA, the NMFS, and the FMCs.

Two previous reports looked at (a) the role of NOAA and the FMCs in the fishery rulemaking and (b) FMC perspectives on fishery regulatory requirements, rulemaking, and improvements in fisheries management.

The objective of this report was to evaluate the sufficiency of NOAA’s implementation and monitoring of a selection of catch share programs developed by FMCs, and to consider the adequacy of automated and manual systems and processes for collecting information and administering catch share programs.

## NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

### Review of NOAA Catch Share Programs

OIG-14-019-I

#### WHAT WE FOUND

We reviewed 6 of the 15 current catch share programs to evaluate the sufficiency of NOAA’s implementation and monitoring of the programs. We found that

- *NOAA does not have adequate data and does not track or enforce landings overage violations in the Pacific Sablefish Permit Stacking Individual Fishing Quota (IFQ).* NOAA currently does not monitor Pacific Sablefish landings on an individual permit basis during a fishing season. Instead, it only monitors landings for the entire fishery as a whole, using a paper-based system that is subject to compromise and the multiple possibilities of error associated with any manual process. In addition, we identified 189 instances where actual landings exceeded the allowed landings for individual permits from 2008 through 2013.
- *The Golden Tilefish program did not have formal controls to ensure that shareholders with sanctions were prevented from buying, selling, or transferring shares or allocation.* While this particular program does not have a large number of participants, it nonetheless has an ineffective process for monitoring shareholders with active sanctions.
- *NOAA relies on shareholder self-certifications for eligibility criteria.* The Alaska Halibut and Sablefish, Gulf of Mexico Red Snapper, and the South Atlantic Wreckfish catch share programs rely solely on self-certifications for evidence that shareholders meet some qualification criteria, such as U.S. citizenship required to own quota shares or allocation. NOAA does not perform any review of these self-certifications to verify their validity. Instead, it relies on its Office of Law Enforcement and the Coast Guard to verify eligibility during their enforcement activities.

#### WHAT WE RECOMMEND

We recommend that the NOAA Assistant Administrator for Fisheries, in coordination with the Pacific Fishery Management Council and relevant state agencies improve the internal controls for the Pacific Sablefish Permit Stacking IFQ program. NOAA should also verify whether improvements should be made in the programs not included in our review. Specifically, for all catch share programs, we recommend that the NOAA Assistant Administrator for Fisheries

1. Develop a process to ensure that accurate landings information is obtained by individual permit in a timely manner.
2. Develop controls to monitor landings on an individual permit basis to ensure overage violations are adequately addressed.
3. Develop a process to ensure that shareholders with sanctions are prevented from buying, selling, or transferring shares or allocation.
4. Document procedures for determining when reviewing self-certifications is warranted, to ensure that shareholders meet eligibility requirements prior to joining fisheries.