

From: Will Copeland <willcope0929@gmail.com>
Date: Monday, May 8, 2017 at 10:16 AM
To: Emily Muehlstein <emily.muehlstein@gulfcouncil.org>
Subject: GOM red snapper IFQ program issues

Emily,

Please find attached two documents. The first attachment contains some of the details on how I believe the current GOM red snapper (and grouper/tilefish as well) program violates the intent of the Magnuson-Stevens Act (MSA) and in several cases the letter of the law. The second attachment contains some of my proposals to address these issues. I believe the attached plan would create additional jobs in this fishery, create more stability in this industry, spread economic benefit to more areas along the Gulf coast, end a multi-million dollar welfare program, help small vessel owner-operators make a living, and bring the program more in line with the MSA. Further, I believe most of the plan could be implemented without the infamous referendum process.

I respectfully request you forward the attached documents to the appropriate NOAA staff, Gulf Council staff, and Gulf Council members for their review and consideration. I further request thoughtful feedback on my MSA issues and my plan to address these issues from all parties. I would also appreciate the opportunity to present this information at the next Gulf Council meeting.

Some overall thoughts about how to establish and run an IFQ program that would be fair for all. No private person, corporation, or other entity should ever receive permanent shares of a fishery. This in effect transfers ownership of a public resource to private individuals. Instead, allocation should be provided to actual FISHING VESSELS/FISHERMEN giving them the right to harvest fish. With that in mind, an "allocation bank" should be operated by NOAA Fisheries and all allocation should be issued by and leased from NOAA. Only properly licensed fisherman/fishing vessels participating in the fishery should be allowed to lease or receive allocation and they should all pay the same price for allocation. The fee for leasing allocation would be paid to NOAA fisheries for program operations and maintenance, and to provide funding for fisheries data collection. Certainly vessels with strong catch histories of a particular species should be able to lease more allocation during the fishing year than vessels who do not. But, we should all have access and opportunity to lease allocation through NOAA, as well as the ability to trade allocation with other fishermen.

Please feel free to contact me with any questions at [727-457-3900](tel:727-457-3900) or willcope0929@gmail.com.

Sincerely,

William Copeland
[727-457-3900](tel:727-457-3900)

Proposed changes to the Individual Fishing Quota (IFQ) Programs for
Gulf of Mexico (GOM) Commercial Reef Fish including Red Snapper and Grouper/Tilefish

- The following proposed changes focus on
 - Establishing a NOAA Fisheries reef fish allocation bank (RFAB) to provide small vessel owner operators better access to allocation and help reduce bycatch discard loss in the fishery.
 - Eliminating from the fishery, shareholders who lease their allocation for profit (LFP) but don't directly or actively participate in the fishery.

- NOAA will establish, operate, and maintain a RFAB for all reef fish share categories (RFSCs) to primarily provide better access to leasing of IFQ allocation for new entrants and small vessel owner operators.
 - The RFAB will receive allocation "deposits" in 2 ways.
 - The annual allocation (in pounds) to be distributed to shareholders will be capped for each RFSC. All annual allocation above that amount will be put into the RFAB.
 - NOAA will place a minimum 20% of all annual allocation in each RFSC in the RFAB
 - The cost to lease allocation from the NOAA RFAB will be fixed at \$ (pick a price) and will be paid to NOAA Fisheries to cover program operations and provide funding for fisheries data collection.
 - Allocation leased from the NOAA RFAB cannot be re-leased or transferred. It must be used for harvest only by the CRPV associated with the IFQ account when leased.
 - Rules for determining eligibility to lease allocation from the RFAB follow:
 - Only CRPVs with valid IFQ accounts may lease allocation from the RFAB.
 - Shares and allocation in all valid IFQ accounts held by an individual, group of individuals in business together, or their associated corporations will be added together to determine their share portion and allocation levels (SPAL). Anyone moving shares or allocation to avoid determining an accurate SPAL will have their access to the RFAB terminated indefinitely.
 - Any individual, group of individuals in business together, or their associated corporations with no shares in their SPAL for a RFSC may lease allocation from the RFAB for that RFSC.
 - An individual, group of individuals in business together, or their associated corporations with shares in a RFSC cannot lease allocation from the RFAB for that RFSC until 90% of their originally issued SPAL for a RFSC is HARVESTED by the CRPVs associated with their IFQ accounts.
 - When eligible, a CRPV/IFQ account can submit a request to lease allocation in that RFSC to the RFAB. Requests will be filled on a first come first served basis. Only one request per month for each RFSC in an IFQ account can be submitted. The allocation request must be for at least 200lbs of allocation with a maximum of 500lbs. (Somewhere in the 100 -1000lb range depending on RFSC)
 - No single individual, group of individuals in business together, or their associated corporations can lease allocation for a RFSC from the RFAB if they hold more than 1% of the shares in that RFSC in their SPAL or if by leasing the allocation it would give them more than 1% of the annual allocation in that RFSC in their SPAL.
 - While I believe that selling shares or allocation violates the MSA section 303A, I suppose valid IFQ accounts can continue to buy, sell, and trade, shares and allocation between IFQ accounts as is currently done.

