

**Scoping Document for an Amendment
to the Fishery Management Plan
for the Reef Fish Resources
of the Gulf of Mexico**

Days-at-Sea Pilot Program for Recreational Red Snapper

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Gulf of Mexico Fishery Management
Council
2203 North Lois Avenue, Suite 1100
Tampa, Florida 33607
813-348-1630
813-348-1711 (fax)
888-833-1844 Toll Free
gulfcouncil@gulfcouncil.org
<http://www.gulfcouncil.org>



National Oceanic & Atmospheric
Administration
National Marine Fisheries Service
Southeast Regional Office
263 13th Avenue South
St. Petersburg, Florida 33701
727-824-5305
727-824-5308 (fax)
<http://sero.nmfs.noaa.gov>

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Introduction

The recreational sector in the Gulf of Mexico includes a private recreational component and a for-hire component. The for-hire component includes headboats and charter boats. Current recreational management measures such as season length, daily bag limits, and size limits are typically applied to the recreational sector as a whole, without making a distinction between the private recreational and for-hire components.

Since 1996, the recreational fishing season for red snapper has become progressively shorter (Figure 1). In recent years, seasons have continued to shorten despite annual increases in the recreational red snapper quota. The shorter seasons have adversely impacted the recreational opportunities of private anglers and been disruptive to for-hire operators in terms of booking passengers and planning trips, contributing to an uncertain business climate with diminished profitability. Since 2003, a moratorium has been in place on the issuance of new federal reef fish for-hire permits. This means that entrance to participation is capped; no additional federal permits are available. On the other hand, there are no regulatory limits to the number of private recreational vessels which may target reef fish species in federal waters; it is an open access fishery. Over time, an increase in the number of private recreational vessels, while federal for-hire vessels have decreased in number, has resulted in private vessel landings representing a greater proportion of the red snapper recreational quota as a whole (Table 1 and Figure 2).

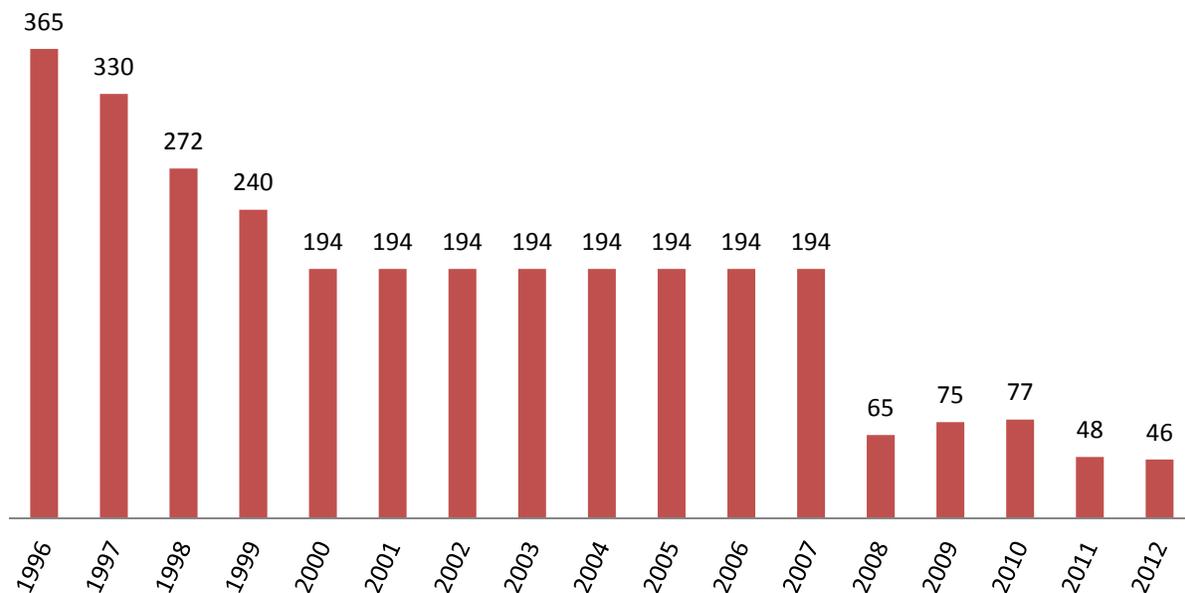


Figure 1. Recreational red snapper season length in number of days (1996-2011).

