

South Atlantic Wreckfish ITQ

Prior to implementation of the Wreckfish ITQ, a classic fishing derby had evolved where approximately 80 vessels were in competition for the 2 million pound quota. A substantial number of vessels added wreckfish reels to catch fish faster, thereby garnering more of the available Total Allowable Catch (TAC), while others began to use bottom longline gear to catch wreckfish more rapidly, despite reportedly significant gear conflicts and losses using bottom longlines.

As the pace of wreckfish landings increased in 1990, ex-vessel prices decreased substantially. The fact that as many as 80 vessels were fishing for wreckfish on the relatively small rock ridge areas known to have concentrations of wreckfish created a potential for conflicts among harvesters and vessel safety problems.

Although still one of the most profitable fishing opportunities in the Southeast in 1990, the wreckfish fishery had already begun to show signs of excess capacity and over-capitalization by the end of the year. Public comment stressed the detrimental effects of continued entry and competitive fishing practices under a restrictive TAC. Along with the economic problems of overcapitalization and excess capacity common to open access fisheries managed by TAC, public comment stressed the absence of conservation incentives and probably lack of regulatory compliance in the fishery. Comments from wreckfish dealers pointed to the tendency for markets to become flooded as the pace of wreckfish harvest increased beyond their ability to move the product through the market chain. Other marketing problems resulting from inconsistent supply when TAC was met were also identified.

Amendment 3 had been developed to add wreckfish to the Snapper Grouper management unit, define an optimum yield for wreckfish, establish a control date, and, among other things, identify a Total Allowable Catch (TAC) for the wreckfish resource.

The Wreckfish ITQ (Amendment 5) was implemented in March 1992. The overall goal of implementing the South Atlantic Wreckfish ITQ was to “manage the wreckfish sector of the snapper-grouper fishery so that its long-term economic viability will be preserved”. Other objectives and stated in Amendment 5 included,

- **Develop a mechanism to vest fishermen in the wreckfish fishery and create incentives for conservation and regulatory compliance whereby fishermen can realize potential long-run benefits from efforts to conserve and manage the wreckfish resource.**
- **Provide a management regime which promotes stability and facilitates long-range planning and investment by harvesters and fish dealers while avoiding, where possible, the necessity for more stringent management measures and increasing management costs over time.**

- **Develop a mechanism that allows the marketplace to drive harvest strategies and product forms in order to maintain product continuity and increase total producer and consumer benefits from the fishery.**
- **Promote management regimes that minimize gear and area conflicts among fishermen.**
- **Minimize the tendency for overcapitalization in the harvesting and processing/distribution sectors.**
- **Provide a reasonable opportunity for fishermen to make adequate returns from commercial fishing by controlling entry so that returns are not regularly dissipated by open access, while also providing avenues for fishermen not initially included in the limited entry program to enter the program.**

Although not an explicit objective, the Council believed that portions or all of management and administrative costs should be recovered from those who held individual quota shares in the wreckfish fishery.

Eligibility for participation required that an applicant needed to own a vessel or vessels that landed at least 5000 pounds (dressed weight) of wreckfish in aggregate between 1987 and September 1990. Initial allocations were made such that 50 of the 100 available shares were divided equally among eligible participants. The remaining 50 shares were divided based on an applicants documented historical catch divided by the total catch of all eligible participants over the same period. Documented historical catch was calculated based on landings of wreckfish made between January 1989 and September 1990 when a control date was issued.

For approximately one month after initial allocation, an Application Oversight Committee considered requests from persons wishing to contest the initial allocations. The Committee was empowered to consider only allegations of improper calculations or improper determinations based on documentation submitted with application. Hardship circumstances were not considered.

Following initial allocation, coupons were distributed representing shares. Coupons could be sold, leased, or loaned, but only to a person who holds a percentage share in the wreckfish fishery. Fishermen were required to possess a wreckfish vessel permit, logbook, and ITQ coupons equaling the approximate weight of catch in their possession. The coupons had to be signed and dated by the time of landing. Penalties for significant violations included forfeitures of shares, forfeitures of individual quotas, and/or vessel or dealer permit sanctions.

Dealers were required to obtain a Federal wreckfish dealer's permit. The requirements to obtain a dealer's permit were a state wholesaler's permit and a physical facility at a fixed location in the state where the wholesaler's permit is held.