- Plan to address the LFP issue and end the multi-million dollar welfare and retirement program.
 - This is critical – First, we have to temporarily ban the sale or transfer of IFQ shares. This temporary ban on share sales and transfer would not impact the fishery. Allocation is what keeps the fishery moving. This ban will ensure all program changes can be implemented without shareholder manipulation.
 - Change the requirements to have an IFQ account. A valid IFQ account must meet the following criteria. All IFQ accounts not meeting the following criteria will be deemed invalid and closed:
 - Only GOM CRPVs with active commercial reef permits (CRPs) can have IFQ accounts.
 - Only a U.S. citizen, corporation, partnership or other entity can have an IFQ account or GOM CRP.
 - Only one IFQ account per CRPV and only one CRPV per IFQ account is permitted. If more than one IFQ account is linked to a CRPV, the account with the most shares will remain with that CRPV. All other IFQ accounts associate with that CRPV will be closed and all shares moved to the one remaining account. Exception: entities holding more than one CRPV may have one IFQ account in addition to their vessel linked accounts.
 - CRPVs must have an IFQ account to receive shares and allocation.
 - Return all IFQ shares and allocation from all invalid and closed IFQ accounts to NOAA immediately.
 - If a reef permit becomes invalid, its' IFQ shares and any associated allocation will return to NOAA immediately.
 - Each year, all shares associated with unclaimed IFQ will return to NOAA at year end.
 - For each RFSC, in each IFQ account, all allocation that was leased out by that account over the past 3 years will be averaged and the average number of shares associated with this leased allocation will return to NOAA.

- Plan to recapture shares and allocation from CRPVs/IFQ accounts that are not harvesting their allocation
 - If a CRPV/IFQ account fails to harvest an average of at least 80% of its' associated allocation for the 3 previous years, the average number of shares associated with the unharvested allocation will return to NOAA immediately.
 - Example 1: We have an IFQ account with tilefish shares. Of the allocation issued from those shares, the CRPV harvests 60% of their tilefish allocation in year one, 70% in year two, and 65% in year three. So, 35% of their tilefish shares will be returned to NOAA.
 - Example 2: We have an IFQ account with red snapper shares. Of the allocation issued from those shares, the vessel harvests 90% of their red snapper allocation in year one, 80% in year two, and 85% in year three. So, vessel retains all shares.

- Plan to reduce bycatch discard loss by redistributing recaptured shares and allocation
 - Any single individual, group of individuals in business together, or associated corporations which hold more than 0.1% of the shares in a RFSC will not receive any of these recaptured shares or allocation.
 - CRPVs which don't have landings in at least 2 of the last 3 years in a GOM IFQ RFSCs will not receive redistributed shares or allocation in that RFSC
 - All other active CRPVs with IFQ accounts and landings in 2 of the last 3 years will have these recaptured shares and associated annual allocation for all 6 GOM IFQ RFSCs put into their accounts as follows:
 - These CRPV IFQ accounts will receive recaptured shares to bring their IFC accounts for each RFSC to 0.05%. A lower number can be used if there aren't sufficient shares to redistribute. Any remaining shares will be distributed equally to all IFQ accounts.
 - These bycatch shares can never be sold and the associated allocation can never be leased out
 - Establish a separate RFSC for each type of tilefish. Redistribute tilefish shares based upon landings over the past 3 years.

