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
stevepruski@sbcglobal.net
210.821.5400

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

From: Rose Baker <rose1229@gmail.com>
Date: Tuesday, March 7, 2017 at 10:39 PM
To: John Milner <gulfcouncil@gulfcouncil.org>
Subject: commercial IFQ,s and reef fishing.

Hi, my name is Joe Baker and have a few concerns that I and many other commercial fisherman have. When I purchased a Gulf of MEXICO reef license, I and many others were under the impression that the licenses had quota that the previous owners had. When I started asking and calling about information on the license and its quota I was getting that (nobody but NOAA can reveal the information) or call the state in which it was purchased ex. No answers, no quota!!

We came to find out that certain companies with financial capital bought the licenses, stripped the quota,resold the licenses and now have TREMENDOUS amounts of market share and quota! resulting in the price per share out of reach for most of the guys that fish. This created a situation where ones that never fished for a living and understand the work, money, and danger that is involved- NOW OWN MOST OF THE SHARES AND QUOTA NEEDED TO FISH!! Of course the quota is not being filled. Most of the quota at one time,belonged to the license or vessel. There are guys that are ready and capable of fishing, but its just not worth it unless you have your own quota.We get the importance of maintaining resources, but targeting legit fisherman is not the answer.Its unbelievable VMS, Regulations, Scrutiny by officials that legit fisherman have to endure on top of the quota fiasco! There are people who fish for these fish illegal and sell them! and make a good living at it, not having risk or investment to worry about also!

Whats a non activated account??When I bought the license, I was told that you only opened a account if you were PURCHASING quota! is this what they are considering "non activated accounts?????? What about licenses that had accounts and had quota? They plan on taking shares from non active accounts and give them to the fore mentioned IFQ holders,many who never fished a day in there lives who have the quota and lease quota to the ones that have licenses??(like stock)

We are ready, willing and able to fish, so do something about getting quota into the fisherman hands who have the license to fish! don't allow them to legislate that "because the license is not fishing" ---then have the license be pulled or heavily fined(thus screwing the fisherman again) but legislate that quota get into the hands of licensed fisherman!. I have a Gulf reef license like others, but yet we cant fish red grouper or snapper without quota!! Red grouper is the dominate species where we fish, We fish all day pulling up red grouper and throwing back, to fish for grouper that is not IFQ, Why isn't the Gulf of Mexico commercial reef license holder able to qualify to receive quota to fish the area and the dominate species within it?

Doug, this is a problem and I think you know it! I encourage fellow fisherman to sell out or broker a deal with fellow fisherman if they are retiring. If we do not protect what we have and legislate laws to protect our fishery and those who depend on it, take the risks, work hard at it and love what they do, like everything else IT WILL BE STOLEN FROM US! Please take into consideration what has been said when discussing regulations on behalf of the fisherman! After all we invested in our time, finances know how,to do what we love most! put time and effort into putting quota in the hands of the licensed fisherman who fish!

Please respond and help us to understand the process especially concerning license holder quotas and non activated accounts.

Thanks JoeB

Kevin Anson, Chairman
Gulf of Mexico Fishery Management Council
2203 North Lois Ave, Suite 1100
Tampa, FL 33607

August 14, 2016

Dear Chairman Anson,

On behalf of the Gulf of Mexico Reef Fish Shareholders' Alliance (Shareholders' Alliance), please accept the following 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.

Amendment 36a (Commercial IFQ Modifications).

- **Action 1 - We support the expansion of hail requirements.** Measures like this will improve enforcement and close loopholes that undermine the individual fishing quota (IFQ) program. We'll continue to work with the Gulf Council and other industry groups to determine how extensive this should be.
- **Action 2.1 - We support the closing of red snapper/grouper-tilefish IFQ accounts that have never been activated (Alternative 4).** Allowing commercial access to this allocation will help achieve optimum yield and will provide economic benefit to the commercial sector and seafood-consuming public.
- **Action 2.2 – We support redistribution of shares from accounts that have never been activated.** To that end, we support maximizing the value/impact of these shares by using them to address a clearly-defined fishery problem. Red snapper discards and fishery transition to the next generation have been identified as concerns with the current IFQ systems. If the Gulf Council agrees, we hope this body will explore viable, efficient, and effective means for applying these shares to address this problem. Industry-run quota banks have demonstrated success throughout the country in addressing fishery problems through the creative and cooperative use of allocation/shares. The Gulf of Mexico Reef Fish Quota Bank is an example that exists in this region that can publicly demonstrate a track record of reducing red snapper discards and assisting the next generation of red snapper fishermen. Please see Tab B, #6 in the Gulf Council briefing book for more information about this program. **We strongly encourage the Gulf Council to include an alternative in this Action to distribute the annual allocation associated with the shares in question to participants through an industry-run quota bank** and we look forward to working with the Gulf Council to develop a plan that details how this program would achieve its stated goals and meet the needs of the Gulf Council and the National Marine Fisheries Service (NMFS).

Flower Garden Banks National Marine Sanctuary Draft Environmental Impact Statement (DEIS).

- We believe that habitat protection and selective commercial fishing activities are not mutually exclusive activities. To that end, **we continue to support the inclusion of a regulatory alternative in the DEIS document that would detail a comprehensive commercial endorsement and certification program**

that would allow qualifying commercial fishermen to continue to operate within proposed boundaries. Please see Appendix 1 for more details on this proposed program.

- The DEIS falls short in a number of other areas, including:
    - The document states that "NOAA considered but eliminated from further evaluation regulatory alternatives including fishery closures or permit requirements…" (p. 3-2) yet provides no detail for why these ideas were rejected. These details should be provided.
    - NOAA is required to look at a reasonable range of alternatives for a management action. The DEIS states that NOAA has "developed a reasonable range of *spatial* alternatives…" (p. 3-1, emphasis added) which is not equivalent. Limiting the range of alternatives to only spatial ones excludes any other reasonable alternatives from being considered, which may violate the National Environmental Policy Act (NEPA) and would certainly overly restrict the analysis.
    - The DEIS states that its purpose is to "expand, as appropriate, the network of protected areas…" (p. 2-1) which indicates that expansion is a foregone conclusion. This is reiterated on page 5-37 where the document states "Alternative 1, the 'No Action' alternative, would not fulfil the purpose described in Section 2.1 or the need described in Section 2.2." In our opinion, a legitimate Purpose would set the stage for a determination of whether an expansion is necessary, not prematurely dictate this determination.
    - There are 153 pages in the document (excluding the Appendices), yet there is only one page of commercial fishing analysis in the "Affected Environment" section and two pages of analysis in the "Analysis of Environmental Consequences." This hardly seems sufficient.
    - None of the maps of the proposed areas include coordinates or depth contours (p. 3-3 through p. 3-14). How can commercial fishermen give input on the impacts of these closures if they don't know exactly where the boundaries are?
    - Page 5-19 of the DEIS states that the negative impact on commercial fishing is "less than significant… due to its low level of intensity in the context of the total commercial fishing industry activity in the north central Gulf of Mexico, and considering the mitigating factors identified below (i.e. potential for gear substitution, mooring buoy installations)." The paragraph goes on to say "Effort by boats fishing with bandit reel or hand gear would be affected to a lesser degree than effort by bottom longliners or shrimp trawlers…" and "As described in Chapter 4, many boats carry multiple permit types." It sounds like NOAA has determined that some of the harm imposed on commercial fishermen will be alleviated if they just switched gear types. However, there is no analysis whatsoever of the economic, social, regulatory, and biological cost/benefits for fishermen to switch gear types.
- Given that the Advisory Council has not had a formal opportunity to comment on the most recent boundary changes and the new information that led to these changes, **we strongly recommend that the Advisory Council be convened as soon as possible to review this information** and that a subsequent round of public hearings be conducted throughout the Gulf of Mexico that inform another DEIS prior to the Final EIS being developed.

<u>Ad Hoc Private Angler Advisory Panel (AP).</u>

- **We support the Gulf Council continuing to move forward with this AP.** We are glad to see the cycle of delay finally broken and we look forward to seeing these anglers finally given a seat at the table and a direct voice in management by the January 2017 deadline. We encourage the Gulf Council to choose candidates that not only recreationally fish, but who are committed to collaboratively and creatively solving problems and working with the Gulf Council and staff to ensure that this happens.

Charter/For-Hire Management (Amendments 41 and 42)

- **We support the Gulf Council continuing to move forward with Amendment 41 and 42 to develop charter/for-hire and headboat red snapper and reef fish management plans.** Doing so will afford these groups the opportunity to develop accountable management plans that work for their businesses and promote sustainable harvesting.

Amendment 33 (Reef Fish LAPP).

- **We continue to support the Gulf Council directing staff to proceed with the Amendment 33 document.** While not specifically on the agenda for this meeting, we hope that the Gulf Council will consider convening the Reef Fish AP to address management improvements for reef fish species not presently included in the IFQ systems. For example, greater amberjack continues to fail to meet its rebuilding requirements, remains overfished, has experienced commercial quota overages in seven of the last eight years, and has undergone commercial fishery closures prior to September every year since 2009 (the season closed on March 1 in 2012). There must be a better way to manage the commercial amberjack fishery. At this point, it's unclear whether or not an IFQ program would best solve some/all of these problems; but we do believe that the Reef Fish AP deserves the chance to review an updated document to decide whether or not to recommend moving forward and to start discussing IFQ issues for this and other applicable species. Please see Appendix 2 for more details on this proposal.

H.R. 3094

- We strongly encourage the Gulf Council to demonstrate its commitment to improving recreational red snapper management by defending itself against harmful federal legislation that strips it of its Congressionally-created authority. **We ask the Gulf Council to send a letter to Congressman Garret Graves' (R-LA) to inform him that you have initiated a private angler AP and a recreational red snapper management strategy in order to address shortened seasons and reduced angler access.** Not only is H.R. 3094 an unfunded mandate that's being imposed on commercial fishermen against their will or consent, it has now become a pointless waste of taxpayer time and money. We continue to believe that the Gulf Council – comprised of committed recreational, charter, and commercial fishing representatives as well as scientific and state agents - should be managing the nation's federal fishery resources, not solely 3 state bureaucrats. We hope you will defend yourselves from this bold and reckless attack on your credibility by letting Congressman Graves know that H.R. 3094 is unnecessary.

Thank you for the opportunity to comment.

Sincerely,

Eric O'Brazer Jr.

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

APPENDIX 1

Flower Garden Banks Commercial Fishing Endorsement Program Proposal

Problem Statement

Existing proposals for the expansion of the Flower Garden Banks National Marine Sanctuary incorporate heavy restrictions on commercial fishing activities that impose economic hardship on commercial fishing businesses and could disrupt the seafood supply chain.

Solution

We are seeking the development of a comprehensive commercial fishing endorsement program that would allow continued responsible commercial access to the proposed closures while at the same time protecting important habitat structures.

Goal & Objectives

The goal of this program is to demonstrate that habitat protection and commercial fishing operations are not mutually exclusive. The objectives of this program are to:

- Maintain continued commercial fishing access to proposed closure areas.
- Identify and codify commercial fishing operations protocols that minimize harmful habitat impacts.
- Develop a comprehensive training course for fishermen to attend.
- Educate commercial fishermen on the ecological importance of complex benthic habitat.

Eligibility Criteria

Program standards will be developed through a series of public workshops and other opportunities for public input. These may include but would not be limited to:

- Completion of a comprehensive training course that details sustainable harvesting and vessel operational practices that minimize habitat impact.
- Receipt and maintenance of a program certification that would permit approved commercial fishing operations to occur within the areas in question.
- Use of a working VMS.