The Gulf of Mexico Fishery Management Council (Council) is considering options to address these problems in the for-hire industry. For headboats, a group of operators has already submitted an exempted fishing permit (EFP) application to address headboat-specific problems through a red snapper cooperative pilot program. The EFP is currently under review by NMFS. For the charter component, the Council has requested the development of a scoping document

for a days-at-sea pilot program. The objectives of the program are to increase flexibility in trip scheduling, improve economic profitability, and to evaluate the feasibility of a days-at-sea program for sector-wide implementation. The days-at-sea program would assign a predetermined number of effort units to program participants. Each participating vessel would be given the flexibility to decide when to use their apportionment for its clients. This is expected to assist charter businesses in the planning and booking of trips for the red snapper fishing season. A participant's use of its allotted days-at-sea would be expected to reflect local conditions. For example, tourist seasons vary around the Gulf of Mexico such that participants in one area may use their days during a winter tourist season, while a summer season may be preferable to others.

Table 1. Recreational red snapper landings by mode (pounds and percent) (1986-2011).

Year	Private		Charter		Headboat	
	Landings	%	Landings	%	Landings	%
1986	744,020	26.9%	1,615,652	58.3%	410,487	14.8%
1987	504,817	27.8%	898,818	49.5%	411,040	22.7%
1988	1,036,703	40.4%	917,311	35.7%	614,156	23.9%
1989	950,521	35.8%	719,478	27.1%	986,440	37.1%
1990	579,127	35.9%	656,371	40.7%	378,312	23.4%
1991	704,864	29.9%	1,169,829	49.6%	483,672	20.5%
1992	1,942,064	49.8%	1,007,353	25.8%	950,062	24.4%
1993	2,202,501	38.7%	2,099,856	36.9%	1,384,389	24.3%
1994	2,102,209	39.7%	1,671,451	31.5%	1,525,449	28.8%
1995	1,908,800	39.6%	1,547,814	32.2%	1,357,623	28.2%
1996	1,256,517	28.9%	1,680,939	38.7%	1,408,779	32.4%
1997	2,241,808	37.3%	2,462,172	41.0%	1,304,411	21.7%
1998	1,332,422	31.3%	1,800,494	42.3%	1,124,745	26.4%
1999	2,066,254	51.7%	1,233,844	30.9%	698,967	17.5%
2000	1,691,054	43.0%	1,477,699	37.6%	763,287	19.4%
2001	2,408,801	53.9%	1,485,980	33.3%	573,486	12.8%
2002	2,428,362	45.1%	2,129,995	39.6%	824,802	15.3%
2003	2,238,727	46.2%	1,816,338	37.5%	791,897	16.3%
2004	2,235,647	44.7%	2,067,413	41.4%	693,276	13.9%
2005	1,881,652	46.1%	1,675,777	41.0%	526,337	12.9%
2006	1,775,637	44.2%	1,669,418	41.5%	576,238	14.3%
2007	2,289,081	51.6%	1,663,930	37.5%	487,004	11.0%
2008	2,132,388	57.5%	1,171,318	31.6%	407,952	11.0%
2009	2,617,439	56.6%	1,201,244	26.0%	805,893	17.4%
2010	1,346,732	60.2%	462,649	20.7%	429,527	19.2%
2011	3,078,868	66.9%	893,123	19.4%	630,563	13.7%

Source: SEFSC Recreational ACL Dataset, Headboat Survey. Landings in pounds whole weight.