- Plan to reduce the number of GOM CRPs. Anyone wishing to purchase and activate a GOM CRP must purchase and redeem two active CRPs to get one. That is a 2 for 1 exchange.
 - When the old permits are redeemed/surrendered, all IFQ shares and allocation from the 2 redeemed permits will be placed on the new permit.
 - There are no price controls on the purchase or sale of GOM commercial reef permits.

From: Steve Pruski <stevepruski@sbcglobal.net>
Reply-To: Steve Pruski <stevepruski@sbcglobal.net>
Date: Monday, May 8, 2017 at 10:52 AM
To: Emily Muehlstein <emily.muehlstein@gulfcouncil.org>
Subject: Re: Red Snapper Season

can you please forward this to the appropriate person or department. I am not sure I sent it to the right place. thank you

Please send this email to the appropriate location if this is incorrect. I do not understand why it is legal for this council to discriminate between citizens of our great country in relation to the red snapper and for that matter, any other fish. Will you please explain the following:

1) I do not understand how the quota system can ever work at this time if it is based on pounds because if the fish species is recovering, then the size of the fish you catch each year will be larger, which will cause the quota to be reached faster, which causes the fishing days to be lowered even though the number of fish in the gulf will have increased.

2) It is totally discriminatory to punish people in one state for the actions of people in another. From the information I have read, red snapper are not a migratory fish. They do not move up and down the coast, also since the depth of the water at the federal/state line varies along the coast and this fish really only inhabits waters deeper than 50 feet, it is totally inequitable to manage the gulf as a whole if you are truly trying to protect the fish.

3) I do not understand at all why a commercial fisherman can pick which days out of the year they choose to fish but an average citizen is told when he can fish for the same fish. The recreational fisherman normally must work to be able to buy a boat, therefore, it is not always practical for him to be able to fish during the allotted days. The federal government is still getting their taxes from the recreational fisherman's job, so the tax argument related to commercial fishermen does not carry any weight with me. The only non-discriminatory way to deal with this issue is a true permit system like is already being done with other species. This way the recreational fisherman can buy his/her fish when he wants, like the commercial fisherman, they will just pay in fuel, repairs, bait, etc. so therefore, we are both buying our fish, so it is odd that one fisherman is considered commercial and not the other when we are both buying fish.

stephen pruski
san antonio, tx

Stephen Pruski, CPA
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210.821.5400

1. MSA Sec 303A (b)(4) states that (b) NO CREATION OF RIGHT, TITLE, OR INTEREST – Limited access privilege, quota share, or other limited access system authorization established, implemented or managed un the Act – (4) shall not create, or be construed to create, any right, title, or interest in or to any fish before the fish is harvested by the holder: Fact: In the current shareholder/allocation system, a select group of individuals/corporations/entities were issued share portions of the fishery and each year they are issued their percentage share of that fishery through an allocation of that fish resource which can be harvested. Apparently, those individuals were also given the right to buy, sell, and trade those shares and allocation. I believe that violates (b)(4). Since they do not own an interest in that fish until it is harvested, how can they sell that fish before it is harvested. Note - Allocation should be made available for lease by NOAA, see atch plan..

2. MSA Sec 303A (c)(3)(A)(i)(III) states that (i) ELIGIBILITY – To be eligible to participate in a limited access privilege program to harvest fish, a fishing community shall – (III) consist of residents who conduct commercial or recreational fishing, processing, or fishery-dependent support businesses within the Council's management area. Fact: Many people who own shares in the IFQ program don't live anywhere near the Gulf coast and in fact don't even fish. They lease their allocation, given to them FREE each year by NOAA fisheries, as a source of income. One the largest overall IFQ shareholders across all IFQ species doesn't even live on the Gulf coast, they reside in South Carolina.