Best Practices

An Operations Plan and Agreement will be developed through a series of public workshops and other opportunities for public input. This document must be signed by anyone who wishes to participate in the program, and may include but would not be limited to:

- Agreement to operate with higher levels of accountability including mandatory observer coverage and/or operation of a working electronic video monitoring system.
- Agreement to minimize habitat impacts through adjustments in fishing behavior or gear configuration.
- Agreement to increased data collection and reporting.
- Agreement that fishing opportunities in these areas could be revoked at any time if program standards are not achieved.

Administration

This regulatory program would be administered by the NOAA Office of National Marine Sanctuaries as coordinated with other federal agencies (e.g. NOAA Office of Law Enforcement, U.S. Coast Guard) and appropriate state agencies (e.g. Texas Parks and Wildlife, Louisiana Department of Wildlife and Fisheries).

APPENDIX 2

Gulf of Mexico Reef Fish IFQ Development

Executive Summary

The use of commercial trip limits and seasons as primary management tools often leads to quota overages or foregone economic profitability. This is especially true in the Gulf of Mexico with the management of greater amberjack and gray triggerfish. Fishermen and decision-makers should initiate an Advisory Panel conversation about whether a commercial individual fishing quota (IFQ) could address some of the biological, economic, and social problems in the fishery, and evaluate the tradeoffs of such a management shift. Fishing industry participation in these discussions and ultimate support is paramount.

Problem Statement

The Gulf of Mexico Reef Fish fishery is managed under two fundamentally different regulatory programs – one that utilizes outputs (e.g. quotas) and one that utilizes inputs (e.g. trip limits and seasons) to control fishing mortality. Red snapper, red grouper, other grouper species, and tilefish are managed under an IFQ while trip limits on landings and season lengths are in place for greater amberjack, vermillion snapper, red porgy, gray triggerfish, and others. IFQ and non-IFQ species are often caught on the same trip, which also presents conflicts and confusion for commercial fishermen.

The use of trip limits and seasons as primary fishing mortality tools is relatively inefficient and often results in quota overages (conservation risk) or quota underages (foregone economic yield). Managers must devote time and resources to regularly respond to these problems (capacity limitations) by adjusting these measures which alters impacts on fishermen and fishing communities (social disruption).

Amendment 33 to the Gulf of Mexico Reef Fish Fishery Management Plan proposes to consider IFQ management for a number of reef fish species that are currently managed under trip limits and fishing seasons. A number of these species consistently fail to achieve optimum yield or stable year-found fishing seasons, including:

- *Greater Amberjack*
    - Stock status: overfished.
    - Commercial quota overages in seven of the last eight years.
    - Commercial fishery closure prior to September every year since 2009.
- *Gray Triggerfish*
    - Stock status: overfished.
    - Commercial quota overages in two of the last five years including by 40% in 2012.
    - Foregone yield at a level of -25% to 35% in the last two years.

Solution

If developed properly and with considerable industry input, we believe an IFQ could address these biological, economic, social and logistical concerns through a stable, profitable, and accountable management system. IFQs can help rebuild fish stocks, maintain year-round fishing access, and substantially increased the value of the fishery and fishermen's businesses. This is evident in the two successful IFQ programs currently operating in the Gulf of Mexico – the Red Snapper IFQ and the Grouper/Tilefish IFQ.

The Gulf of Mexico Reef Fish Shareholders' Alliance (Shareholders' Alliance) proposes that the Gulf Council consider restarting discussions on Amendment 33 for the purpose of evaluating whether or not an IFQ system could address some of the pressing biological, economic, social, and management concerns with a number of reef fish species today.

As the Council acknowledged in its Scoping Document for Amendment 33, "the establishment of an incentive-based management program such as an IFQ is anticipated to reduce overcapitalization of the fleet, extend the fishing season and lower operating costs by affording IFQ participants more flexibility in their input choices and trip planning. An IFQ program is also expected to improve market conditions through a steadier supply of fresh fish, increased ex-vessel prices, and, improved safety at sea."

Recommendations

1. **Acknowledge biological, economic, and social benefits and limitations of existing management measures (e.g. define problem).**
    a. A proper evaluation of the success/shortcomings of existing input-controlled commercial fisheries is essential to the development of a strong Purpose and Need statement.
    b. Such evaluation will provide necessary context for the subsequent Advisory Panel (AP) discussion.
2. **Convene the Reef Fish AP to discuss alternative reef fish management measures (e.g. initiate a vehicle for solution).**
    a. With input from the Gulf Council, the AP should conduct a thorough analysis of management solutions.
    b. Components of an IFQ system that should be discussed include:
        i. Goals, Objectives, Purpose and Need (E.g. *What problem are we trying to solve? What do we want this fishery to look like in the future? How do we want the fishery to operate in the future?*)
        ii. Species
        iii. Program Participation (eligibility, involvement)
        iv. Define and Assign the Privilege (form, length, units, transferability, dispersal, allocation formula)
        v. Administrative System (allocation management, monitoring, reporting, operations)
3. **Engage in immediate and regular outreach with reef fish fishermen (e.g. ensure transparency).**
    a. Given the controversial nature of IFQ development, a premium should be placed on maintaining open and transparent communication with industry.
4. **Advance Amendments 36a and 36b with an eye towards IFQ expansion.**
    a. Legitimate concerns and justifiable shortcomings of the existing IFQ programs should be addressed in a way that applies this knowledge to the development of future IFQ programs.
    b. Given that the development timeline for Amendment 33 could be lengthy, it would not be unreasonable to initiate the Amendment 33 discussion now and allow it to run on a parallel track with (and be informed by) Amendments 36a and 36b.

Subject: Re: Dean Cox / Cox Fisheries
Date: Monday, August 17, 2015 12:24:20 PM Eastern Daylight Time
From: Dean Cox
To: Gulf Council
Category: AP-Data Collection, Charterboat

Red Snapper IFQ scoping questions and answers

> Should inactive accounts be closed if not activated by a specific date? What date or years should be used to identify inactive shares? Must those years be consecutive?

I believe inactive accounts should be closed , if they have been inactive for the period of one year or more from current date back.

Since inception of Red Snapper IFQ, We have identified stakeholders that are attempting to participate in the reef fish industry. Of course you should consider hardship cases and have a set amount of time to prove hardships.

> What should be done with shares from inactive accounts? If they should distributed to new entrants and small shareholders, how could this be accomplished in a fair and equitable manner?

Shares should be first distributed to historical captains and crew, that like myself received no initial shares yet can prove they were actively participating, and more importantly qualifying non fishing boat owners for IFQ shares. And or have been maintaining a commercial reef permit and associated costs.

The longer the history in the fishery the more shares they should receive.

Any shares left once the Council redefines historical participation , should be distributed to entrants based on years maintaining VMS and reef permits, perhaps via lottery with more years in the fishery weighting ballots.

There is however a regional caveat with this process, in that historically, the West Gulf has produced or perhaps, discards? more Red Snapper per capita than the Eastern Gulf fishermen in the reef fish fishery. And I feel this may have to account for weighted ballots as well, if a lottery should be considered.

> How should new entrant be defined? For example, those without shares, or someone who has never established an IFQ account, or someone who has never held a commercial reef permit before?

Those without shares has no bearing on whether or not entrant is new to the commercial reef fish industry.

A new entrant into the reef fish fishery should be defined as someone who has never owned, captained or crewed on a federally, commercially, permitted vessel. For the purpose of defining new fishermen.

Whereas new entrants to the Red Snapper IFQ program would have to be defined differently……

> How could shares held in inactive accounts be redistributed to address regulatory discards? What are the benefits of or weaknesses to using a permit bank or NMFS administration for the distribution ?

Shares from inactive accounts could be deposited directly into recipient shareholders accounts, or for more transparency ,use a central NMFS bank and distribute shares.

To do this equitably as well as to address discards the most efficiently. I think you will need to look at historical landings by region or port as well as historical participation in said regions.

Strengths of a permit/share bank. Transparency, oversight to ensure shares are distributed equitably as well as to reduce the most discards or do the greatest good for the fishery and fishermen without shares.

Weaknesses ? I cant think of any weaknesses with a NMFS bank at this time.

> In the event of future increases to the commercial red snapper quota, should part of this additional quota be retained and distributed to small shareholders and new entrants? How and to whom should this quota be distributed? What should be the baseline quota above which a redistribution would occur?

Yes, part, perhaps all of future increases in quota should be retained and distributed appropriately. provided initial share/quota qualifiers are maintaining or are exceeding their initial historical catch levels.

How? I discussed previously direct distribution or thru central bank.

Whom? I think the council first needs to define historical as well as new participants, then distribute appropriately.

The Baseline quota above which distribution should occur, is that which matches or exceeds initial qualifiers shares.

> How could quota redistribution be accomplished to reduce regulatory discards in the commercial fishery.

Again redefine historical participants ,define new participants define also by port or region or directed fishery in order to distribute appropriately .

> How would fishing behavior change as a result of removing the minimum size limit or requiring the full retention of all red snapper (landed)?

removing the minimum size limit changes, would need to be answered by current shareholding fishermen.

In my personal experience I have found it difficult to target smaller, yet marketable size snapper if this seems to be the norm with large and medium shareholding fishermen, then I suspect not much would change the composition of the catch. I haven't done the research but I suspect the average snapper landed nowadays is well over the minimum size limit.

If it were economically efficient for fishermen to target smaller red snapper they most likely would because smaller red snapper often command a higher market price.

You need to better define full retention i.e., Full retention for reef fish permit holders or full retention for red snapper shareholders?

If it were full retention for current shareholding fishermen, I don't suspect much would change.

However if it were full retention for reef fish permit holders , I believe a host of things would change both negative. I.e., Effort creep, market gluts or lower market prices, possible over fishing of OY, derby style fishery, perhaps,

harder to enforce?

Positive I.e., Lower cost to enter fishery, more profitable for new entrants, less discards, increased CPUE, increased flexibility.

What regulatory and monitoring requirements would be necessary for a full retention Provision to be adopted and enforced?

The simplest way to address both issues would be with video monitoring. However most in the commercial industry certainly would not discard fish that are marketable, so the current VMS and dockside intercepts should work.

How would a requirement for full retention of red snapper affect the ability of the fleet year round.

I suspect OY might be fully met instead of having fish in dormant accounts I also believe we would see effort creep with a full retention requirement.

How could red snapper allocation be made available to cover the full retention of red snapper?

Increase commercial quota, distribute unused shares/allocation .

What are other possible solutions to reduce regulatory discards of red snapper

Government subsidy or incentive to cease fishing operations ,

MPA'S, days at sea, or gear restrictions ,increase OY,MEY,MSY, reduce buffers.

Should non-permitted IFQ accounts have different caps (shares and/or allocation) than accounts with reef fish permits

Undecided on this , I will note there are ways to circumvent share/allocation caps.

Does establishing a vessel account landing cap disproportionately affect shareholders who have one vessel verses multiple vessels associated with their account ?

I suspect a vessel landing cap would affect shareholders proportionally unless a vessel account is merely in place to increase shares/allocation I.e., A person may have two vessel accounts but land Red Snapper on only one vessel.

Would an allocation cap be based on the amount an account (shareholder or vessel) can hold cumulatively over the year or at one point in time?

Undecided.

Should an allocation cap be larger than the equivalent share cap ?

Undecided at this time.

For participating vessels, would a landing cap be more applicable than an allocation cap for addressing

consolidation concerns?

Yes , but vessel and crew size would need to be taken into account.

Should the council reconsider use it or loose it provisions?