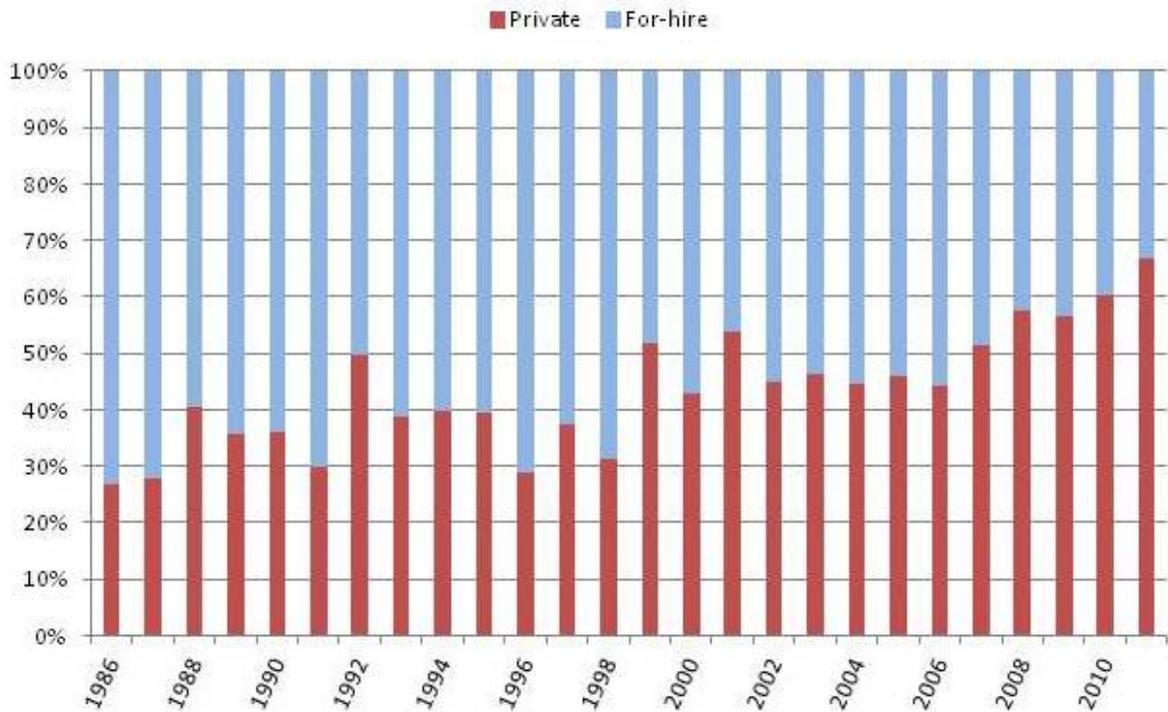


Figure 2. Red snapper recreational landings by mode (for-hire includes charter and headboats).
Source: SEFSC ACL Recreational Dataset, Headboat Survey.

At its February 2011 meeting, the Council requested the Ad Hoc Reef Fish Limited Access Privilege Program Advisory Panel (AP) to develop a report detailing a voluntary, pilot for-hire days-at-sea program for the red snapper segment of the reef fish fishery. The AP met and passed several motions outlining their design for a pilot days-at-sea program (Appendix A). At its October 2011 meeting, the Council requested staff develop a pilot study design for testing a charter days-at-sea program. The recommended study design was presented at the April 2012 meeting and focused on a voluntary program for red snapper, including methods for selecting vessels and collecting and validating data. In August 2012, the Council directed staff to develop a scoping document for a days-at-sea pilot program for the for-hire sector for red snapper. This document was produced in response to this request and includes elements of the recommended study design developed by NMFS, Council staff, and the AP.

Purpose and Need

The purpose of this proposed action is to evaluate the feasibility of a recreational red snapper days-at-sea program as a management alternative to provide increased flexibility for trip planning in the charter for-hire component of the recreational sector. The need is to reduce management uncertainty and increase business planning for charter for-hire operators.

Scope of Actions

A wide range of management actions are expected to be required prior to the implementation of a red snapper days-at-sea pilot program for the charter sector. Potential actions would address several issues including the selection of participants, the determination of a practicable effort measure for the program, the initial distribution of privileges, transferability provisions, and, enforcement and catch validation methods. Finally, as a pilot program, it will be important to evaluate the performance of the program in meeting its objectives.