3. MSA Sec 303A (c)(5)(B)(i) states that (5) ALLOCATION – In developing a limited access privilege program to harvest fish a Council or the Secretary shall – (B) consider the basic cultural and social framework of the fishery, especially through -- (i) the development of policies to promote the sustained participation of small owner-operator fishing vessels and fishing communities that depend on the fisheries. FACT: The current system is a type of oligopoly, where a small group of individuals/corporations/entities control the fishery and receive the majority of the FREE annual allocation. 58% of red snapper shares and allocation are held by only 21 entities. There are no provisions to provide allocation to small owner operators. Without allocation we can't harvest fish, so we are forced to PURCHASE allocation given FREE to large shoreholders or go out of business.

4. MSA Sec 303A (c)(5)(B)(i) states that (5) ALLOCATION – In developing a limited access privilege program to harvest fish a Council or the Secretary shall – (B) consider the basic cultural and social framework of the fishery, especially through – (ii) procedures to address concerns over excessive geographic or other consolidation in the harvesting or processing sectors of the fishery: FACT: as stated earlier, the current system is a type of oligopoly, where a small group of individuals/corporations/entities control the fishery and receive the majority of the FREE annual allocation. Again, 58% of red snapper shares and allocation are held by only 21 groups comprised of various individuals and corporations.

5. MSA Sec 303A (c)(5)(C) states that (5) ALLOCATION – In developing a limited access privilege program to harvest fish a Council or the Secretary shall – (C) include measures to assist, when necessary and appropriate, entry level and small vessel owner-operators, captains, crew, and fishing communities through set asides of harvesting allocation, including providing privileges, which may include set-asides or allocation of harvesting privileges, or economic assistance in the purchase of limited access privileges. FACT: Nothing exists to help new entrants and small owner-operators.

6. MSA Sec 303A (c)(5)(D)(ii) states that (5) ALLOCATION – In developing a limited access privilege program to harvest fish a Council or the Secretary shall – (D) ensure that limited access privilege holders do not acquire an excessive share of the total limited access privileges in the program by (ii) establishing any other limitations or measures necessary to prevent and inequitable concentration of limited access privileges. FACT: Again, 58% of red snapper shares and allocation are held by only 21 groups comprised of various individuals and corporations. While there are almost 800 active reef permitted vessels in the Gulf. I see that as an inequitable concentration.

7. MSA Sec 303A (c)(5)(E) states that (5) ALLOCATION – In developing a limited access privilege program to harvest fish a Council or the Secretary shall – (E) authorize limited access privileges to harvest fish to be held, acquired, used by, or issued under the system to persons who substantially participate in the fishery. FACT: Currently, many of these privileges (shares and allocation) are held by individuals and corporations who do not substantially participate in the fishery. In fact, many shares are held by individuals and corporations who don't own a vessel or a reef permit. They can't even harvest fish, yet they have shares.

From: Jeff Sharnowski <jsharnowski@yahoo.com>
Reply-To: Jeff Sharnowski <jsharnowski@yahoo.com>
Date: Sunday, March 26, 2017 at 4:24 PM
To: John Milner <gulfcouncil@gulfcouncil.org>
Subject: To all Council members

After listening to the Webinar (36A) on March 22, 2017 @ 6pm.

I would like to request The Counsel put an extra box on the "Submit your Comment here!" Form especially on 36B (*Required). If they check "Commercial Fisher" add a box something like. "Did you buy your boat and permit, before or after the implementation of the IFQ program". If they say **before** there should be a "date box". Because I can see a few years before the program started getting a permit and not knowing the catch history or if the if the IFQ program would pass. But **after**, any one complaining after should have made a better business plan.

When I bought my boat (1999) I did my research, I asked questions. I knew all about the business part of Commercial Fishing. The Regulations, boat expenses, fishing expenses, were I was getting my supplies, what species and how many I could catch, who was going to buy my fish and approximately at what price. So, I could figure out when I would break even and make a profit. The only thing that was a mystery was if I could find and catch the fish.

