

O. Fishery Allocation Policy:

The allocation policy presented herein was developed by the Gulf of Mexico Fishery Management Council to provide principles, guidelines, and suggested methods for allocation that would facilitate future allocation and reallocation of fisheries resources between or within fishery sectors.

Issues considered in this allocation policy include principles based on existing regulatory provisions, procedures to request and initiate (re)allocation, (re)allocation review frequency, tools and methods suggested for evaluating alternative (re)allocations.

1. Principles for Allocation

- a. Conservation and management measures shall not discriminate between residents of different states.
- b. allocation shall:
 - (1) be fair and equitable to fishermen and fishing sectors;
 - (i) fairness should be considered for indirect changes in allocation
 - (ii) any harvest restrictions or recovery benefits be allocated fairly and equitably among sectors
 - (2) promote conservation
 - (i) connected to the achievement of OY
 - (ii) furtherance of a legitimate FMP objective,
 - (iii) promotes a rational, more easily managed use
 - (3) ensure that no particular individual, corporation, or other entity may acquire an excessive share.
- c. shall consider efficient utilization of fishery resources but:
 - (1) should not just redistribute gains and burdens without an increase in efficiency
 - (2) prohibit measures that have economic allocation as its sole purpose.
- d. shall take into account: the importance of fishery resources to fishing communities by utilizing economic and social data in order to:
 - (1) provide for the sustained participation of fishing communities
 - (2) minimize adverse economic impacts on fishing communities.

e. Any fishery management plan, plan amendment, or regulation submitted by the Gulf Council for the red snapper fishery shall contain conservation and management measures that:

(1) establish separate quotas for recreational fishing (including charter fishing) and commercial fishing.

(2) prohibit a sector (i.e., recreational or commercial) from retaining red snapper for the remainder of the season, when it reaches its quota.

(3) ensure that the recreational and commercial quotas reflect allocation among sectors and do not reflect harvests in excess of allocations.

2. Guidelines for Allocation

a. All allocations and reallocations must be consistent with the Gulf of Mexico Fishery Management Council's principles for allocation.

b. An approved Council motion constitutes the only appropriate means for requesting the initiation of allocation or reallocation of a fishery resource. The motion should clearly specify the basis for, purpose and objectives of the request for (re)allocation.

c. The Council should conduct a comprehensive review of allocations within the individual FMPs at intervals of no less than five years.

d. Following an approved Council motion to initiate an allocation or reallocation, the Council will suggest methods to be used for determining the new allocation. Methods suggested must be consistent with the purpose and objectives included in the motion requesting the initiation of allocation or reallocation.

e. Changes in allocation of a fishery resource may, to the extent practicable, account for projected future socio-economic and demographic trends that are expected to impact the fishery.

f. Indirect changes in allocation, i.e., shifts in allocation resulting from management measures, should be avoided or minimized to the extent possible.

3. Suggested Methods for Determining (Re)Allocation

a. Market-based Allocation

(1) Auction of quota

- (2) Quota purchases between commercial and recreational sectors
 - (i) determine prerequisites and conditions;
 - (a) quota or tags or some other mechanism required in one or both sectors
 - (b) mechanism to broker or bank the purchases and exchanges
 - (c) annual, multi-year, or permanent
 - (d) accountability for purchased or exchanged quota in the receiving sector

b. Catch-Based (and mortality) Allocation

- (1) historical landings data
 - (i) averages based on longest period of credible records
 - (ii) averages based on a period of recent years
 - (iii) averages based on total fisheries mortality (landings plus discard mortality) by sector
 - (iv) allocations set in a previous FMP
 - (v) accountability (a sector's ability to keep within allocation)

c. Socioeconomic-based Allocation

- (1) socio-economic analyses
 - (i) net benefits to the nation
 - (ii) economic analysis limited to direct participants
 - (iii) economic impact analysis (direct expenditures and multiplier impacts)
 - (iv) social impact analysis
 - (v) fishing communities
 - (vi) participation trends
 - (vii) "efficiency" analysis
 - (a) lowest possible cost for a particular level of catch;
 - (b) harvest OY with the minimum use of economic inputs

d. Negotiation-Based Allocation

- (1) Mechanism for sectors to agree to negotiation and select representatives
- (2) Mechanism to choose a facilitator
- (3) Negotiated agreement brought to Council for normal FMP process of adoption and implementation.