Yes

What should be the minimum annual percentage(or amount) of a participants IFQ shares or allocation required to be fished to maintain possession of corresponding shares?

Ultimately 100% so as to obtain MEY and OY from the fishery, criteria should be developed to allow for circumstantial buffers..

Would this disproportionately affect small shareholders who receive a minimum amount of allocation from shares? Should small shareholders be exempt from requirement? If so what should be the maximum amount of exempt quota shares?

Unsure at this time.

Should the Council consider delaying the full distribution of an IFQ participants allocation at the beginning of the year if a quota reduction is expected?

No, If I'm not mistaken there is a 20% buffer for the commercial sector that has 90% or better accountability and has never exceeded their TAC. With few exceptions a midyear quota decrease should not happen in an IFQ fishery. This can create instability in markets.

Would quota withholding be annual or only during prescribed conditions, such as while a stock is under a rebuilding plan or if preliminary results of a stock assessment are expected to result in a quota decrease?

Annually.

What proportion of a shareholders allocation should be withheld at the beginning of the year? Would this disproportionately affect small, medium, or large shareholders?

Should allocation only be withheld from accounts that hold a certain amount of shares or pounds of allocation? How would this amount be determined.

I suppose equal percentages?

This most likely would effect different size shareholders differently. I suspect more adversely for small or medium shareholders.

The allocation that is withheld should not be withheld from active fishermen IFQ accounts , rather it should be withheld from investors not associated with a reef permit.

When you invest in a stock you do so knowing there is risk involved that the stock may drop or the company may fail.

So I feel that if you are purely an investor IFQ holder with no stake in the fishery you should assume the risk that your shares may be withheld if the quota is reduced.

Thank you, Council, for the opportunity to comment on regulations.

Capt. Dean Cox

Owner operator, dually permitted Charter boat SEAHORSE.

Destin, FL.

Deancox@mchsi.com 850-259-8782

> ----- Original Message -----
> **From:** Gulf Council
> **To:** Dean Cox (deancox@mchsi.com)
> **Sent:** Monday, August 17, 2015 10:49 AM
> **Subject:** Re: Dean Cox / Cox Fisheries
>
> Dean:
>
> I'm unable to open your document. Can you send it in a word file or cut and past the contents into an email?
>
> Charlene
>
> ---
>
> **From:** Dean Cox <deancox@mchsi.com>
> **Date:** Monday, August 17, 2015 11:48 AM
> **To:** Charlene Ponce <gulfcouncil@gulfcouncil.org>
> **Subject:** Dean Cox / Cox Fisheries
>
> Council,
> I'm having trouble with the public comment format , if you can correct the attached so it displays properly, that would be wonderful.
> Thanks for you help!
>
> Capt. Dean Cox

Good Afternoon

my name, who I am

↓

In Regards to Amendment 28 I oppose it. Its not a good plan For the Conservation OF the Red Snapper Fishery

- It promotes over Harvesting
- It doesnt Improve Accountability For the recreational sector
- ~~And It Rewards Bad Behavior~~
- Ultimatly it will hurt the American Sea Food Customer

Any Q's In Regard to Amendment 36 Say?

Furthermore, I Oppose Amendment 36,

The Red Snapper IFQ System works. The 5 year review Confirms that, The IFQ System Does not need any major changes as are Suggested in this Amendment

IF its not Broken. dont Fix it.

Additionally I support the Status Quo For

Gag Grouper

Sir I would ask That ya Review the ~~Questi~~ Q+A From The last Scoping Meeting In St pete

Thank you

Joe Abdo

Commercial Fisherman Tampa

Subject: NO VMS No IFQs please pass along to all council memebers

Date: Thursday, March 19, 2015 at 12:26:16 PM Eastern Daylight Time

From: Thomas Adams

To: Gulf Council, Charlene Ponce

Category: Charterboat, AP-Red Snapper

All need to remember who the GSI is and who funds it. They spend weeks in dc and pay for many cfa members among others to walk the halls with them. They secured this funding by representing to Key Senators and Representatives that the majority of charter boat owners from the Gulf supported and want VMS on their boats. At the same time of the alleged 300 charter boat owners who want the voluntary program with VMS 150 + - already have a VMS because they are dual permitted and have commercial reef fish permits which require the vms. The safmc/gmfmc joint tech subcommittee report on electronic reporting clearly states a vms is not necessary for a required electronic data reporting system. In addition, every data expert who works for NMFS or anyone else will tell you a voluntary system is useless for the purpose of fishery management.
Everyone should be contacting their Senators and Representatives and the Gulf Council and NMFS and their respective state marine resource agencies and tell them they support an electronic reporting program that will be useful for monitoring and stock assessments but do not support the vms requirement. A smart phone or pad will provide the ability to report in such a program without vms and such a device is already in use by the majority of the charter boat owners.

Refer to The OFS Permit Plan - covers all boats, whether they are for-hire or private, provides real-time accountability, and would need to be mandatory

On the Red Snapper IFQ amendment 36

The entire system needs to be revamped and the shares redistributed. This entire IFQ program is a mockery to all fishermen. ANYONE that thinks having a commercial license and going fishing and having your OWN dock as an approved landing sight , and then having your very own commercial fish buyers and distributers license--AND weighing your own fish and writing your own trip tickets;;anyone that thinks that is right is a complete idiot. That is the system you have in place today. How often are these boats checked while unloading?? 20% of the time. They say they don't have enough officers to check all the landings--well of course they don't-They have given everyone and their brother their own APPROVED landing site of which very few meet the specifications needed for an approved site. Now if you wish to go on to their wholesale license. None of them meet the requirements or have the correct facilities to operate a wholesale fish house. This is utterly the stupidest thing the Gulf Council, NOAA and the NMFS has ever done. Where there used to be one fish house wholesaler for every 15 boats now there is one wholesaler for every 2 boats. Does anyone wonder why the commercial boys NEVER reach their Red snapper quota now and they used to before, in just a few days. Now they fish year round and still have quota left over ????? Smells fishy to me

David Register
5809 Bay Lake Dr. S
Saint Pete, FL 33708
(727) 482-2558
Usnrxdoc1@yahoo.com

To whom it may concern:

Subject: New Commercial Fishing In Florida

I retired from the Navy in 2009 and returned to my native state, Florida. I wanted to pursue a career in Commercial fishing and I have battled to make this happen for me and my family. First was the RS SPL next was a GOM Reef Permit since these are required to sell Grouper and snapper to any wholesale seafood dealer in our state. These are currently under moratorium and no more are available for purchase. (NOAA) I got over this hurdle by finding an individual on Craigslist selling his permit for 5,000, which are only 25.00 from NOAA. I got a personal loan and purchased it so I can have a chance to make it. The biggest hurdle is the IFQ system, which is the reason for this letter. Being a New Commercial fisherman you receive zero IFQ's unless you were part of the initial program in 2007. These required IFQ's are making it impossible to make a profit if you are a new commercial fisherman after 2007. It made many "old Salts" very rich by selling their grouper and snapper shares they received, this is well documented even though the Magnuson-Stevens Act says these are not real property. I have invested close to 70,000 dollars in permits, boat, and fishing gear.

My solution to this problem is re-assigning quotas that are not being "landed" by current holders, or give new commercial fisherman a limited amount of shares to start fishing. They can do this from the remaining IFQ's they held back for litigation that are not currently fished. This has become a complete racket,

Current example of 1 pound of Red Snapper or Gag Grouper:

I pay $3.25/LB to lease the IFQ allocation from a current share holder, I land 1 pound to a wholesale dealer he pay's me $5.00/LB. I make 1.75/lb, this is not right, why should someone that doesn't fish the allocation make more than the person who does?

The Magnuson-Stevens Act has left out the "new" commercial fisherman, I cannot survive on this disparity. Why should a fisherman that no longer fishes possess these shares as property and lease them out making several thousand's every year just because he was fishing in 2007 when the initial shares were given? I personally know of several people who sell (lease) over 5,000 Red Snapper, Grouper shares every January 1st, when they are reloaded into their account by NOAA, that's 15,000 every year for the rest of their lives, or until they sell them and make $150,000 nice profit for doing nothing and holding actual commercial fisherman hostage. IFQ's were not meant to make fisherman rich by selling the shares or leasing allocation every year, these are treated like a retirement investment. This was not the intent of the Magnuson-Stevens Act.
Thank You
Dave Register
HM1/FMF/RET

Subject: FW: What the law says

Date: Tuesday, October 29, 2013 12:06:07 PM Eastern Daylight Time

From: Charlene Ponce

To: Charlene Ponce

> -----Original Message-----
> From: Kay Williams [mailto:kay1951@me.com]
> Sent: Tuesday, October 29, 2013 10:52 AM
> To: Assane Diagne; Roy Crabtree; Doug Gregory; Kevin Anson; Phyllis Miranda
> Cc: johnny johnny@fishorangebeach.com; wayne pain | Warner; Buddy G; Donald Waters
> Subject: Re: What the law says
>
> It seems that the review was to have the commercial Fishermen to look at the goals and objectives of the plan. Were they met, if not then how do you address those that were not met. This was not to change the program,but to address those items that were not met.
> Dr Shipp said something was missing from the meeting. It sounds like all members are not giving opinions. Also as usually Dr Shipp should not be chairman and run the meetings when he has his on agenda that he is promoting.His comments to Mr Green were out of line.
> This meeting participation proves that the commercial reef fish fishermen had no representation on this panel.
> Please include this email as public comment.
>
> Thank you
> Kay Williams
>
> Sent from my iPhone
>
> > On Oct 29, 2013, at 10:34 AM, Kay Williams <kay1951@me.com> wrote:
> > Page 80
> > (G) include provisions for the regular monitoring and review by the Council and the Secretary of the operations of the program, including determining progress in meeting the goals of the program and this Act, and any necessary modification of the program to meet those goals, with a formal and detailed review 5 years after the implementation of the program and thereafter to coincide with scheduled Council review of the relevant fishery management plan (but no less frequently than once every 7 years);
> > Sent from my iPhone

August 23, 2013

Mr. Doug Boyd,
Chairman Gulf of Mexico Fishery Management Council
2205 North Lois Avenue, Suite 1100
Tampa, Florida 33607

RE: Red Snapper Catch Limits and Regional Management (Amendment 39), Red Snapper Allocation Options Paper (Amendment 28) and Final Action on IFQ Administrative Rule Changes.

Dear Chairman Boyd:

On behalf of The Gulf of Mexico Reef Fish Shareholders Alliance, we offer the following comments regarding the regional management approach proposed under Amendment 39 to the Gulf of Mexico Fishery Management Council's (Council) Reef Fish Fishery Management Plan and the Red Snapper Allocation Options Paper (Amendment 28), which are inextricably tied together through political rhetoric.

Amendment 39:

Though established from the need to better manage the recreational fisheries, the proposed regional management plan (Amendment 39) introduces additional management uncertainty and makes little attempt at accountability measures required to ensure the continued health and growth of the stock. To this point, we strongly encourage the implementation of post-season accountability measures (e.g., overage payback provisions) as a method to prevent overfishing and ensure stock recovery when ACLs are exceeded. We recommend:

- Ensuring regional management operates under the federal umbrella to ensure continuity of the science-based rebuilding plan and recovery of this species, while giving each state authority to manage their percentage of the ACL.[Amendment 39, Action 1, Preferred Alternative #2].

- Applying state-based payback provisions when the Gulf-wide ACL is exceeded to keep the rebuilding plan on track [Amendment 39, Action 6, Preferred Alternative #3].

- States should consider use of an annual catch target (ACT) to further capture additional management uncertainty incurred by regional management.