If you bought your boat and permit **after** the implementation of the IFQ program. In your business plan, here are a few extra questions you should have asked and answered. Where can I get the Allocations, I need?
Can I lock in enough Allocations to keep me fishing the whole year?
Is it better to lease Allocations or buy Shares?
If I buy Shares how many years will it take to pay them off vs leasing Allocations?
i.e. (What would be the equivalent in Shares, with the money spent on Allocations)

The Gulf Council should know if these new boat/permit owners did their due diligence, or if there just ignorant in what it takes to be a Commercial fisherman business owner. Fact is business fail all the time from being ignorant and it is not a defense. New business owners should know what they're getting into.

Again, (from my last letter) I urge you to implement an (IFQ Finance Program) that allows the smaller fisherman the ability buy Shares (give the lender the ability to put a hold on them, use them as collateral). When I decide to sell my Shares, I don't want to sell them to the big guys so they can get bigger. But I may be forced to, and to the ignorant people that say "just give them back" well, I paid good money for Shares so that I could fish all year long. It's not a good business plan for me to give my money away. Would you?

In closing we need more info on the people giving comments, when did they enter the Commercial Fishery? Is there really something wrong, or were these people blindsided by their lack of due diligence. **36B Writers, do your due diligence go back and read Amendment 29...** Thank you for your time, and please read this in open Council.

Jeff Sharnowski



Leann Bosarge, Chairwoman
Gulf of Mexico Fishery Management Council
2203 North Lois Ave, Suite 1100
Tampa, FL 33607

January 27, 2017

Dear Madam Chair,

On behalf of the Gulf of Mexico Reef Fish Shareholders' Alliance (Shareholders' Alliance), please accept these comments on the following issues to be discussed at the Gulf of Mexico Fishery Management Council (Gulf Council) meeting in New Orleans, Louisiana this week.

Exempted Fishing Permit (EFP) – Electronic Video Monitoring (EM) Pilot Program

It should come as no surprise to hear that we support the EFP we submitted for your review. We believe that fishermen and sea turtles can coexist, and are requesting the opportunity to validate this through an EFP. We propose to demonstrate that up to eight bottom longline vessels working with onboard video cameras and a bycatch hotspot reporting program can successfully target grouper inside the summer longline closure without harming the rebuilding of sea turtle populations in the Gulf of Mexico. While a broad closure may or may not have been the most appropriate accountability measure put in place at the time, we believe that there should be the opportunity now to explore other options that aren't as economically harmful to fishermen *if* fishermen are willing to assume additional accountability and responsibility and *if* such a program doesn't impose substantial harm on sea turtle populations. Support for this EFP will be consistent with the Southeast Electronic Monitoring and Reporting Regional Implementation Plan, and we have been working diligently with the Southeast Regional Office (SERO) and the Southeast Fisheries Science Center (SEFSC) for over a year to develop this proposal.

I want to take this opportunity to provide additional clarification for the EFP based on feedback we received through our outreach efforts last week:

- We believe the results of this two year program will demonstrate that fishermen, scientific partners, and the National Marine Fisheries Service (NMFS) can build a mechanism that simultaneously maintains responsible fishing access and sea turtle protections. This could come in the form of a rigorous program that would allow limited access to this closure rather than removal of this closure in its entirety. However, we urge the Gulf Council and NMFS to regularly and frequently review the effectiveness of this and any closure to determine whether it/they continue to meet their objectives.
- Analysis of commercial bottom longline fishing variables are beyond the scope of this EFP. Our priority is to test the efficacy of cameras to account for and avoid sea turtle bycatch. Given the

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necessary limited nature of this EFP, there was concern that a statistically sound dataset would be difficult to generate with such a large number of commercial longline fishing variables (e.g. hook size, offset, and gauge; bait type; gangion length and gauge; mainline length and gauge; soak time; setting and haulback speed; habitat/substrate; fishing depth; oceanographic and atmospheric conditions, etc)