Selection of Participants

There are 1,375 active or renewable for-hire reef fish permits in the Gulf of Mexico¹. Therefore, excluding the 76 headboats that participate in the Southeast Headboat Survey (SEHBS), 1,299 charter vessels operate in the Gulf and represent the universe from which participants in the pilot charter days-at-sea program would be selected. The Council has already indicated that participation in the pilot program should be voluntary. Therefore, accounting for the probability that a subset of the industry would decline participation, the selection of a purely random sample of charter vessels is not likely. The Council could request that charter operators indicate whether they intend to participate or not and draw samples from the population of willing participants. Samples selected should be geographically representative, i.e., reflect proportional representation across states or sub-regions. The distribution of federal for-hire permits by state is illustrated in Figure 3. In addition, samples should be representative of the range of vessel characteristics observed in the Gulf, e.g., vessel sizes and angler capacity. To that effect, stratified sampling methods would be required. Assuming that representative samples are drawn, a large enough number of participants (sample size) must be selected to ensure that derived conclusions could be applicable to the entire fleet. Preliminary discussions relative to the design of the pilot program suggested a sample of 10% of the charter fleet; however, additional input from SEFSC scientists is needed.

In addition to minimum eligibility requirements, which include the possession of a federal reef fish charter permit and an expressed willingness to participate, the Council may elect to add other requirements. For example, the Council could restrict participation to charter vessels with vessel monitoring systems (VMS) and vessels willing to acquire VMS. Eligibility criteria could also include previous participation in the MRIP pilot study or familiarity with data collection applications such as iSnapper. The use of a control group, i.e., another sample representative of the population that would fish following standard fishing regulations while abiding by data collection requirements of the program, would significantly improve the program and its future evaluation.

¹ As of March 2012

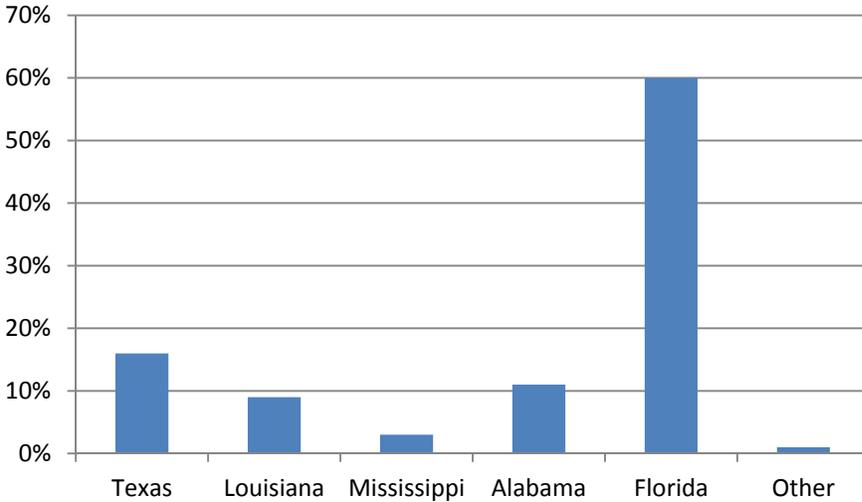


Figure 3. Distribution of for-hire reef fish permits by state. Source: SERO permits and SEHBS vessel file.

Duration of the Program

As a pilot program, the charter days-at-sea program is expected to be limited in its duration. At a minimum, the program should be administered during a timeframe long enough to allow for appropriate data collection. The pilot program could possibly run for one year. However, it is expected that program participants would need an adaptation period to familiarize themselves with the program requirements, particularly its data collection requirements. Therefore, a pilot program with two-year duration would allow for an adaptation period and could possibly result in more reliable data. In addition, should days-at-sea be used as an incentive to recruit charter operators into the control group, a two-year duration could allow a switch between those who fished using days at sea and those who were part of the control group in the second year.

