



Public Hearing Guide

03/2017



Reef Fish Amendment 36A
Modifications to Commercial
Individual Fishing Quota
Programs



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What is a Public Hearing?

A public hearing gives you an opportunity to comment on a fishery management plan or amendment that the Gulf of Mexico Fishery Management Council (Council) is developing. Public hearings are conducted later in the amendment development process, after the Council has begun selecting preferred alternatives for proposed actions, but before taking final action. Suggestions, issues, and concerns expressed during the public hearings will be presented to the Council for review and consideration before final action is taken. Focusing your comments on the pros and cons of specific alternatives in each action provides the most useful guidance to the Council. If you are unable to attend a public hearing in person, you are encouraged to submit your comments online. For online comment forms, video presentations, and full amendment documents, visit our website at www.gulfcouncil.org and click the thermometer icon at the center of the homepage.

How does a public hearing affect fisheries management?

Comments provided during the public hearing process are reported to the full Council prior to final action. Your input is considered as the Council deliberates and chooses the most appropriate management measures to address the issue(s) at hand.

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 becoming involved is to educate yourself about the management process by visiting our website at www.gulfcouncil.org, signing up to receive our communications, and contacting Council members and staff to discuss management concerns. You can attend meetings, serve on panels and committees that advise the Council on fishery issues, and even apply to become a Council member.





Photo credit: Troy Frady

Introduction to Reef Fish Amendment 36A—Modifications to Commercial Individual Fish Quota Programs

An individual fishing quota (IFQ) program is a type of catch share program used to regulate fishing by allocating a portion of the quota to program participants. There are two IFQ programs in the Gulf of Mexico (Gulf). The Red Snapper IFQ program was implemented in 2007 and the Grouper/Tilefish IFQ program was implemented in 2010.

Prior to the establishment of the Red Snapper IFQ program, there were more vessels and participants in the commercial red snapper fishery than were needed to efficiently harvest the commercial quota. This caused commercial red snapper regulations to become increasingly restrictive and resulted in a derby-style fishery. The Red Snapper IFQ program was put into place to address both the problem of overcapacity and derby fishing conditions in the commercial red snapper fishery.

The Grouper/Tilefish IFQ program is a multi-species program that manages 13 reef fish species. Gag and red grouper represent their own share categories, the shallow-water grouper category includes four species, the deep-water grouper category includes four species, and the tilefish category includes three species. The goals of the Grouper/Tilefish IFQ program are similar to the goals of the Red Snapper IFQ program including: reduction of overcapacity thereby increasing harvest efficiency and preventing derby fishing conditions from becoming more severe.

The Council and National Marine Fisheries Service (NMFS) completed a 5-year review of the Red Snapper IFQ program in 2013, and the Grouper/Tilefish IFQ 5-year review is expected to be completed in 2017. The Council initiated the development of Reef Fish Amendment 36 to consider modifications to the commercial Red Snapper IFQ program after approving the 5-year red snapper program review and hearing recommendations for potential improvements to the program from the Council's Ad-Hoc Red Snapper IFQ Advisory Panel.

IFQ Program Basics

An IFQ **share** is a percentage of the commercial quota assigned to an IFQ participant, or shareholder. IFQ **allocation** refers to the actual pounds of fish represented by the shares that is possessed, landed, transferred, or sold during a given calendar year.

At the beginning of each year, allocation is distributed to shareholders based on the share percentage held by the IFQ shareholder and the annual quota. Shares (percentage of the quota) and allocation (pounds available for the year) can be transferred among IFQ program participants.

The transfer of shares equates to a sale of ownership of those shares and the transfer of allocation is a onetime transaction for the right to catch the quantity of pounds sold, often referred to as “leasing” by the public.

The Council held scoping workshops for Reef Fish Amendment 36 and later decided to separate the document into two amendments (36A and 36B). The Council also expanded the scope of the amendments to include both the Red Snapper and Grouper/Tilefish IFQ programs. Both programs are managed under a common reporting system and the goals of the programs are similar, so changes made to one program will likely affect the other.

