



SCOPING GUIDE

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Reef Fish Amendment 36 Modifications to the Red Snapper IFQ Program



Photos courtesy of Kathy Hoak.

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What is Scoping?

The Gulf of Mexico Fishery Management Council takes a fishery issue to scoping to identify potential impacts and reasonable alternatives. It is the first and best opportunity for the public to make suggestions or to raise issues and concerns before the Council begins developing an amendment.

How does scoping affect fisheries management?

Comments provided during the scoping process will be reported to the Council and incorporated in the development of management options. Once the options are developed, the public hearing process will begin and you will have the opportunity to comment on the management alternatives under consideration. Your input will be considered as the Council deliberates and chooses the most appropriate management measures.

How else can I get involved?

There are many ways you can help the Council identify fishery management needs and develop reasonable management alternatives, each dependent on how actively involved you want to become. The first step to getting involved is to educate yourself about the management process by visiting www.gulfcouncil.org. Sign up to receive our communications and contact Council members and staff to discuss your questions or concerns. You can attend meetings and serve on panels and committees that advise the Council on fishery issues. You can even apply to become a Council member.

Introduction to Amendment 36

The red snapper individual fishing quota (IFQ) program in the Gulf of Mexico began in 2007. The objectives of the program were to reduce overcapitalization in the commercial harvest of red snapper, and to the extent possible, reduce the problems associated with the derby fishery.

The Gulf Council and National Marine Fisheries Service conducted a 5-year review of the red snapper IFQ program, and the Council appointed an Ad Hoc Red Snapper IFQ Advisory Panel to assist in recommending improvements to the program. The Gulf Council discussed the review and recommendations, and has identified several potential modifications to the program.

This amendment aims to improve the performance of the red snapper IFQ program. Several potential modifications are currently under consideration, as suggested by the 5-year review, advisory panel, and Council discussions. Through the scoping process, additional issues may be identified and incorporated into the document for further evaluation.

Note: The grouper – tilefish IFQ program was established in 2010. While IFQ shares are distributed independently of the red snapper IFQ program, both programs use the same web-based monitoring and reporting system. Therefore, the same shareholder, vessel, and dealer accounts are used to participate in both programs. While evaluating modifications to the red snapper IFQ program it will be important to consider the potential effects that changes will have on the grouper – tilefish IFQ program.

IFQ Definitions

Share – the percentage of the commercial quota assigned to a shareholder account that results in annual allocation.

Allocation – the annual poundage that corresponds with the proportion of shares held by a shareholder. Unused allocation expires at the end of the year.

Scope of Actions

Program Eligibility

For the first 5 years of the program, possession of a valid commercial reef fish permit was required to buy shares. During that time, shareholders who did not maintain a valid permit could keep or sell their shares, but they could not obtain more. Beginning January 1, 2012, all U.S. Citizens became eligible to obtain individual fishing quota shares as public participants, without possession of a commercial reef fish permit. Existing shareholders without a valid commercial reef fish permit may also increase their shareholdings. Possession of a valid commercial reef fish permit remains required to land IFQ allocation.

Potential Changes

- Future transfer of shares could be restricted to shareholder accounts with a valid commercial reef fish permit.
- Accounts with shares could be allowed to harvest the allocation associated with those shares without a reef fish permit.
- Shareholders not actively engaged in fishing could be restricted from transferring shares or allocation.

Scoping Questions

- Should eligibility requirements be restricted or expanded?
 - How will this affect current participation?
 - How will this promote progress towards program objectives?
- Should shareholders who are not actively fishing be allowed to transfer allocation?
 - Would this affect small shareholders disproportionately?
 - Will this change market conditions or reduce the available allocation?

Inactive Accounts and Redistribution of Shares

An IFQ account is considered active if the account landed, sold, and/or bought allocation during the year. In 2007, the first year of the program, 29% of accounts (173) remained inactive with 2.6% (78,543 lbs) of the quota. Recently, shareholders have been locating holders of inactive accounts and buying their shares. Currently, more than half of the remaining inactive accounts are initial accounts that have never been accessed by the shareholder. In October 2014, there were 85 inactive accounts holding less than 1% of the quota.

Potential Changes

- Allow closure of accounts and redistribution of shares if the accounts are not active by a specific date.
- Redistribute shares from inactive accounts to those with no or small shares, or to new entrants to reduce regulatory discards.
- Redistribute shares from inactive accounts to reduce regulatory discards, such as through a permit bank.
- In the event of future increases to the commercial red snapper quota, consider redistributing the quota increases to new entrants and small shareholders.

Scoping Questions

- Should inactive accounts be closed?
- What should be done with shares from inactive accounts?
- How could shares held in inactive accounts be redistributed to address regulatory discards?
- In the event of future increases to the commercial red snapper quota, should part of this additional quota be retained and redistributed?
- How could quota redistribution be accomplished to reduce regulatory discards in the commercial fishery?

Regulatory Discards

Regulatory discards are fish that are released due to fishing regulations. Those that do not survive contribute to discard mortality, which can reduce allowable yield. Overall, the estimated discards under the IFQ program are considerably less than before the IFQ program. Nevertheless, as the red snapper population expands in the eastern Gulf, attention to regulatory discards has been renewed.