- The Amendment must not include the commercial sector as part of its plan since the inception of the IFQ program has proven significant accountability measures leading to no overfishing.

- The Amendment must not have ANY ties to the commercial IFQ programs as that defies the logic and need for state management of a RECREATIONAL sector in need of a strong management system to generate good science, and good data leading to a healthy recreational sector with growing seasons and no overharvest.

- Management actions introducing risks to rebuilding and threaten to return the stock to "overfishing" status can be in violation of the Magnuson-Stevens Act's central requirement to prevent overfishing.

Amendment 28:

- The red snapper IFQ program is achieving the conservation and economic goals established by the Gulf Council and Magnuson-Stevens Act per the review of the Gulf Council.

- Amendment 28 explores potentially reallocating red snapper from the commercial to recreational quota stating that the "need" for the action is "to prevent overfishing while achieving the optimum yield."

- As stated above, Management actions introducing risks to rebuilding and threaten to return the stock to "overfishing" status can be in violation of the Magnuson-Stevens Act's central requirement to prevent overfishing

- We support the status quo 2.1 Action 1 Alternative 1- No Action- in Amendment 28. Maintain the allocation set in Amendment 1 of the Reef Fish Fishery Management Plan.

- Given that no new quantifiable data has been presented, no formal full-scale economic study has been completed of the commercial sector and that discussions of a 1% allocation shift of red snapper would not even provide a marginal benefit to the recreational sector, yet every pound lost to the commercial sector is a fish lost to the American consumer and the entire seafood supply chain----NO shifting of allocation should take place at this time.

- National Standard 4, states that allocations shall be "reasonably calculated to

promote conservation." and any shift to the recreational sector which remains unaccountable at this time intimates a standard violation.

- There has been no valid argument presented other than bias from other organizations for reallocation given that the commercial sector is accountable, not overfishing and providing a protein source to millions of Americans. Reallocation has been proven by your SESSC that it does not solve the short recreational season and the economic basis, which is justified for less than a 1% shift effectively, does nothing for the recreational season. National Standard 5 also requires that economic efficiency cannot be the sole criterion in allocation decisions, overriding other national standards and rebuilding requirements.

Thus, science and the national standards have proven there is no basis for reallocation discussion save a power grab by what are viewed as competing entities. Furthermore, all discussions of Regional Management should be viewed with detailed speculation for an allocation ploy instead of the intended need for effective management of a sector.

Final Action on IFQ Administrative Rule Changes

We are in agreement that the red snapper IFQ management system has met its programmatic goals and played a significant factor in reducing discards, mitigating the race for fish, improving safety at sea, and rebuilding of our iconic fishery.

We agree with the Proposed IFQ Administrative Rule Changes as these were all industry recommendations.

Program Review Recommendations are:

-Establish formal review procedures/guidelines including, timeline, procedures for public input, analyses required, role of SERO, Gulf Council, SESSC, SEFSC, and Aps and (we would like to add Industry stakeholders to this list)

-Align future reviews with the grouper/tilefish-IFQ program; Both are part of same multispecies fishery and it is redundant and economically unsound to review one program without review of the other.

These recommendations will allow the current snapper program to streamline, continue meeting its goals and work toward rebuilding the fishery.

NONE of these recommendations or changes will trip a threshold creating the need for a referendum. And given that we have considerable challenges on the Council table such as overfishing, lack of AM's in the recreational sector, regional management, a struggling charter industry and reallocation; we recommend:

- Focusing on the severe problems facing our fisheries as stated above.

- Implement these simplistic changes to strengthen the only management systems currently working effectively in the Gulf.

- And that we should address any potential major changes to the IFQ system upon the 5 year review of the grouper/tilefish program.

Thank you for your continued efforts to serve and strengthen our Gulf.

With gratitude,

TJ Tate

Tj Tate
Executive Director
Gulf of Mexico Reef Fish Shareholders Alliance

June 21, 2013

Mr. Doug Boyd, Chair
Gulf of Mexico Fishery Management Council
2203 North Lois Avenue
Tampa, FL 33607

Dear Mr. Boyd:

Thank you for the opportunity to provide comments on Gulf of Mexico fisheries, especially red snapper which featured prominently on your June meeting agenda. The end of "overfishing" and subsequent progress on rebuilding of the still-overfished red snapper stock is a true success story. It is a real-life demonstration that management reforms, like the transition from derby fishing to individual fishing quota (IFQ) management in the commercial fishery and scientific catch limits, can create ecological and economic benefits enjoyed by communities, seafood consumers, and recreational and commercial fishermen and fishing businesses.

Unfortunately, there is little progress in improving recreational red snapper management, and several actions on the Gulf Council's agenda put the rebuilding at-risk by threatening the successful commercial program and failing to explore new tools to solve problems. In this letter, we provide several recommendations:

- Begin to explore a comprehensive vision of the red snapper and reef fish fisheries.
- Maintain the success of the commercial plan which is helping rebuild the stock and providing significant economic benefits.
- Strengthen the "regional management" proposal to provide lasting benefits, like longer seasons.
- Ensure that the catch limits foster continued rebuilding of red snapper and comply with the law.

1. Explore a comprehensive vision of the red snapper (and reef fish) fisheries.

Recreational and commercial fisheries are important to the Gulf's economy and culture. Fishermen and seafood markets seek access, availability, flexibility, and the long-term health of the stock. The challenge before the Gulf Council is to find solutions to the challenges of managing a popular yet limited red snapper stock. If well managed, the fishery can provide benefits to all parties while balancing conservation objectives.

While there are tremendous resources devoted to improving the management of the red snapper fishery, there is little progress toward solving the ongoing challenges of shrinking seasons and overharvests in the recreational sector. There are no ideas under consideration that simultaneously seek benefits for fishermen, fishing businesses, and U.S. seafood markets. Thus, we offer the following idea for consideration.

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edf.org

The commercial management plan, operating in federal waters, is working well. This part is already in-place and serves growing demand for wild, fresh seafood. On the for-hire recreational side, a fleet-specific IFQ design could be explored for vessels that operate in federal waters. The boats would have the opportunity to make the most of the limited catch for angler clients and their businesses. For private anglers, the regional management concept under consideration by the Gulf Council may be a good start. States could have a designated quota and also authority to try tools that can perform better than short seasons and small bag limits. Harvest tags like those used for big game hunting might be allocated to tourist seasons, tournaments, and other priorities to expand fishing opportunities available with the limited catch.

When each part of the fishery is well-managed, then quota trading might be organized between all the sectors to accommodate the ebb and flow of fish demand among them.

2. Maintain the success of the commercial plan which is helping rebuild the stock and providing significant economic benefits.

The Council's commercial red snapper management plan implemented in 2007 – using IFQs and eliminating or reducing season closures, trip limits, and size limits – has helped end overfishing and is a big part of the reason the red snapper stock is growing. Keeping the program working effectively is central to continued rebuilding.

The Gulf Council's five-year review concluded that the red snapper IFQ program is achieving the conservation and economic goals established by the Gulf Council and Magnuson-Stevens Act. The program ended the destructive derby that resulted in dangerous fishing, poor economic performance, wasteful bycatch, and chronic overfishing.[1] The commercial fishery is harvesting under its quota while discarding has been reduced. Overfishing for red snapper has ended and the annual catch limit is steadily increasing. Ex-vessel prices and share prices have increased and stabilized under IFQs, reflecting confidence and expectation for long-run economic and biological improvements. Certain potential improvements were identified. We recommend that over time the commercial industry, other stakeholders, and the Gulf Council explore and implement long-term improvements, especially related to at-sea monitoring (to better account for remaining discards) and including additional reef fish species still managed under derby fishing in the IFQ program .

Amendment 28 to reallocate red snapper from the commercial to recreational quota states the "need" for the action as "to prevent overfishing while achieving the optimum yield."[2] However, without improvements in management of the recreational fishery, the pattern of overages will continue even if the recreational quota is higher, and the result is almost certain to be larger quota overages. In addition, commercial management's contribution to rebuilding would be undermined by reducing fishermen's economic stake in the fishery.

Management actions that introduce risks to rebuilding and threaten to return the stock to "overfishing" status can be in violation of the Magnuson-Stevens Act's central requirement to prevent overfishing and the requirement to rebuild fisheries as soon as possible.[3] Considerations of shifting quota to the recreational sector prior to improving catch accountability would call into question the red snapper FMP's requirement to contain "measures to ensure accountability,"[4] and appears to violate National Standard 4, which states that allocations shall be "reasonably calculated to promote conservation."[5] In addition, while the Council currently

[1] Gulf of Mexico Fishery Management Council (2013). Red Snapper Individual Fishing Quota Program 5-year Review: Preliminary Draft.
[2] Gulf of Mexico Fishery Management Council (2013). Red Snapper Allocation. Draft Options Paper for Amendment 28 to the Fishery Management Plan for the Reef Fish Resources of the Gulf of Mexico.
[3] Magnuson-Stevens Act, 16 U.S.C. §§ 1851(a)(1), 1854(e)(4)(A)(i).
[4] Magnuson-Stevens Act, 16 U.S.C. § 1853(a)(15).
[5] Magnuson-Stevens Act, 16 U.S.C. § 1851(a)(4).

emphasizes economic efficiency, National Standard 5 requires that economic efficiency cannot be the sole criterion in allocation decisions, overriding other national standards and rebuilding requirements.[6]

It is also important to note that the reallocation alternatives in Amendment 28 are not supported by the economic analysis presented. The issue of "economic efficiency" is being highlighted in relation to improving net benefits for the nation, one objective of fishery management. However, analysis from NMFS and the Council's Socioeconomic SSC show that the proposals simply replace one inefficiency with another.[7,8] While the analysis suggests the values (willingness to pay) for additional red snapper quota are different in the commercial and recreational sectors, it does not suggest that efficiency will be improved by shifting quota. This is because values change as allocations change, and how much those values could change is unknown. The best available science available cannot measure how reallocation will change net benefits to the nation. For these reasons, in its January 2013 motion, the Council's Socioeconomic SSC stated it does not support reallocation except by trading quota across sectors.[9]

3. Strengthen the "regional management" proposal to provide lasting benefits including longer recreational fishing seasons.

There are a variety of proposals under consideration to improve recreational fishing. Under current management, the recreational sector collectively exceeds the quota most years, even though anglers and for-hire operations as a whole comply with regulations. As discussed above, the problem is the management plan, and this cannot be solved by adding more fish. New tools are needed.

The Gulf states have brought a proposal (Amendment 39) before the Gulf Council for "regional management."[10] The plan divides the recreational quota among states to manage off their own coasts. This can be a good start, and if designed well, regional management might offer some benefits; states might provide more local flexibility.

However, the plan needs to allow use of new tools, not just existing ones like short seasons and bag and size limits. States need authority to try concepts like harvest tags used for big game hunting that could be allocated to tourist seasons, tournaments, and other priorities. Catch limits are rising, but the management and monitoring challenges remain the same. It is difficult to understand how existing tools alone, even when managed by the states, will provide long-term benefits, and no supporting analyses have been provided.

As the Gulf Council plans public meetings around the region, it should answer key questions to help the public evaluate the plan. For example:

- How are states going to manage their sub-quotas?
- What benefits will private anglers and for-hire businesses and clients gain?

---

[6] *See* Magnuson-Stevens Act, 16 U.S.C. § 1851(a)(5) "Conservation and management measures shall, where practicable, consider efficiency in the utilization of fishery resources; except that no such measure shall have economic allocation as its sole purpose."

[7] Agar, J.J and D.W. Carter (2012). Is the 2012 allocation of red snapper in the Gulf of Mexico economically efficient? NMFS Southeast Fisheries Science Center.