- We set the cap at eight vessels because this represents approximately 12% to 15% of the active reef fish bottom longline fleet in the Gulf of Mexico. Working with fewer vessels would diminish the robustness of our dataset, while working with more vessels may push the definition of “limited testing” – a qualifying criteria for any EFP. Hardware limitations would present an additional problem. Finally, it’s critically important to the success of this EFP to be able to work with a small but dedicated group of captains that are committed to its success. If this manageable group of captains can help build a viable program that works, then there’s no reason why this program shouldn’t then be available to qualifying and committed fishermen in the future.
- Up to four cameras are installed onboard these vessels – one at the hauling station and up to three others on deck. Anything brought up in the gear will be viewed and accounted for, as will anything removed from the gear and brought on deck. Camera installation is vessel-specific, but done in a way where there are no blind spots where catch can go unaccounted for.
- The Shareholders’ Alliance supports the development of a *voluntary* camera/EM program that is approved by NMFS and allows fishermen to use camera if they so choose. We understand how this technology is working for commercial fishermen in Alaska, California, and New England and we believe that fishermen in the Gulf deserve this opportunity as well. We do not support blanked fleet-wide mandatory camera requirements.

We hope that you will provide NMFS the opportunity to address and approve this EFP in time for data collection to begin June 1 of this year.

Reef Fish Amendment 36B

We welcome the opportunity to have a deliberate discussion about the successes and shortcomings of the two IFQ systems in the Gulf of Mexico, as well as develop ideas for viable solutions that solve legitimate problems.

While the results of the Red Snapper Individual Fishing Quota (IFQ) Five Year Review are available, NMFS has yet to provide the results of the Grouper-Tilefish IFQ Five Year Review. If the results of Amendment 36B are intended to apply to both IFQ programs, makes the most sense to initiate this discussion after we receive the Grouper-Tilefish Five Year Review analysis so that the Gulf Council has enough information to make an informed decision.

When considering these discussions, we urge the Gulf Council to think through:

- Whether the “problem” is real or perceived and how to make this determination.
- The intended and unintended consequences (positive and negative) of modifications to the two IFQ programs.
- The impact of changes on existing fishing businesses and the seafood supply chain.
- Whether the “solution” actually solves a defined, legitimate, and agreed-upon “problem.”
- Whether the IFQ programs are meeting their intended goals and objectives.

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The Shareholders' Alliance is committed to educating the Gulf Council and stakeholders throughout this process on the true impacts of IFQ changes to fishermen and fishing businesses in the Gulf.

Corals/Habitat

The Shareholders Alliance supports the protection of corals. Corals and complex coral habitats help support healthy fish populations which, in turn, support healthy fishing businesses. However, we believe that there are better ways to address coral protections than large, permanent fishing closures. We believe that preserving historical fishing access and preserving complex coral habitats are not mutually exclusive concepts.

As was evidenced at the meeting of the Pulley Ridge Working Group, Amendment 7 still has a long way to go. We look forward to getting more, more accurate, and more recent information about proposed habitat areas of particular concern (HAPCs) in the Gulf, including *all* commercial fishing data, and look forward to providing more input on historical fishing in these areas. We also look forward to getting more information about the true impacts of the Gulf's commercial fishing gear on these habitat areas in the context of all impacts on corals (e.g. oil and gas exploration, climate change, sedimentation, ecosystem shifts etc).

For-Hire Electronic Reporting

We encourage the Gulf Council to take final action at this meeting and to prevent further delay in implementation of this important fishery tool.

Ad Hoc Private Angler Advisory Panel (AP).

We encourage the Gulf Council convene this advisory panel (AP) as soon as possible after this January Gulf Council meeting to develop a viable solution(s) to the ongoing problems in the private angler sector of the recreational red snapper fishery. According to the most recent NMFS data, in 2016 the private angler sector exceeded its quota by 20% and its annual catch target by 50% (with some data still outstanding). Clearly, the existing state and federal management strategies are not working. It's time for a real solution, and we are looking to the AP to provide that.

Thank you for the opportunity to comment.

Sincerely,



Eric Brazer, Deputy Director
Gulf of Mexico Reef Fish Shareholders' Alliance