Potential Changes

- Eliminate the commercial red snapper minimum size limit.
- Consider the full retention of commercially caught red snapper.

Scoping Questions

- How would fishing behavior change as a result of removing the minimum size limit or requiring full retention?
- What regulatory and monitoring requirements would be necessary for adoption and enforcement of a full retention provision?
- What are other possible solutions to reduce regulatory discards of red snapper?

Share and Allocation Caps

The primary goal of the red snapper IFQ program was to reduce overcapacity in the fishing fleet. Since the beginning of the program in 2007, the number of shareholder accounts has decreased by 25%. Currently, there is a cap on the amount of shares that may be held by a single entity. There is no cap to the amount of allocation that may be held or used by an entity, nor is there a cap on the amount of allocation that may be harvested by an individual vessel. Limiting the amount of shares an individual or entity may own is intended to limit share consolidation, as the concentration of share holdings by a relatively small number of entities could result in market power.

Potential Changes

- Establish a cap on the amount of IFQ allocation that may be held by an entity.
- Establish a cap on the amount of IFQ allocation that may be landed by a single vessel.
- Limit the amount of shares/allocation non-permitted IFQ accounts may possess.

Scoping Questions

- Should non-permitted accounts have different caps than accounts with reef fish permits?
- Does establishing a vessel account landing cap disproportionately affect shareholders with single versus multiple vessels?
- Would an allocation cap be based on one point in time or the amount held over a year?
- Would a vessel landing cap be more applicable than an allocation cap for addressing consolidation concerns?

Use Requirements

IFQ allocation should be harvested in order to achieve optimum yield. The Council considered but ultimately rejected a use-it or lose-it provision that would have revoked and redistributed shares from accounts using less than a certain percent of their shares over a certain number of years.

It is difficult to identify who is holding and harvesting shares and allocation because many entities have multiple accounts within the IFQ system. Also, some share and allocation holders do not fish and participate in the program solely as 'brokers.' There may also be interest in a lease-to-own provision that would enable fishermen who buy IFQ allocation to earn credit towards acquiring those shares.

Potential Changes

- Establish use-it or lose-it provisions.
- Consider placing restrictions on the sale of IFQ allocations and shares.
- Consider adopting a roll-over provision for unused allocation.
- Consider adopting a lease-to-own provision.

Scoping Questions

- Should use-it or lose-it be considered?
- How would use-it or lose-it be enacted given the different types of shareholders (owner operators, fleet owners, dealers, business entities?)
- How would a lease-to-own provision be tracked?

Mid-Year Quota Changes

In recent years, the red snapper quota has been increasing. However, it is possible that a quota decrease could occur. If a decrease were to occur mid-season, it would not be possible to reduce the amount of IFQ allocation after it is distributed.

Potential Changes

- Withhold distribution of some portion of shareholders' allocation at the beginning of the year if a mid-year quota reduction is expected.

Scoping Questions

- Should some portion of the allocation distribution be withheld?
- Should this withholding be annual or only occur during prescribed conditions?
- How would the late release of quota affect the industry?

Landings Enforcement

Vessel Monitoring Systems are required on all vessels harvesting commercial reef fish. Additionally, vessels harvesting IFQ species must hail-in and hail-out, announcing their departure and return from a fishing trip. While compliance has improved since the implementation of the red snapper IFQ program, additional enforcement may be necessary to deter violations.

Potential changes

- All vessels with commercial reef fish permits could be required to hail-in prior to landing.

Scoping Questions

- Should hail-in requirements be extended to all commercial vessels landing reef fish?
- What are the potential impacts of requiring vessels to hail-in?

The Council is collecting input on this proposed amendment during a series of workshops across the Gulf coast. Each workshop will begin at 6 p.m. local time and conclude no later than 9:00 p.m.

Tuesday - March 10, 2015
Courtyard Marriott
142 Library Drive
Houma, LA 70360
(985) 223-8996

Monday - March 16, 2015
Hilton Galveston Island Hotel
5400 Seawall Boulevard
Galveston Island, TX 77551
(409) 744-5000

Tuesday - March 17, 2015
Renaissance Mobile
64 South Water Street
Mobile, AL 36602
(251) 438-4000

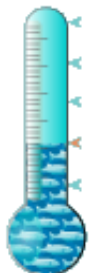
Tuesday - March 24, 2015
Hilton St. Petersburg
950 Lake Carillon Drive
St. Petersburg, FL 33716
(727) 540-0050

Thursday - March 12, 2015
Hilton Garden Inn
6703 Denny Avenue
Pascagoula, MS 39567
(228) 762-7182

Tuesday - March 17, 2015
Hawthorn Suites by Wyndham
501 East Goodnight Avenue
Aransas Pass, TX 78336
(361) 758-1774

Wed - March 18, 2015
Hilton Garden Inn
1101 US Highway 231
Panama City, FL 32405
(850) 392-1093

If you are unable to attend a scoping workshop, your input is still important. Submit comments online at: http://gulfcouncil.org/council-meetings/comment_forms/2015RSQuotaFramework.php, or click on the thermometer icon on our home page.





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