Effort Measure

The selection of an effort measurement unit constitutes a key design element of the pilot days-at-sea program because it determines the nature of the privilege to be distributed to program participants. Alternative ways in which effort could be measured include trips, calendar days, and angler trips.

If trips are selected as the preferred effort metric, a predetermined portion of the red snapper recreational quota would be converted into a number of trips to be distributed to participants. A participating vessel would use a trip each time it goes fishing for red snapper, regardless of the number of fishermen onboard. Therefore, the assumed catch per unit of effort, in this case catch per trip, would have to account for the varying capacities of participating vessels.

Instead of trips, the program could grant a preset number of calendar days to each participating vessel. For some, if not all program participants, the assignment of a fixed number of days

would create and/or reinforce the incentive to book and go on as many trips as possible in a given day. Therefore, if the program selects days as its effort measure, the assumed catch per unit effort used to convert the portion of the recreational quota into days would need to account for the varying capacities of participating vessels as well as the possibility of multiple trips per vessel per day.

The selection of an effort measurement unit could account for the varying capacities of participating vessels by distributing a predetermined number of angler trips. A charter boat that goes on a red snapper trip with four paying customers, i.e., four fishermen onboard, would utilize four angler trips. If effort is measured in angler trips, participating vessels would have greater flexibility in determining the number of anglers to carry on each trip, possibly using their allotment more effectively. However, the enforcement and monitoring of the program would be more challenging if effort is measured in angler trips. If program participants were required to have VMS onboard, calendar days or trips would be easier and simpler to enforce and monitor than angler trips.

Ultimately, the selection of an effort unit for the pilot program would have to balance several considerations, including the incentive structure expected to result from the effort measurement unit selected, the difficulty in translating a given portion of the recreational red snapper quota into effort units, the level of flexibility provided by the program, the ease of enforcing and monitoring the program, and the reliability of catch estimates under alternative effort measurement units.

Initial Apportionment

The implementation of the pilot program would require a two-stepped apportionment decision. First, the amount of effort (days, trips, angler days) allotted to the pilot program has to be determined. Second, the method of initial apportionment amongst program participants must be selected. The amount of effort and corresponding quantity of red snapper set aside for the pilot program could be based on the average proportion of the recreational red snapper quota harvested annually by charter operators, prorated by the percentage of the charter vessels participating in the program. For example, if it is determined that charter vessels account for 40% of the recreational quota and if 10% of the charter vessels are randomly selected to participate in the program, then 4% of the recreational red snapper quota would need to be set aside for the pilot. More complex options could also be considered that take into account regional differences in red snapper landings and effort directed toward red snapper. The Council would suggest the time intervals to consider in the determination of the average annual red snapper harvest attributable to charter vessels. This determination will greatly influence the number of effort units per participating vessel, and is expected to have a significant impact on the performance of the program and on the level of buy-in from charter operators.

Once converted into effort units, the share of the recreational red snapper quota reserved for the pilot program could be distributed equally among participants. If logbooks are used, effort units could be distributed to participating vessels based on reported logbooks and iSnapper landings. This method of apportionment would benefit those who participated in the MRIP logbook and

iSnapper pilot studies, but would exclude other interested charter operators that did not participate in the logbook pilot program. The exclusion of charter operators that may be interested in participating in the pilot may be a source of concern, especially if the Council decides to expand the pilot program or transition from a pilot to a permanent program.

Seasonal Restrictions on Days-at-sea Use

The pilot days-at-sea program would distribute effort units granting year-round access to red snapper to a subset of the charter fleet. The Council may determine that granting year-round access to participating vessels would pose enforcement and monitoring challenges and in response, elect to restrict the use of effort units to specific time periods. For example effort units could be available for use only during a predetermined number of months that may or may not partially overlap with the regular recreational red snapper season. For multi-year programs, restrictions on when effort units could be used may be adjusted on an annual basis

Transferability Provisions

The effort units distributed to participants in the pilot program could either be transferable or non-transferable. The issuance of transferable units would potentially increase the flexibility of the pilot program and allow the units to be held by charter operators that value them the most. However, allowing charter operators who have been selected to participate in the pilot to reap benefits by selling their effort units while other charterboats do not enjoy the same opportunity may be a source of concern with the Council and within the industry. The distribution of non-transferable effort units would eliminate these concerns but would not offer the opportunity to evaluate the performance of a market for effort units. The Council could also place partial restrictions on the transferability of effort units, e.g., for a program expected to last two years, allow effort units to be traded only during the second year of the pilot program.