In an effort to improve the performance of the IFQ programs, this document considers modifying the commercial hail-in requirement, addressing shares held in non-activated shareholder accounts, allocation retention before a quota reduction, and adopting a dealer notification requirement. Other modifications to the IFQ programs will be addressed in Reef Fish Amendment 36B, which is in the very beginning stages of development.

Action 1: Commercially Permitted Reef Fish Vessel Hail-in Requirement

All commercially permitted reef fish vessels must notify NMFS prior to departing on a trip (hail-out), even when commercial reef fish fishing will not occur. Currently, those commercially permitted reef fish vessels harvesting IFQ species must provide an advance landing notification (hail-in) 3-24 hours prior to landing. The hail-in notification must provide the landing date and time, approved landing location, dealer, and estimated pounds to be landed by share category. Landing must occur within 1-hour after the arrival time given on the notification and offloading must occur between 6 a.m. and 6 p.m.

The Red Snapper IFQ Program 5-year Review noted that additional efforts may be necessary to deter fishermen from illegally landing IFQ species. Thus, the Council is considering extending the hail-in requirement to additional commercial reef fish trips. This would alert law enforcement and port agents before all commercially permitted reef fish vessels return to port so landings could be inspected.



Photo credit: Sea Grant

Alternative 1: No Action. The owner or operator of a vessel landing IFQ program species (red snapper, grouper, or tilefish) is responsible for ensuring that NMFS is contacted at least 3 hours, but no more than 24 hours, in advance of landing.

Preferred Alternative 2: The owner or operator of a commercial reef fish permitted vessel landing commercially caught, federally managed reef fish from the Gulf is responsible for ensuring that NMFS is contacted at least 3 hours, but no more than 24 hours, in advance of landing.

Alternative 3: The owner or operator of a commercial reef fish permitted vessel landing any commercially caught, federally managed species from the Gulf is responsible for ensuring that NMFS is contacted at least 3 hours, but no more than 24 hours, in advance of landing.

For both **Preferred Alternative 2** and **Alternative 3**, if IFQ species are to be landed, all IFQ advance notice of landings regulations must be followed. If non-IFQ species are to be landed, information required with the advance notice of landings will include date, time, pre-approved location of landing, and vessel identification number (Coast Guard certificate of documentation or state registration number).



Photo credit: Kathy Hoak

Action 2: Non-activated IFQ Shareholder Accounts

When each IFQ program was put into place, shares were distributed among historical participants in the fishery. In each program, there are IFQ accounts that received shares through the initial apportionment when the program began, but the accounts have never been accessed by the shareholder. These accounts are termed “non-activated.” In Actions 2.1 and 2.2, the Council is considering whether to return shares from non-activated accounts to NMFS and if so, how to redistribute those shares.

This table shows the number of accounts and amount of shares held in non-activated accounts as of December 14, 2016, and the pounds represented by those shares for the 2016 commercial quota by share category.

IFQ Program & Share Category	Non-activated Accounts	Shares in Non-activated Accounts	2016 Commercial Quota (mp)	Equivalent Pounds for 2016 Quota
GT-IFQ Program	55	n/a	8.790	13,610
DWG	12	0.028516 %	1.024	292
SWG	49	0.473285 %	0.525	2,485
RG	40	0.147833 %	7.780	11,501
GG	46	0.217390 %	0.939	2,041
TF	6	0.055081 %	0.582	321
RS-IFQ Program	32	0.244100 %	6.097	14,883

Action 2.1: Returning Non-activated IFQ Shares to NMFS

If the Council selects Alternative 1 – No Action, non-activated accounts would continue to hold shares and the allocation associated with those shares would go unused. This would restrict the commercial sector from fully harvesting its quota of IFQ species. Alternatives 2 and 3 would return the shares associated with non-activated accounts back to NMFS.

Alternative 1: No Action. IFQ shares held in accounts that have never been activated may remain unused.

