



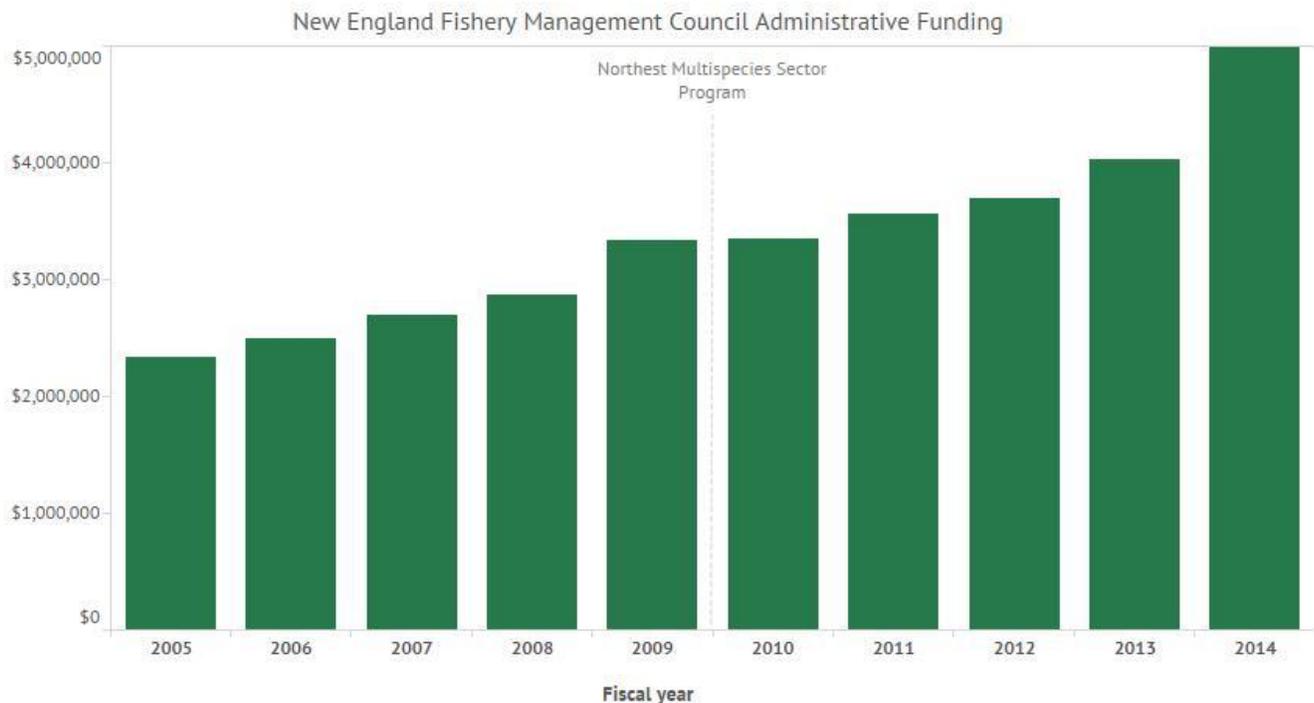
Northeast Groundfish: Governance Indicators

Updated Results - Version: May 2015

Has the public cost of fishery management changed?

Indicator: Cost of Fishery Management: Public

This indicator shows the amount of money spent by government managers to develop and implement catch share programs.



Interactive Chart: Hover cursor over data points for more information. Sector Program-specific costs are not available.

Additional charts provided below. The images in this downloadable fact sheet may not show all the components within each indicator. To work with an interactive display of the data underlying this indicator, go to:

<http://www.catchshareindicators.org/results/northeast/governance/cost-of-fishery-management-to-the-public/>

Overview

The primary catch share costs to the public during the project baseline (2002 – 2009) were expenditures related to the transition to sector management of Northeast multispecies groundfish fishery beginning in 2008. In the first years of the catch share program, the National Marine Fisheries Service (NMFS) reported spending \$47.2 million on grants to states for permit banks, cooperative research, direct support to sector

managers and vessel operators, and dockside and at-sea monitoring. At the national level, prior to fiscal year (FY) 2008, the public costs to develop catch share programs were not identified as budgeted for that purpose. After the catch share program began (2010), Congress appropriated funds for a National Catch Share Program in FY 2011. Amounts for the Northeast Multispecies Sector Program are identified in NMFS budget and other public documents in 2009, 2010, and 2011. In subsequent years (2012, 2013, 2014), funding for the catch share program is not specifically identified in budget line items, but it is called out as part of the narrative budget justification. Public costs associated with development and implementation of the Northeast Multispecies Sector Program are reported in a variety of sources but are not tracked by line item in either the NMFS budget or in Council grant documents.