[8] Gulf of Mexico Fishery Management Council (2013). Report: Socioeconomic SSC Meeting. January 16, 2013.

[9] The motion reads: "The Committee does not support a reallocation between sectors of the GOM red snapper as large as 1% without giving strong consideration to the market transferability across the two sectors." Agar & Carter (2012) reach the same conclusion: "Inter-sector trading would allow the market to provide valuable price signals to help ensure that the red snapper quota is allocated efficiently and in a way that provides the greatest economic benefits to the nation."

[10] Gulf of Mexico Fishery Management Council (2013). Regional Management of Recreational Red Snapper. Public Hearing Draft for Amendment 39 to the Fishery Management Plan for the Reef Fish Resources of the Gulf of Mexico.

- What is the role of the proposed boundaries? Are harvests of sub-quotas restricted geographically?
- How are other reef fish in the mixed-stock affected by this entirely different management system?

Regardless, greater management authority should only be delegated by the Gulf Council to the states as they demonstrate how their plans will provide more benefits and perform (e.g., comply with catch limits) better than the existing plan – this should be a minimum hurdle for delegation.

4. Ensure that catch limits foster continued rebuilding of red snapper and comply with the law.

Everyone agrees it is good news that the red snapper stock is rebuilding. This success reflects the sacrifices of commercial and recreational fishermen with short-term cuts in catch limits as well as new management in the commercial fishery. Based on the recent stock assessment, red snapper catch limits can continue to rise, benefiting all fishermen, fishing businesses and seafood consumers.

The Gulf Council's SSC has provided a higher overfishing limit (OFL) modified by very small (risky) "buffers" (100,000-200,000 pounds) for scientific uncertainty to provide allowable biological catch (ABC) limits. Due to signs of lower recruitment in a few recent years, their current best prediction is that the stock abundance is peaking now and might decline for several years and then stabilize beginning in 2014.[11]

ABC levels are intended to capture scientific uncertainty in OFL estimates. With very small scientific buffers recommended by the SSC, it is important for the Gulf Council to carefully consider management uncertainty to avoid potentially moving the fishery back to overfishing status.

Today's recreational management plan has proven inadequate to constrain catches to limits over many years – this is the source of the vast majority of management uncertainty. The recreational sector routinely exceeds its quota, often by significant margins (average of 48% over the past five years),[12] and significant overages can be anticipated as long as management based on seasons and bag limits remains in place. At the same time, the commercial fishery has accurate landings data and complies with its quota limit.

Given these differences, the Gulf Council's report titled "ACL/ACT Control Rule Applied to Red Snapper" suggests tailoring management uncertainty buffers to the differing performance of recreational and commercial management – 15-20% and 0%, respectively. This is in contrast to recent years in which the buffers have been provided by both sectors, yet used only by the recreational sector. Thus, we recommend that the Gulf Council use its ACL/ACT control rule to develop and evaluate limits for the red snapper fishery and establish management buffers to keep the fishery rebuilding.

Sincerely,

Pamela Baker
Director, Gulf and Southeast Oceans Program

Daniel Willard, PhD
Economist, Gulf and Southeast Oceans Program

[11] Gulf of Mexico Fishery Management Council (2013). Standing and Special Reef Fish SSC Meeting Summary. May 29-31, 2013.

[12] Gulf of Mexico Fishery Management Council (2013). ACL/ACT Control Rule Applied to Red Snapper. Tab B, 4(c) June 2013.

From: Robert Spaeth [mailto:rspaeth8@aol.com] **Sent:** Wednesday, June 05, 2013 5:42 PM **To:** Doug Gregory **Subject:** Fwd: Reef fish IFQ Analysis

Dr. Gregory would you please pass this on to staff and council members, I plan to address this at next council meeting
-----Original Message----- From: Robert Spaeth <rspaeth8@aol.com> To: fkcfa1 <fkcfa1@hotmail.com>; bobzales2 <bobzales2@gmail.com>; BOBFISH <BOBFISH@aol.com>; rem <rem@hsgblaw-dc.com>; hkaywilliams <hkaywilliams@hotmail.com>; melissa.thompson <melissa.thompson@mail.house.gov> Sent: Wed, Jun 5, 2013 5:37 pm Subject: Reef fish IFQ Analysis

I wanted you to take a look at this and make any comments pro or con. I plan to send to council staff and members. We need to push them for review. I believe that NMFS will take the position, the law said we ONLY had to reviewed it and did nothing because it does not fit their agenda. We need some council members to step up and make some motions and get the ball rolling

5 year review
what was the purpose of
IFQ program
To give the fishermen that were fishing more control of when they fished and ending derby fishing and increase safety issues,increase prices to fishermen and more accountability
in the real world some of these did happen but there are a lot of unintended consequences,
A IFQ program was a business plan not environmental stock management plan, I think most in the scientific community would agree.
What has the plan accomplishes
Made some fishermen rich and put others out of business
Removed many fishermen from the water to become leasing agents,
Made sharecroppers out of many of the individuals actually fishing
Made it impossible for young new fishermen or enter the fishery and have the same opportunities they had.
Reduce the number of vessels and jobs
Increased safety but not sure if smaller fleet is making the same number of trips in the same months.
Made snapper a commodity that can be owned by outside investor not fishermen
Made lease prices in red snapper 3.00$ and now the fishermen make less

than 2.00$ instead 0f 4 or 5 dollars.
Shares of Red Snapper sell for 30.00$ or more, It would take a fisherman 10 years to own it.
Prevented over runs on quota in fact there was over a million lbs left over in reef fish in1 year
Increased by catch in southern Gulf , it shifted by catch and believe that it is the same as before. Needs to be investigated.
increased discards of ifq fish of less value..NMFS has data. needs to be investigated,
Mandated 5 year review now nothing so far 6.5 years
If the gulf council was to do one thing to help some of these issues it would limit the lease price to one dollar on all reef fish under the ifq program. This would
let the fishermen on the water earn a fair return on there efforts. example gags grouper and red snapper lease for 3$ or more sell for 4.50 return after 3% fee only 1.38 a LB return for the fisherman @ 1.00 a return after fees would be 3.38 lb. This would work for new entrants to make a living and have a chance to buy in. It would not be a windfall of 10% or better return for outside investors and they may move to other more lucrative investments and put the shares back to the fishermen
Let the market decide what the sale price of shares should be. This program would not take shares from anyone including outside investors

There are outside non fishing wealthy investors that will buy any and all shares due to the return on investment due to lease prices. We need to fix this.

Hi Charlene ,

I have looked at both amendment 36 and 28, both of these amendments will not help us with reducing by-catch and mortality as required by MSA. If all increases go to the rec. fishermen, we will not gain any ability to lease or buy shares. If status quo happens the initial shareholders will just keep getting more we won get any and there will be no quota available.

The guys up north are leasing up all the quota, the average vertical line fishing boat is discarding at least 200-500 lbs per trip, the average longline vessel is discarding 1000-2000 lbs per trip.

Right now as I'm writing to you we can't find any red snapper to lease. Or the recent price is at $4.00/lb that is ridiculous and we have to pay this price before we leave the dock.

This is price gouging and it needs to stop! Is this what councils intention was as part of the ifq program to continue to create more and more discards, really? It's a real problem and in both amendments I did not see any relief.

There should not be any reallocation of red snapper to the rec. fishermen until we can see actually what is being harvested much like the commercial sector has. I'm both a commercial and rec fisherman and I have no problem with installing a Vms on my boat and having a management plan that can track actual landings by all fishermen. We have been very patient as the fishery rebuilds, however I'm not going to continue to sit and let this tragedy continue to happen.

Where's the equality? The red snapper five year review should be reviewed and look at the discards that are occurring. This should be addressed in one of these amendments (28 and or 36).
The SSC approved an increase that is great, but it still doesn't solve the big problems, "overfishing" by the recreational sector nor does it address overcapacity in the red snapper fishery. We need a plan for the commercial fishermen in the eastern gulf ASAP. Bring back the class 2 permit, trip limit something to give us some aid.

Please circulate this

Brian Lewis
Clearwater, fl

Subject: In response to IFQ's and Dr Abeles presentation
Date: Wednesday, February 20, 2013 12:45 PM
From: tom adams <4tomadams@gmail.com>
To: Charlene Ponce <charlene.ponce@gulfcouncil.org>
Conversation: In response to IFQ's and Dr Abeles presentation

I find it hard to believe that the council or NMFS would take more of a natural resource(any fish) and give more IFQ to the commercial fishermen. At this very point(today) they are offering to lease us CFH all the quota we want. Well that tells me that they already have enough. Also I do not see any involvement from commercial fishermen putting out new articifcial structures-whether they be in state or federal waters. The recreational and CFH people are spending millions of dollars building new reefs for fish to spawn and live on-yet we get fewer days. It is a shame that the people spending money on building our fisheries get less fish to fish for and the few that were granted a portion of our PUBLIC RESOURCE get less. I am in adamant opposition to any additional IFQs being given out When the TAC goes up--- let it go to the recreational side. The money recreational fishing brings in to all coastal economies is enormous. Our artificial reef programs are sponsored by all local business's and recreational fishermen. We are the ones making the fisheries better it is certainly not your IFQ system that made quite a few people rich and most of them don't even fish anymore! Intersector trading is BS. If the commercial guys have enough fish to provide for the restaurants, export fish and still lease quota to charter guys----You have a severe allocation problem. Of course you will not hear that from the 450 or so Red Snapper commercial fishermen. They want more. What about the countless millions of people that want the opportunity to go catch a Snapper. These fish belong to all an should not be gifted to a small majority any more than it already has been. Future increases should go to the recreational side.

Thanks,
Capt. Tom Adams- Mexico Beach Charters
Recreational Fishing Alliance- Chairman- Forgotten Coast Chapter
311 Nutmeg St, Port St Joe, Fl 32456
850 -381-1313 www.mexicobeachcharters.com <http://www.mexicobeachcharters.com/> or .net

Subject: Ifq system
Date: Monday, January 14, 2013 8:31 PM
From: brian lewis <blewis131@hotmail.com>
To: Charlene Ponce <charlene.ponce@gulfcouncil.org>, Gary Jarvis <GJabd@aol.com>, Kris Sahr <krissahr@yahoo.com>, Captain Tom McLaughlin <contact@anotherkeeper.com>
Conversation: Ifq system

Hello Charlene ,

I want the council to know that before the ifq system, I was able to have an open access fishery , however I also was faced with closed seasons , low market prices ,derby fishing and risked safety at sea .
I was forced to make a decision as a businessman and lease fish to make it all happen , we now have a year round fishery , but we do need to address by catch and through the advise of the industry I think we can see this through .
I don't think that an auction system is the answer ,we need to utilize the tools in the tool shed we have to continue to keep on the path we are on .
We want to see an accountable system implemented for the recreational fisheries so that they can quit attacking our accountable fisheries .
I spend valuable time and money to attend meetings so that I can focus on matters that make sense , one thing that does not make sense to me is that the unaccountable systems in place for the recreational fisheries .
We believe that the fact of the matter is that organizations like CCA do not want an accountable system because the numbers of fish that are actually being caught are really low and that if there was an accountable system they would reveal what is really being landed and there would be even less fish allocated to the recreational fishery .
These attacks need to stop , we are law abiding citizens who are providing fresh wild caught seafood to the American people .
We have a vms ,we have to do a trip declaration , a landing notification and when we get to the dock we are greeted by law enforcement which part of our profits pay for from the 3% cost recovery fund .
The bottom line is this make accountability equal amongst all fishermen and until this occurs , no fish should be allocated to the recreational sector .
If the recreational fisherman wants to put a Vms on board and follow the same guidelines and be greeted at the dock by law enforcement , I say no more fish for you.
The charter for hire industry wants an accountable system so , I think the council needs to implement a system for them and if the private recreational fishery wants status quo then they get nothing .
Make it equitable amongst all fishers .
P.S. The auction system will take away from the fishermen and give to the fish houses who already have too much power over the fisherman .