Preferred Alternative 2: For accounts with red snapper shares that have never been activated in the current system, return the shares to NMFS:

Preferred Option 2a: on the effective date of the final rule implementing this amendment.

Option 2b: one year following the effective date of the final rule implementing this amendment.

Preferred Alternative 3: For accounts with grouper-tilefish shares that have never been activated in the current system, return the shares to NMFS:

Preferred Option 3a: on the effective date of the final rule implementing this amendment.

Option 3b: one year following the effective date of the final rule implementing this amendment.

Note: **Alternatives 2 and 3** may be selected as preferred with different options.

Action 2.2: Method of Redistributing Shares from Non-activated Accounts

If the Council selects to return shares in non-activated accounts to NMFS, the Council would need to decide how to distribute the shares and/or annual allocation associated with the shares. If the Council selects Alternative 1 – No Action, the shares would not be redistributed and the shares would remain unused, restricting the commercial sector from fully harvesting its quota of IFQ species. Alternatives 2-4 consider different methods of redistribution.

Alternative 1: No Action. Do not redistribute the red snapper and grouper-tilefish shares that were returned to NMFS.

Preferred Alternative 2: Redistribute the shares from each share category equally among all shareholders of that share category.

Alternative 3: Redistribute the shares from each share category according to the proportion of shares held by shareholders of that share category at the time the shares are redistributed by NMFS.

Alternative 4: Redistribute the shares equally from each share category to the allocation-only account holders with a commercial reef fish permit and landings in 2015 for that share category, but not related to other accounts with shares.





Photo credit: Kathy Hoak

Action 3: Retaining Annual Allocation before a Quota Reduction

Although the quota for some IFQ managed species has been increasing in recent years, it is possible that a quota decrease could occur. Since allocation is distributed at the beginning of the year, and most IFQ program participants begin to use or transfer their allocation early in the year, it's not possible for allocation to be retroactively withdrawn from shareholders in the event that a quota decrease occurs after the beginning of the year.

Alternative 1: No Action. Distribute 100% of red snapper and grouper-tilefish annual allocation to IFQ shareholders on January 1 of each year.

Preferred Alternative 2: Provide the Regional Administrator the authority to withhold the amount of red snapper or grouper-tilefish annual allocation before distribution at the beginning of a year in which a commercial quota reduction is expected to occur. Withheld red snapper and grouper-tilefish annual allocation will be distributed to shareholders if the effective date of the final rule implementing the quota reduction has not occurred by:

Preferred Option a: June 1.

Option b: August 1.

Action 4: Dealer Notification Requirement for Beginning to Offload IFQ Species

Commercially permitted reef fish vessels landing IFQ species must hail-in and provide a landings notification 3-24 hours prior to landing. Landings can occur at any time, but offloading of IFQ species must occur between 6 a.m. and 6 p.m. For this and other reasons, offloading does not necessarily begin when a vessel lands. The Council is considering to require dealers to notify NMFS when a vessel will offload IFQ species in order to improve law enforcement's ability to arrive at an approved landing location when the offloading of IFQ species is to occur.

Preferred Alternative 1: No Action. Do not require IFQ dealers to provide notification to NMFS specifying when a vessel will offload IFQ species.

Alternative 2: Require IFQ dealers to notify NMFS when a vessel will offload IFQ species. The notification must be made at least 1 hour, and no more than 24 hours, before offloading begins.

Alternative 3: Require IFQ dealers to notify NMFS when a vessel will offload IFQ species. The notification must be made at least 3 hours, and no more than 24 hours, before offloading begins.



Send us your comments

The Council would like to hear your input on this proposed amendment before taking final action.

We are hosting the following public hearing webinar:

Wed, March 22, 2017,
Starting at **6 p.m. EST** and conclude no later than 9 p.m.

Webinar:

<https://attendee.gotowebinar.com/register/8308877810229905155>

Submit comments online before March 28, 2017:

<http://tinyurl.com/36AComments>



Public Hearing

Notes:



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