Baseline Years: Prior to Catch Share Program

NEFMC Funding

The New England Fishery Management Council (NEFMC) receives funding for its operations through a cooperative agreement with NMFS. This support is subject to the budget and appropriations process. These multi-year grants support ongoing Council operating expenses such as salaries, office space, utilities, travel, and meeting expenses. In addition, the NEFMC may receive programmatic grants for specific work such as fishery management plan (FMP) development or FMP-related expenditures. The latter may be cooperative agreements with federal agencies, state, and private institutions on matters of mutual interest that further the objectives of the Magnuson Act.

The development of the Northeast Multispecies Sector Program, as part of Amendment 16 ([Northeast Groundfish Management Framework](#)), was time and resource intensive for the Council, NMFS, Northeast Fishery Science Center, and National Oceanic and Atmospheric Administration (NOAA) at all levels.

Council funding for programs, projects, and activities increased steadily from 2005. Specific expenditures for development of the catch share program were reported in 2009, when the Council described completion of Amendment 16 in its grant performance report. The grant performance report for 2005 through 2009 notes publication of a booklet explaining sector management, public meetings on sector management, and transfers of sector allocations. Though Council expenditures on catch share programs are not identified separately in the grant reports, one full-time employee (FTE) was working on management of the multispecies groundfish fishery through the project baseline until 2008, when additional staff was required to work on sector program development in the multispecies groundfish fishery. For a description of Council actions during the baseline period, see [Northeast: Management Efficiency](#).

NE Federal Support

Federal appropriations for NMFS activities are requested through the NOAA component of the Department of Commerce budget and approved by Congress. During the period reported, federal spending authority was provided by enacted appropriations, transfers of resources between budget lines, annualized continuing resolutions that maintain prior year funding levels, and line item add-ons by Congress. During

the project baseline, NMFS used portions of its budget to support development and implementation of the Northeast Multispecies Sector Program and other quota programs, though Congress did not enact specific amounts as catch share program costs. The first time catch share programs were identified as specific activities in the NMFS budget was for FY2008 (calendar year 2007-2008), when NOAA requested, but did not receive, \$6 million to develop and manage them.

For FY2009, the NOAA budget proposed a \$4.8 million increase in funding to double the number of national catch share programs to 16 by 2011, but Congress did not enact the request. In the absence of an appropriation for the specific purpose, NMFS made more than \$16 million available for the Northeast Multispecies Sector Program development by transferring funds from other appropriated line items and programs.

National Costs

Activities identified in budget documents as public costs related to the development of catch shares include support of management teams, development of amendments or frameworks, required regulatory analyses, and support of the Council process. Development of catch share programs also relied upon a variety of management actions funded in alternative line items such as data collection, including improvements in the fish stock sustainability index, development and installation of vessel monitoring systems, socio-economic data collection, and data management systems. Funding for observers and for socio-economic data collection increased during the project baseline. Costs specifically for East Coast observer training and for New England observers were identified as line items in budget documents for FY2003 through FY2005, but they were later subsumed within a line item for nationwide observer coverage.

Catch Share Program

NE Federal Support

The Northeast Multispecies Sector Program was implemented in May 2010 during FY2010. The transition to sector management in New England was costly and labor intensive. In 2010 and 2011, the Northeast received more than \$42 million of federal support allocated to activities related to implementation of the Northeast Multispecies Sector Program.

Once the program was approved, continued federal support followed investments made during the baseline to build capacity in the fleet to manage sector allocations, monitoring, reporting, and other additional activities performed by the NEFMC and NMFS managers.

NEFMC Funding

The grant report for Council activities from 2010 through 2014 provides the basis for the chart displaying Council funding. Administrative funding includes the costs of Council staff, meetings, and operations for the Council as a whole (managing nine fishery management plans). Though itemized costs are not broken out, activities covered by the grant period related to the catch share program are noted in the grant report

with details on improving fleet diversity, supporting sector management, promoting fishing business stability, addressing excessive shares, and implementing electronic monitoring.

In addition to Council funding, NMFS requested funds in FY2011, FY2012, and FY2015 to implement catch share programs including the Northeast Multispecies Sector Program. In its budget justification, the agency said costs were related to activities such as analysis and evaluation of fisheries for catch share programs, the development of fishery management plans and regulations, observing and monitoring at-sea and on-shore activities for specific fisheries, and enforcement. In budget requests for FY2012 through 2015, the agency narrative emphasized electronic monitoring, observer coverage, and collection of socio-economic data as components of support to the Northeast Multispecies Sector Program.