Enforcement

This section outlines recommended elements to ensure vessel compliance in using allotted days-at-sea and to enable dockside validation of effort and catch. These features are typically used for enforcement in the commercial IFQ programs and would be modified appropriately for use in the pilot program.

Participating vessels would make trip declarations (hail-out and hail-in) for every departure. Vessels would hail-out and indicate whether they intended to harvest red snapper or not harvest red snapper, and report the amount of days-at-sea to be used on the trip. Vessels would also be required to hail-in and indicate their vessel identification number, the time of landing, the location of landing, and the amount of red snapper being landed (including zero catch). It will be useful to obtain input from industry and enforcement on the window of time necessary to make an advanced notice of landing. A one-hour hail-in requirement has been proposed for the

Headboat Cooperative EFP. Hail-in notices could be integrated with email notices to alert law enforcement and port agents of vessels returning to port.

Participating vessels may land at approved landing sites only. These sites would need to be preapproved by law enforcement and meet criteria for enforcement and port agents to access the site. The sites should be developed with input from the for-hire industry and be in proximity to recreational fishing infrastructure.

Vessel monitoring systems (VMS) would enable enforcement to validate that declarations were made for all trips, and that vessels landed at approved sites. Hail-in notifications and approved landing sites will allow for random dockside inspections. Dockside validation would be required to verify the accuracy of trip declarations, by determining if trips landed red snapper. A sufficient number of participants' trips reporting that red snapper will not be landed would also need to be sampled to ensure red snapper were not landed.

In addition, decisions will need to be made concerning consequences for program violations; such as if red snapper were found in possession on a vessel which had not indicated its intent to harvest red snapper at the hail-out. Enforcement would also need to ensure that participating vessels do not land red snapper during the open federal season (i.e., fishing as a non-program participant) without using their vessel's allotment of days-at-sea.

Effort and Catch Validation

An electronic data reporting system would need to be established to monitor and record participants' use of apportioned days-at-sea, effort, and catch. There are several electronic data reporting system options. The Southeast Fisheries Science Center is developing a web-based electronic reporting system for headboats that will also include a mobile application. A web-based system for reporting was developed for the recently completed marine recreational information program (MRIP) logbook pilot project. Also, the Harte Research Institute developed an electronic logbook application (iSnapper) for charter vessels that is designed to work with MRIP. The potential effects of the selected data reporting system on current data collection programs must be considered. Specifically, there will be duplication in data collection for MRIP, but these data could also be collected for pilot study validation.

Electronic reporting must be accomplished prior to landing and could be used for the hail-in landing notification, as well. At a minimum, the following elements should be included: number of anglers, number of red snapper caught, and fees paid for the trip. Some captains may be reluctant to report price data. Outreach workshops could be conducted to help design reporting requirements, including those for price data, to address captains' concerns.

Dockside validation will be required to ensure the accuracy of electronically reported use of days-at-sea, effort, and catch. Consideration should be given to potential penalties for false reporting (or not reporting) and whether or not vessels could be removed from the pilot program. It is recommended that proportional probability sampling (PPS) methodology be used for selecting dockside validation visits, as it allocates sampling based on the proportional number of

vessels at a site. Sites with many vessels are selected more often than sites with fewer vessels. When a site is selected for sampling, all returning vessels are interviewed. Port samplers directly observe harvest (count, weigh, measure) and interview vessel operators to obtain effort data. The PPS sampling methodology was also used for the MRIP logbook pilot project.