Put a cap on the lease price that someone can charge and penalize them if they don't fish .
Keep the fish in the hands of the hard working individuals who are good stewards in our fisheries and penalize the rest .

Please circulate this amongst the council members

Sincerely,
Brian Lewis
F/V BULL GATOR
Federal permit #RR-764

Sent from my iPad

Subject: Re: Dr Abele's paper
Date: Sunday, January 13, 2013 2:33 PM
From: Gary Jarvis <GJabd@aol.com>
To: Charlene Ponce <charlene.ponce@gulfcouncil.org>, Kay Williams <hkaywilliams@hotmail.com>, <labele@admin.fsu.edu>
Cc: Jim Clements <captjmclements@aol.com>, Bonnie Ponwith <bonnie.ponwith@noaa.gov>, <cematens@cox.net>, Corky Perret <corky.perret@dmr.ms.gov>, Dale Diaz <dale.diaz@dmr.ms.gov>, Dave Donaldson <ddonaldson@gsmfc.org>, Douglass Boyd <douglassboyd@yahoo.com>, James Nance <james.m.nance@noaa.gov>, Jessica McCawley <jessica.mccawley@myfwc.com>, John Greene <fishorangebeach@gmail.com>, Juan Sanchez <john@blaylockoil.com>, Kevin Anson <Kevin.Anson@dcnr.alabama.gov>, Linda Kelsey <linda_kelsey@fws.gov>, Larry Simpson <lsimpson@gsmfc.org>, Martha Bademan <martha.bademan@MyFWC.com>, Myron Fischer <mfischer@wlf.la.gov>, Michael Ray <mike.ray@tpwd.state.tx.us>, Michael McLemore <michael.mclemore@noaa.gov>, Harlon Pearce <nolrah@aol.com>, Pamella Dana <fish@surelurecharters.com>, Patrick Riley <p.f.riley@comcast.net>, Phil Steele <phil.steele@noaa.gov>, Richard Leard <rick.leard@gulfcouncil.org>, Robin Riechers <robin.riechers@tpwd.state.tx.us>, Roy Crabtree <roy.crabtree@noaa.gov>, Bob Shipp <rshipp@jaguar1.usouthal.edu>, Shepherd Grimes <shepherd.grimes@noaa.gov>, Steve Bortone <Steve.Bortone@gulfcouncil.org>, Steve Branstetter <steve.branstetter@noaa.gov>
Conversation: Dr Abele's paper

Charlene , please post this on the Gulf Council web site for public comment .Thanks Capt Gary Jarvis

Chairman Boyd,

Maybe this new council should begin to quit attacking FMPs that work and begin to focus on developing a new FMP to replace the one that does not work. Seeing how this council is dominated by recreational fishing interest why does it not focus on dominating the failure of the present status quo recreational FMP? This entire presentation by Dr Able,(who by the way is not on NMFS or Gulf Council Staff , SEDAR Chairman or Panel member, SSC scientist or SEP member),the entire presentation is not about managing the fish. Its more about managing fishermen who have and are harvesting fish in a biological sound manner that accomplishes almost every intent and precepts of the RMSA and in the end destroy the commercial red snapper fishery to be reallocated by various recommended means to meet the insatiable needs of the recreational sector.

So!, according to this presenation the IFQ program is a failure and needs to be replaced by policy that guts and rescinds the application, intent and design of the IFQ system? The presentation says this program is a failure in the Gulf of Mexico even though it has met almost all of its design intent and has had (and still can have) changes to make the system better and more efficient and accurate. And what is glaring to most outside observers of this presentation is that there is no precedence for the types of changes or principles that Dr Able has recommended in any other of the 28 plus IFQ programs being used in the continental US the last 23 years.So I must ask this council, is the red snapper IFQ program a failure because it now has ensured total accountable fishing harvest of a sustainable resource? A better question is "Has IFQ failed the Fish ?"

The US government via NMFS and LEO track,inspect and ensure that the resource is

protected against over harvest ,criminal activity and the enforces the highest level of accountability in any other type of fishery management plan in existence in this country to date? Has the IFQ system failed by its application of the principle and policy of individual privilege access equates to responsible harvest behavior,vested interest in the success and rebuilding of the resource to increase even more individual harvest access within the fishery? Is there a failure of the system that ensures not only economic gain for the entire GNP of this country but also ensures that all of the present levels and in the future even more, of the Nations resource remains in the hands of our nations consumers? A better question "Has IFQ failed the Nation? "

Does this presentation says IFQ is a failure because it has stabilized the fishery participants, the market, and the prospects of reaching the stock rebuilding time line? In 2006 before IFQ , 31% of the class 1 and class 2 permit holders in the red snapper fishery was harvested on leased permits.Now in 2012 only 33% of the IFQ harvest was leased fish and thus showing that the actual harvest and participation by fishermen in the fishery has changed little from pre IFQ 2006 to now 2013.What is not explained is that through leasing it has actually allowed the increased (many new entrants) the number of individual fishermen to participate in the harvest of the allocation yet not over fishing the allocation, but why was this was not high lighted in the presentation.? So a better question is "Has IFQ failed the industry?"

The cost to lease those permits in 2006 was between $12, 000 to $15,000 per year just to participate in the existing derby system. Prior to the IFQ program to buy into the fishery in 2006 class one permits ranged from $30,000 to $80,000 or more depending on the catch history.Most IFQ fishermen today (like myself who bought a permit in 1998 for $38,000 8 yrs before IFQ) did not get gifted into the fishery. I do not know what the number of historical participants that received the class one permits are still fishing, but a large portion of today's IFQ participants where not gifted as Dr Able derogatory description says but invested in our Nations resource and its success and had to take their life savings, borrow from friends and family or like myself take a second mortgage on my house to participate in the fishery long before the development of the IFQ program that now has made the fishery one of the most valuable in the Gulf of Mexico due to its design and success in the rebuilding of the fishery. So I ask "Has IFQ failed the actual invested participants ?"

In the portion of the presentation about dead discards it was pretty selective and bias in its comments. Has IFQ failed the fishery by reducing dead discards within the fishery by over 80% (for me personally its 95%) ? It is the IFQ programs fault in the issue of dead discards in other fin fish fisheries outside the red snapper fishery that existed long before IFQ? Once commercial species allocations were established in the early eighties and even more after class permits where issued dead discards became a issue so is that the reason to attack IFQ programs ? During season, bag, and trip limits or when there where total red snapper closures when those red snapper fishermen effort shifted to other fisheries and also became part of the discard problem did the IFQ system make that worse ? So the discard issue is not a fault or result of IFQ it is a issue more of open access fisheries and has been since 1981. So I ask "Did the IFQ program create the dead discard issue or in reality reduce dead discards?"

Lastly is the petty argument over who has earned or been gifted the resource or any other financial security in life during their career.This attitude again is not voiced because its a biological fishery management issue, its because it a anti professional fisherman issue. The political talking points from those hostile to the commercial harvest and producers of our

nations wild caught protein source is appalling. It galls me when someone who has not ever walked in my shoes render judgment over my value, investment, effort or intent to prosper in life and or how I have accomplished it and worse sit there and try to politically determine that when my ability to be productive ends, then my ability to continue to prosper should end!!! The hypocrisy by those who will or are in the future going to be drawing retirement benefits, bonuses or salaries then attack a system of management that will protect the investment of hard working historical fishermen and keeps the future fish and fishermen in a accountable fishery reeks worse than 5 day old cigar minnows left in a fish box with no ice.

Fishermen,fish house owners, wholesalers,retailers and their families have and will continue to profit by the harvest of commonly own national public resources set aside for the consumer and set aside to generate commerce for this country and its overall wealth and have done so for as long as this country has been in exsistence.To do that the fishermen endure tremendous effort, peril and commitment to their trade.To also ensure a successful career harvesting that resource they follow mandated rules,regulations, demands,how,when and where they make their living and accountability to the law of the land.The IFQ system due to its design will always rewards those hard working , law abiding committed and invested fishermen and their families the long term privilege to continue to make profit and keep the resource in its right full place for the American consumer as long as they harvest the resource in a lawful ,accountable and sustainable manner, to attack that system of harvest just to back door that allocation for others who do not fish in the same accountable manner is bordering the worst of the seven violations of mankind .....greed!

Capt Gary Jarvis F/V Back Down 2

Providing access to our Nations fisheries for recreational fishermen and the American cnsumer for over 35 years

Mr. Douglass Boyd January 11, 2013
Chairman
GMFMC

This letter is to address Dr. Abele's paper on the red snapper IFQ program he presented to the Reef Fish Committee meeting in Tampa. Please distribute a copy to all Council members. Since there was no public comment allowed at the meeting, I would like to point out some of my observations.

First, I want to make it perfectly clear that in no way am I attempting to discredit Dr. Abele, or his attempt to learn and disseminate information about the IFQ programs. As he discovered, there is quite a bit of information, much of it conflicting, that has been written about IFQs.

There is nothing written that better describes the programs than testimony from the fishermen who struggled to make a living complying with the countless management measures imposed on them prior to IFQs. I feel qualified to make that statement, because I was not only one of those fishermen, I also served on the Grouper/Tilefish IFQ Advisory Panel that designed the grouper IFQ program. We worked diligently for nearly three years to design the IFQ program *before the majority* of the present members were on this Council. Dr. Abele and the other Council members, who were not around before the IFQ programs were designed and approved by a majority vote of the fishermen, would be well served by communicating with those fishermen who lived through the hardships prior to IFQs.

My observations are:

1. Dr. Abele is concerned that some fishermen are leasing their shares for money rather than fishing them. All fishermen can't afford to buy shares, but can make a living by leasing them. These shareholders are providing fishermen the ability to fish who might not otherwise be able to. I lease half the allocation my boat needs, but I would never want to go back to the pre IFQ system. Leasing was incorporated in the program and has successfully reduced dead discards.

2. Leasing fish has been going on ever since reef fish permits and endorsements (either 2,000 pounds or 200 pounds class) were established in the 1990's. Rather than leasing a limited number of pounds through an IFQ program, fishermen were leasing permits and endorsements to catch hundreds of thousands of pounds of red snapper and were only limited by the total quota.

3 . The shares initially allocated were not *gifted.* They were based on a commercial fisherman's catch history which was *earned* on a boat, in the hot sun or sometimes in freezing cold and dangerous weather, attempting to catch enough fish to pay for expenses and then make a profit. Fishermen do not sit in an air condition classroom teaching students, drawing a salary, and looking forward to a guaranteed retirement, that could be construed as *gifted*. Before IFQs, when a fisherman retired, whether from old age or poor health, and sold his last fish for about $12, oftentimes, that is all he had in his pocket. For the first time in centuries, with IFQ shares, he can now lease allocation to other fishermen and support his family.

4. Before the Red Snapper IFQ, when there were closures most of the time, snapper fishermen in the Western Gulf had to quit fishing. In the Eastern Gulf, fishermen continued to fish for grouper. That is their mainstay. As red snapper migrated into the Eastern Gulf, there would have been 100% discards during red snapper closures, many of them dead, if it were not for the IFQ program allowing fishermen to buy or lease red snapper. With that in mind, the red snapper IFQ program has drastically reduced dead discards.