National Costs

Available data provide aggregate national funding, not amounts budgeted specifically for the Northeast. Activities conducted by NMFS specifically related to the Northeast Multispecies Sector Program are discussed in the narrative that supports the agency's funding request, but the budget lists only a total for all national activities, rather than showing dollar amounts for particular activities in the Northeast. Beginning in its FY2010 request NMFS has continued to request additional funding to expand observer coverage in the multispecies groundfish sectors, and increased support for development and implementation of electronic monitoring programs. Overall national catch share program funding decreased substantially following the initial funding level of \$41 million in FY2011 to levels below \$28 million for FY2012-2015.

A Note on Litigation Costs

The public costs of maintaining NOAA's Office of General Counsel and other aspects of legal review and defense against lawsuits are not separately identified in the agency budget request, though litigation in relation to catch share programs has resulted in staff and resource needs to address law suits. Litigation related to the Northeast groundfish fishery is detailed in the interactive timelines provided in [History of the Fishery](#). Prior to and during the baseline period, there was no catch share-related litigation in New England, though lawsuits were brought on a variety of other issues. Since the Sector Program implementation, the cost of litigation—both in actual costs of defending the case and in lost economic opportunities because of delay and uncertainty—can be seen in the effects of legal action brought in relation to the Northeast Multispecies Sector Program, specifically *Oceana v. Locke (2011)*, *Newton v. Locke (2012)*, *Commonwealth of Massachusetts v. Pritzker (2014)*, *Oceana v. Pritzker (2014)* and *Conservation Law Foundation v. Pritzker (2014)*.

The Oceana lawsuit challenged whether Amendment 16 established a system adequate to enforce annual catch limits (ACLs). The court ruled in the agency's favor on all issues except that the regulations failed to establish sufficient accountability measures (as mandated in the MSA) for five stocks and remanded the agency to develop measures consistent with the ruling. The process delayed the implementation of framework adjustments to the FMP until May 2012. Likewise, the challenge to Amendment 16 by several communities, eventually consolidated into this one case, resulted in findings that the agency and Council

had complied with governing law and did not need to hold a referendum on the Sector Program, which was found not to be a LAPP under the MSA definition ([Northeast Multispecies Sector Program](#)).

Conservation groups and fishing interests litigated Amendments 48 and 50 in 2013 and 2014. In *Conservation Law Foundation v. Pritzker*, conservation groups prevailed in their challenge to Framework 50's carryover provisions. NMFS prevailed in the Oceana suit arguing that the observer coverage for sectors was insufficient. The court also found in favor of the federal agency in a challenge from Massachusetts and other states alleging that the frameworks prevented Northeast fishermen from achieving optimum yield from healthy groundfish stocks in the fishery. The Measuring the Effects of Catch Shares Project is preparing an analysis of catch share and related litigation in the Northeast multispecies fishery from 1990 through 2014, to be released in late 2015.

Methods

[Document available for download](#)

Data Gaps and Limitations

Public costs associated with development and implementation of the Northeast Multispecies Sector Program are reported in a variety of sources but are not tracked by line item in either the NMFS budget or in Council grant documents. A better understanding of the amount of public funding expended on the sector program would emerge with identification of federal agency costs related to this program. Although agency budget justifications call out numerous expenditures and activities related to catch share development and implementation, these costs are not identified by program to any of the 11 catch share systems in place during the project baseline, or the five additional programs that took effect from 2010 through early 2015. In January 2014, the Measuring Effects of Catch Shares Project submitted a data request to NOAA Fisheries to identify the amount of federal agency expenditures attributable to activities related to the Northeast Multispecies Sector Program, but the request has not been fulfilled to date..

Information Sources

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New England Fishery Management Council. 2013. Statement of Organization Practices and Procedures. August 19, 2013. Available online: <http://www.nefmc.org/about/index.html>

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NOAA. 2009. "NOAA Commits \$16 Million to Assist the Northeast Fishing Industry To Ease Transition to New Management of Groundfish" News release April 8, 2009.