It is likely that additional port sampler personnel will be needed to conduct dockside validation. The number of personnel will be contingent on the geographic area of coverage and number of participating vessels. Clustering approved landing sites into regions could help make validation more efficient. A number of regions would be randomly selected each week. All vessels in each selected region would be validated to determine if the vessel is in or out of port and whether or not the vessel is or is not fishing. Limiting the time frame in which days-at-sea could be used would reduce the need for validation and enforcement during lower effort time periods. However, this would also reduce the flexibility to program participants.

Program Evaluation

At the end of the pilot program, the Council would conduct an evaluation to assess the program's performance. The program evaluation would enable the identification of under-performing elements and may suggest future directions or modifications to the overall program design. The criteria for evaluating the pilot program should be specified clearly prior to program implementation, to ensure that necessary data are collected and maintained. Non-program participants should be included for comparative purposes. The collection of socioeconomic data should be included and will need to adhere to requirements of the Paperwork Reduction Act, requiring time for approval of the data collection instrument before program implementation.

Identifying a control group of charter vessels would enhance program evaluation by allowing direct comparison of participants and non-participants. For example, with a control group, effort could be evaluated by comparing the amount of days-at-sea participants fished with the number of days fished by non-participants during the federal open season. If trip cost data can be accurately collected from both control and actively participating vessels, profitability per unit of effort could be compared. These groups could be further stratified and compared by geographic area and vessel capacity.

A survey for program participants could evaluate participants' satisfaction with the program, emphasizing whether the program's objectives, including increased flexibility in trip scheduling and economic profitability, were met. The survey could also address the perceived cost effectiveness of program start-up and equipment costs. Use of a dockside, post-trip customer satisfaction survey could enable analysis of angler satisfaction with the program. Enforcement reports could be used to assess participants' compliance with program requirements. The evaluation could also examine the program's success or failure at constraining effort and how well landings are predicted based on issuance of days-at-sea. Based on the evaluation's conclusions, the Council could decide to extend or terminate the pilot program, or implement days-at-sea Gulf-wide for the charter industry.

Appendix A

Motions passed by the Ad Hoc Reef Fish LAPP Advisory Panel, October 2011.

That the pilot program would have a duration of one year with the option for a second year after review.

Motion carried.

The pilot program would be restricted to vessels that hold a federal charter for-hire reef fish permit.

Motion carried with one opposed.

That the participants be a statistically valid sample greater than or equal to 10% of the federally permitted charterboat fleet representative of the geographic range and of vessel capacity and business models in the red snapper fishery. The sample will be drawn from a pool of volunteers.

Motion carried.

That one day at sea be defined as a trip where red snapper is declared to be harvested.

Motion carried.

To recommend to the Council that iSnapper be the preferred mechanism for data collection and that the required data include the fields currently reported in iSnapper.

Motion carried.

To request that the Council develop socioeconomic metrics and reporting requirements to evaluate pilot success in achieving the objectives, including passenger anglers' evaluation of the pilot program.

Motion carried.

To participate in the pilot program, the vessel must have a transponder or VMS to verify vessel activity.

Motion carried with two opposed.

That port samplers and/or observers be utilized to verify catch and discard data regarding the trip.

Motion carried.

To request that the Council propose all components of the pilot days at-sea program for funding as an early restoration project.

Motion carried with one opposed.

Motion: That legal counsel define penalties for noncompliance in the days at sea program to be severe enough to discourage reoccurrences.

Motion carried.

Motion: To have the days at sea charter for-hire pilot program up and running as of June 1, 2012.

Motion carried.

Motion: To request that the allocation of the for-hire pilot program come from the recreational sector.

Motion carried with one opposed.

Motion: That the pilot program participants are reflective of the makeup of the existing federally permitted charter for-hire sector by percentages of six-pack and multi-passenger vessels.

Motion carried.

Motion: That the days at sea pilot program will have equal distribution of red snapper fishing days to participants regardless of passenger capacity of the vessels.

Motion carried with one opposed.