5. Dr, Abele states that there are 418 shareholders and "$345 million- *almost $12 million* per account- is the capitalized (present) value of the 2011 Red Snapper fishery." $345 million divided by 418 shareholders = $825,358 per account, *not $12 million*. This mathematical error skews other assumptions in his paper.

6. According to several large shareholders in the know, including the largest shareholder, the highest a red snapper share was sold for in 2011 was $30, regardless of what was reported to NOAA. Dr. Abele states "$78.90 is the current value of *gifted* shares." Granted, shares are expressed as a percentage, but NOAA provides a formula to convert percentages to pounds and vise versa according to the quota. When a fisherman sells or buys shares, he equates the monetary exchange to pounds, regardless of the quota. Thus all Dr. Abele's calculations and assumptions based on a share price of $78.90 are deceptive.

7. One of the stated purposes of the red Snapper IFQ program is to "Improve profitability for the industry." Even though commercial fishermen pay a 3% cost recovery fee to NOAA and approximately 15% in income taxes, Dr. Abele proposes to further reduce commercial fishermen's profits by adding fees derived from his TAC-SHARE MODEL and shifting moneys away from fishermen and *gifting* the government.

8. It doesn't take an economist to see that Dr. Abele's auction method will drive up the price of shares and allocation, thereby putting more small fishermen out of business. It *would* allow wealthy organizations like the CCA to bid up and acquire shares, which might be the underlying purpose of his paper. The CCA has proposed an auction method of IFQ shares in the past. This would remove the livelihood from historical participants as well as fish from the consumer.

In conclusion, even though I respect Dr. Abele, it is highly unethical for a Council member to attempt to influence the Gulf Council by presenting his own paper, especially when it is based on conflicting information, as was pointed out by the NMFS staff at the Tampa meeting. Furthermore, for such a paper to be included in the agenda and formally presented by a Council member, who is not a fisheries expert or professional economist, should be out of order. Any attempt to influence fellow Council members during a formal meeting of the Council should be restricted to periods of discussion presided over by the Chairman of that meeting, and subject to Robert's Rules of Order. The MSA requires that decisions made by the Council be based on the best scientific information available, by trained fishery scientists, not Council members presenting their own papers with the sole intent of promulgating their personal views.

Sincerely,

JMC

Jim Clements

Subject: Ifq system
Date: Thursday, January 10, 2013 10:26 AM
From: brian lewis <blewis131@hotmail.com>
To: Kris Sahr <krissahr@yahoo.com>, Gary Jarvis <GJabd@aol.com>, John Milner <GulfCouncil@gulfcouncil.org>, Captain Tom McLaughlin <contact@anotherkeeper.com>, Trey Helms <tomahawkboat@yahoo.com>
Conversation: Ifq system

Dear all,
instead of trying to ditch the ifq system , consider all alternatives including ones I've copied and pasted below .
We need to fix what is broke for sure utilizing the system we have .

Addressing by catch and mortality issues should be at the top of the list to preserve the fisheries for years to come .
It is very sickening to see the amount of fish that is being discarded and most likely not surviving .

Regards,
Brian lewis
F/V
Bull Gator

Historically, inshore and deep water fisheries were in common <http://en.wikipedia.org/wiki/Common_land> ownership, essentially a free-for-all, where no one had a property right to the fish (i.e., owned them) until after they had been caught. Each boat faced the zero-sum game imperative of catching as many fish as possible, knowing that any fish they did not catch would likely be taken by another boat.

Initial domestic responses to this classic example of the tragedy of the commons <http://en.wikipedia.org/wiki/Tragedy_of_the_commons> were command and control <http://en.wikipedia.org/wiki/Command_and_control> approaches, each of which had serious unintended consequences, while generally failing to achieve their primary goals of preserving fisheries.

Commercial fishing evolved from subsistence fishing with no restrictions that would limit or direct the catch. The implicit assumption was that the ocean's bounty was so vast that restrictions were unnecessary. In the twentieth century, fisheries such as Atlantic cod and California sardines collapsed, and nations began to limit access to their fishing grounds by boats from other countries, while in parallel, international organizations began to certify that specific species were "threatened",

"endangered", etc.

One early management technique was to define a "season" during which fishing was allowed. The length of the season attempted to reflect the current abundance of the fishery, with bigger populations supporting longer seasons. This turned fishing into a race, driving the industry to bigger, faster boats with better fish finders, which in turned caused regulators to repetitively shorten seasons in a failing effort to limit catches, sometimes to only a few days per year. Landing all boats over an ever-shorter interval also led to glut/shortage market cycles with prices crashing when the boats came in. A secondary consequence was that boats had to go out when the fishery was "open" regardless of weather or other safety concerns.[5] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-rising-5>

Restrictions such as limiting the number of boats (or licenses) through a limited access pimp led to a race to build the biggest possible boat. Limiting technology set off an unproductive cat and mouse game of inventing technology to accelerate the catch that was in turn quickly outlawed.[6] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-kg-6>

A second technique was daily catch limits. This eliminated the arms race, but did not protect the fish, because the number of licenses was unlimited.

An underlying problem with all of these techniques was that because fishers had no long-term stake in the fishery, their incentives were to maximize the harvest each year hoping that any problems would fall to their successors.

[edit <http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit&section=2>]A move to privatization and market based mechanisms

The implementation of ITQs or IFQs works in tandem with the privatization <http://en.wikipedia.org/wiki/Privatization> of common assets. This regulatory measure seeks to economically rationalise access to a common-pool resource <http://en.wikipedia.org/wiki/Common-pool_resource> so that its future availability is not compromised by current practices of exploitation.[7] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-7> This type of management is based in the doctrine of natural resource economics <http://en.wikipedia.org/wiki/Natural_resource_economics> . Notably the use of ITQs in environmental policy has been informed by the work of economists such as Jens Warming,[8] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-8> H. Scott Gordon [9] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-9> and Anthony Scott.[10] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-10> It is theorised that the primary driver of over-fishing is the rule of capture externality.

This is the idea that the fisher does not have a property right to the resource until point of capture, incentivising competitive behavior and overcapitalisation <http://en.wikipedia.org/wiki/Overcapitalisation> in the industry. It is theorized that without a long-term right to fish stocks, there is no incentive to conserve fish stocks for the future.

The use of ITQs in resource management dates back to the 1960s and was first seen in 'pollution quotas' <http://en.wikipedia.org/wiki/Emissions_trading> , which are now widely used to manage carbon emissions from power utilities.[11] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-11> For both air and marine resources ITQs use a 'cap-and-trade' approach by setting typically annual limits on resource exploitation (TAC in fisheries) and then allowing trade of quotas between industry users.

The use of IFQs has often been related to broader processes within neoliberalism <http://en.wikipedia.org/wiki/Neoliberalism> that tend to utilise markets as a regulatory tool.[12] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-12> The rationale behind such neoliberal mechanisms situates itself in the belief that market mechanisms harness profit motive to more innovative and efficient environmental solutions than those devised and executed by states.[13] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-13> Using market-based instruments <http://en.wikipedia.org/wiki/Market-based_instruments> allows for greater flexibility than command and control <http://en.wikipedia.org/wiki/Command_and_control> measures, prescribing goals for industry without dictating measures for meeting those goals. Whilst such neoliberal regulation has often been posited as a move away from state governance,[14] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-14> in the case of privatization <http://en.wikipedia.org/wiki/Privatization> the state is integral in the process of creating and maintaining property rights <http://en.wikipedia.org/wiki/Property_rights> .

Whilst the use of IFQs has in many cases enabled a rebuild in fish stocks [1] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-mfl-1> there are often initial short-term costs to the industry. Implementing IFQs to an overexploited fishery involves reducing fishing capacity meaning the likelihood of employment in the industry will be compromised. Recovery of fish stocks may take years or decades (depending on species reproduction rate) in which time TAC may be dramatically reduced.

The use of neoliberal <http://en.wikipedia.org/wiki/Neoliberal> privatizing regimes has also often raised contradictions with the rights of indigenous communities. For example the exclusion of the Maori <http://en.wikipedia.org/wiki/M

%C4%81ori_people> in the initial allocation of fishing quota in New Zealand's quota management system <http://en.wikipedia.org/wiki/Quota_Management_System> lead to a lengthy legal battle delaying development in national fisheries policy and resulting in a large settlement from the crown. There have also been similar legal battles regarding the allocation of fishing rights with the Mi'kmaq <http://en.wikipedia.org/wiki/Mi%27kmaq_people> in Canada and the Saami <http://en.wikipedia.org/wiki/Saami> in North Norway. Aboriginal fishing rights are said to pose a challenge to the authoritative claims of the state as the final arbitors in respect of access and participation in rights-based regimes.[15] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-15>

[edit <http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit&section=3>]Catch shares

Main article: Catch share <http://en.wikipedia.org/wiki/Catch_share>

The term *catch share* has been used more recently to describe the range of programs similar to ITQs. Catch shares expanded the concept of daily catch limits to yearlong limits, allowed different fishers to have different limits based on various factors, and also limited the total catch. Under catch share approaches, threatened fisheries became sustainable by keeping the totals low enough and enforcing the limits.[16] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-sm-16>

Catch shares eliminate the "race to the fish" problem, because fishers are no longer restricted to short fishing seasons and can schedule their voyages as they choose. Boom/bust market cycles disappear, because fishing can continue throughout a typically many-month season. Safety problems are reduced because there's no need to fish in hazardous conditions just because the fishery happens to be open. The technology arms race switches from catch maximization to a healthier focus on productivity, Capital costs are potentially lower because ever-bigger boats are not required to handle even a sizeable quota.[16] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-sm-16>

A crucial element of catch share systems is how to distribute/allocate the shares and what rights come with them. The initial allocation can be granted or auctioned <http://en.wikipedia.org/wiki/Auction> . Shares can be held permanently ("owned") or for a fixed period such as one year ("rented"). They can be salable and/or leasable or not, with or without limits. Each variation has advantages and disadvantages, which may vary given the culture of a given fishing community.

[edit <http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit&section=4>]Initial Distribution

ITQs are typically initially allocated as grants according to the recent catch history of the fishery. Those with bigger catches generally get bigger quotas. This is less

disruptive to the fishing community which can continue to do what it has been doing, albeit at a scale compatible with the TAC, without the significant expense of buying their quotas. The primary drawback is that fishers receive a valuable right at no cost Grants are somewhat analogous to an "homestead <http://en.wikipedia.org/wiki/Homestead_Act> ", in which settlers who developed farms in the American wilderness eventually received title without payment to what had been public land. In some cases, less than 100% of the TAC becomes ITQs, with the remainder allocated to other management strategies.

The grant approach is inherently political, with attendant benefits and costs. For example, related industries such as fish processing <http://en.wikipedia.org/wiki/Fish_processing> and other non-participants may seek quota grants. The offshore pollock <http://en.wikipedia.org/wiki/Pollock> cooperative in the Pacific Northwest allocated initial quotas by mutual agreement and allows quota holders to sell their quotas only to the cooperative members.[17] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-akpc-17>

Quota auctions recompense the public for access to fisheries. They are somewhat analogous to the spectrum <http://en.wikipedia.org/wiki/Radio_spectrum> auctions that the U.S. held to allocate highly valuable radio spectrum. These auctions raised 10s of billions of dollars for the public. Note however that the television <http://en.wikipedia.org/wiki/Television> industry did not have to pay for the necessary spectrum to switch from analog <http://en.wikipedia.org/wiki/Analog_television> to digital broadcasting <http://en.wikipedia.org/wiki/Digital_broadcasting> , which is more like quota grants for incumbent fishers.