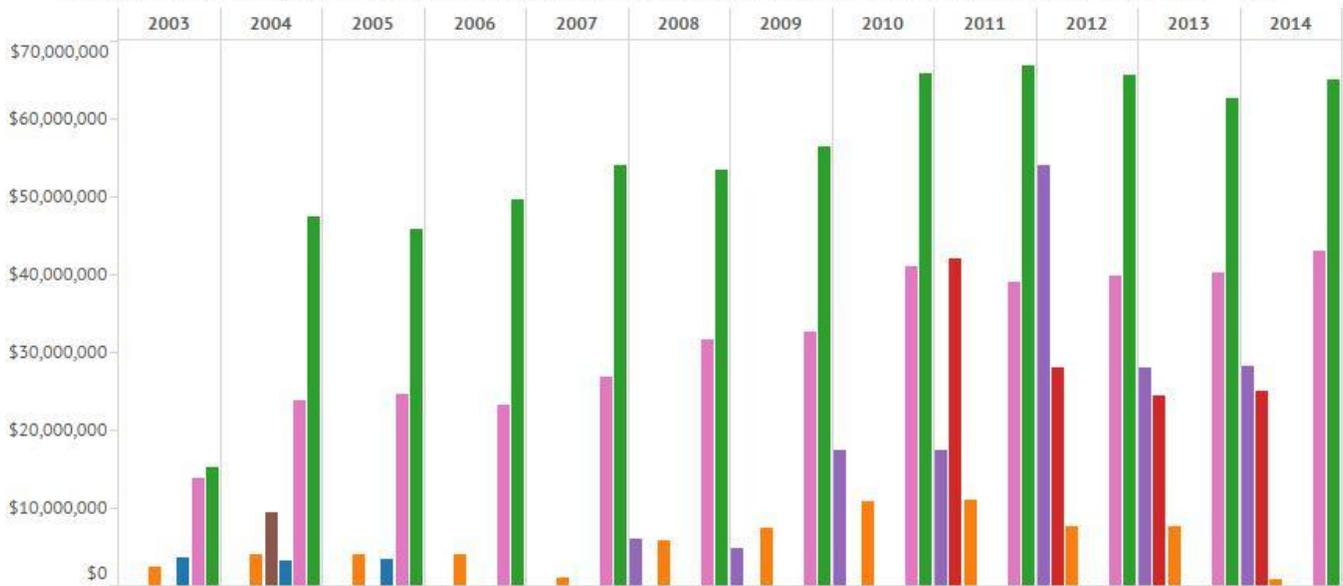
NOAA. 2010. "NOAA Provides \$10 Million to Support New England Groundfish Fishery." News release. March 1, 2010.

Personal communication. Oct. 31, 2013. Interview with Tom Nies, Executive Director, New England Fishery Management Council.

Charts

National Costs

National Fisheries Management Budgets and Costs related to Catch Share Management for Fiscal Years 2003 - 2014



Cost Type

- National LAPP/Catch Share Request
- National LAPP/Catch Share Enacted
- Economic Social Sci Research
- New England Observers
- East Coast Observers Training
- Observers/Training (Enacted)
- Enforcement

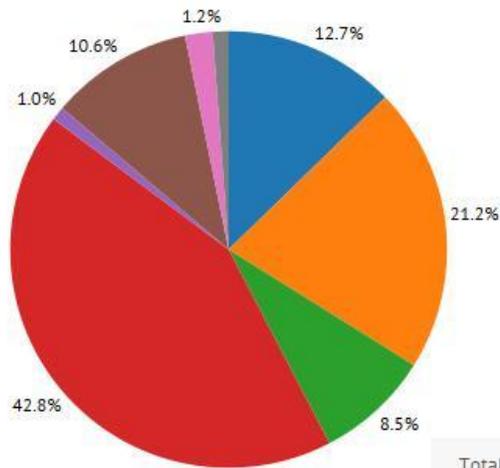
Cost Type Selection
All

Interactive Chart: Hover cursor over data points for more information. Select from dropdown menu to choose cost types of interest.

Public costs associated with development and implementation of the Northeast Multispecies Sector Program are not tracked by line item in NMFS budget documents, with the exception of line items for NE and East Coast Observer activities.

NE Federal Support

Federal Support to New England Groundfish Fishery & Transition to Sector Management for 2010 and 2011



Total amount for 2010 and 2011 = \$47.2 million

Interactive Chart: Hover cursor over data points for more information.

Funding Category

- Cooperative Research
- Data and Monitoring Systems
- Monitoring Programs
- NE Portion of Nationwide Program*
- NMFS Support
- Permit Banks
- Sector Start Up and Operations Costs
- Sector/Vessel Operations

*Support for economic and social data collection, assessments, observers, decision support tools, FMP and regulation development, enforcement, quota accounting, and performance evaluation.