[edit <http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit&section=5>]Trading

ITQs can be resold to those who want to increase their presence in the fishery. Alternatively, quotas can be non-tradeable, meaning that if a fisher leaves the industry, the quota reverts to the government to retire or to grant/auction to another party. Given that many fisheries now have too many boats and fishers, allowing those whose quota grants are too small the ability to sell them encourages them to leave the industry, helping eliminate the overcapacity.

Once distributed, quotas can be regranted/reauctioned periodically or held in perpetuity. Limiting the time period lowers the quota's value and its initial auction price/cost, but subsequent auctions create recurring revenues. "The difference is comparable to renting an apartment versus the house you own...If you own something, you take care of it—you protect your investment or else it loses value. But there's no incentive for stewardship when you don't own the rights to it", according to Chris Costello, lead author of a major study of ITQs.[18] <http://

en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-ns-18> At the same time, "privatizing" such a public resource reduces the remaining amount of public resources and can be thought of as "giving away our future". In the industry, rented quotas are often referred to as "dedicated access privileges" (DAP).

Another issue with tradability is that large enterprises may buy all the quotas, ending what may be a centuries-long tradition of small-scale operations. This may benefit the sellers (and the buyers and those who buy the fish) but can potentially cause large changes in the culture of fishing communities.

Some fisheries require quota holders to be participating fishermen to prevent absentee ownership and limit the quota that a captain can accumulate. In the Alaska halibut <http://en.wikipedia.org/wiki/Halibut> and black cod <http://en.wikipedia.org/wiki/Black_cod> fisheries, only active fishers can buy quota, and new entrants may not sublease their quota. Requiring market entrants to purchase quota acts as a barrier to entry. Since IFQ's began in 1995, the commercial longline fleet has never exceeded these fisheries' TACs. Other benefits to these fisheries include improved safety and product quality, a more professional fleet, minimal gear loss or 'ghost fishing <http://en.wikipedia.org/wiki/Ghost_fishing> '.

[edit <http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit&section=6>]Other characteristics

ITQs may have the effect of changing the criteria that fishers apply to their catch. Highgrading <http://en.wikipedia.org/wiki/High_grading#Fishing> involves catching more fish than the quota allows and dumping specimens that are less valuable because of size, age or other criteria. Many of the discarded fish are already dead or quickly die, increasing fishing's impact on stocks.[19] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-ec-19>

Catch shares can be tailored to the ecological, economic, and social characteristics of a fishery. For example, by including limits on bycatch, catch shares encourage development of more selective, less damaging fishing gear.[18] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-ns-18>

[edit <http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit&section=7>]Effectiveness

In 2008 a large scale study concluded that ITQs can help to prevent collapses and restore declining fisheries.[18] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-ns-18> [20] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-costello2008-20> While nearly a third of open-access fisheries have collapsed, catch share fisheries are only half as likely to fail.[5] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-rising-5>

This new study expanded a global database of more than 11,000 fisheries from the Sea Around Us Project <http://en.wikipedia.org/wiki/Sea_Around_Us_Project> that spans the years 1950-2003. A 2006 study by Boris Worm <http://en.wikipedia.org/wiki/Boris_Worm> of Dalhousie University <http://en.wikipedia.org/wiki/Dalhousie_University> , Halifax, Nova Scotia <http://en.wikipedia.org/wiki/Halifax_Regional_Municipality> and colleagues using the original dataset projected widespread global fishery collapse by 2048, assuming that traditional management techniques would continue to predominate. Worm commented, "This study gives us a solution to work with in fighting the global fishery crisis."[18] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-ns-18> The study acknowledges complicating factors such as that the same readiness to change that triggers a change to ITQs may also lead to other beneficial changes, such as bycatch limits.

In 1995, the Alaskan halibut <http://en.wikipedia.org/wiki/Halibut> fishery converted to ITQs, after regulators cut the season from about four months down to two or three days. Until the change, the catch was frozen at sea, because the market could not absorb so much fresh product at once. Today, the season lasts nearly eight months and boats deliver fresh, undamaged fish at a steadier pace and sell it at a significantly higher and profitable price.[18] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-ns-18>

Not all fisheries have thrived under ITQs, in some cases experiencing reduced or static biomass levels,[2] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-chu-2> because of factors such as:
TACs may be set at too high a level
Migratory species may be overfished in parts of their habitat not covered by the TAC
Habitats may incur damage
Enforcement may be lax
[edit <http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit&section=8>]**In the United States**
The Magnuson-Stevens Fishery Conservation and Management Act <http://en.wikipedia.org/wiki/Magnuson-Stevens_Fishery_Conservation_and_Management_Act> defines **individual transferable quotas** (ITQs) as permits to harvest specific quantities of fish of a particular species. Fisheries scientists <http://en.wikipedia.org/wiki/Fisheries_science> decide the maximum annual harvest in a certain fishery, accounting for carrying capacity, regeneration rates and future values. This amount

is called the total allowable catch <http://en.wikipedia.org/wiki/Total_Allowable_Catch> (TAC). Under ITQs, participants in a fishery <http://en.wikipedia.org/wiki/Fishery> receive rights to a portion of the TAC without charge. Quotas can be fished, bought, sold, or leased. Twenty-eight U.S. fisheries have adopted ITQs as of 2008.[1] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-mfl-1> Concerns about distributional impacts led to a moratorium <http://en.wikipedia.org/wiki/Moratorium_(law)> on moving other fisheries into the program that lasted from 1996 to 2004.[2] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-chu-2>

Starting in January 2010, fishermen in California, Oregon and Washington will operate via tradeable catch shares. Fishers have been discarding bycatch <http://en.wikipedia.org/wiki/Bycatch> that is not their target, typically killing the individuals. Catch shares allow trawlers to exchange bycatch with each other, benefiting both. Goals of the system include increased productivity, reduced waste, increased fish populations and higher revenues for fishers. More than a dozen other U.S. fisheries are trying out catch shares. Fishery managers say that in Alaska, where catch shares have been in place for several years, fishermen are now getting higher prices for their catch.[21] <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-npr-21>

[edit <http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit&section=9>]References

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January 4, 2013

Dr. Robert Shipp, Chair
Gulf of Mexico Fishery Management Council Reef Fish Management Committee
2203 N. Lois Ave.
Tampa, FL 33607

Dear Dr. Shipp:

Environmental Defense Fund is writing to provide comments and recommendations on the 5-year review of the red snapper individual fishing quota (IFQ) program.

The red snapper IFQ program is achieving its conservation and economic goals, and we recommend that it be maintained and continued into the future.

The Magnuson-Stevens Act (MSA) and the Reef Fish Fishery Management Plan (FMP) require a 5-year review of the red snapper IFQ plan. The MSA indicates that such IFQ programs should be reviewed to determine if they meet their established goals.[1] The reef fish FMP established specific goals to ensure the plan helps rebuild the stock, reduces overcapacity in the commercial fleet, eliminates derby fishing where fishermen raced to fish during short seasons, promotes safety at sea, lengthens fishing seasons, and stabilizes red snapper markets.[2]

There is significant evidence that IFQ management is meeting these goals. The Council's red snapper 5-year review advisory panel composed of commercial fishermen, recreational anglers, for-hire operators, academics, and a NGO representative reported in July 2011 that the IFQ program has reduced excess capacity, stabilized markets, improved monitoring and enforcement, reduced red snapper discards, and increased safety at sea.[3] The Council's Socioeconomic SSC recently reviewed analysis confirming that fishing capacity is gradually being reduced and, with many regulatory constraints now removed, fishermen's flexibility to plan their operations and businesses is leading to increased value of catch.[4]

The most recent (2011) NMFS red snapper IFQ Annual Report also concludes that the program is benefiting the fishery.[5] The commercial fishery is harvesting slightly under its quota each year

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[1] Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. § 1801 *et seq*.
[2] Gulf of Mexico Fishery Management Council (2006). Final Amendment 26 to the Gulf of Mexico Reef Fish Management Plan to Establish a Red Snapper Individual Fishing Quota Program.
[3] Gulf of Mexico Fishery Management Council (2011). Report: Ad Hoc Red Snapper IFQ 5-Year Review Advisory Panel. July 12-13, 2011.
[4] Solis, D., del Corral, J., and J. Agar (2012). Evaluating the impact of individual fishing quotas (IFQs) on the technical efficiency and composition of the U.S. Gulf of Mexico red snapper fishery: Preliminary draft report.
[5] NMFS Southeast Regional Office (2012). Gulf of Mexico 2011 Red Snapper Individual Fishing Quota Annual Report.

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while discarding has been reduced. For the first time in decades, commercial overfishing for red snapper has ended and the annual catch limit is steadily increasing as the stock improves. The report also highlights improvements in economic performance – a rise and stabilization of ex-vessel prices and strong share prices under IFQs, reflecting the industry's confidence and expectation for long-run economic and biological improvements. Economic benefits of IFQ management come from two key sources: ex-vessel price gains and stability from eliminating seasonal closures and corresponding supply gluts, and fleet cost savings from removing restrictive management controls and promoting share trading.[6] Profitable fisheries benefit coastal communities and the nation, promoting stable jobs across a variety of industries, and the wealth generated from secure quota privileges delivers powerful incentive to invest in environmental stewardship.

We have two recommendations for the near-term. First, the minimum commercial size limit should be eliminated since it contributes to discarding without providing a biological benefit. Second, red snapper IFQ share and allocation transferability to the general public should be limited for now and revisited when comprehensive reef fish IFQ management is operating. Currently, red snapper IFQ trading is open to the public, grouper and tilefish IFQ trading is restricted within the fishery until 2015, and several reef fish are still under derby management. Different trading rules in a multispecies fishery can create important problems. Red snapper share and allocation prices could increase relative to other species' IFQ shares, especially if some shares are unused, increasing costs which can constrain trading and entry of new participants. This introduces an important risk that red snapper discards may increase if fishermen cannot obtain shares or allocation to cover their catch. Appropriate analyses and coordination with management of other reef fish is essential prior to opening transferability to the public. At the same time, we do support exploring transferability with the red snapper recreational fishery as soon as a system of management, monitoring, and enforcement comparable with the commercial IFQ program is operational.

We also recommend that the Council prioritize expanding commercial IFQ management to encompass all reef fish in the management unit and improving at-sea monitoring. These steps are needed to prevent effort shift and overfishing for species that remain under derbies. Given that speculation for landings history can exacerbate derby fishing, the Council should act quickly. Building on the success of red snapper, grouper, and tilefish IFQ management, comprehensive reef fish IFQ management will expand flexibility, profitability, and sustainability across the reef fish fishery.

Sincerely,

Daniel Willard, Ph.D.
Economist, Gulf and Southeast Oceans Program

Pamela Baker
Director, Gulf of Mexico Region

[6] Weninger, Q. and J.A. Waters (2003). Economic benefits of management reform in the northern Gulf of Mexico reef fish fishery. *Journal of Environmental Economics and Management* 46: 207-230.

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October 26, 2012

Mr. Doug Boyd, Chair
Gulf of Mexico Fishery Management Council
2203 N. Lois Ave.
Tampa, FL 33607

Dear Mr. Boyd:

Environmental Defense Fund is writing to provide comments and recommendations on two important issues: (1) the 5-year review of the red snapper individual fishing quota (IFQ) program; and (2) potential to improve recreational fisheries using electronic monitoring on for-hire vessels.

5-Year Review. *The red snapper IFQ program is achieving its conservation and economic goals, and we recommend that it be maintained and continued into the future.*

The Magnuson-Stevens Act (MSA) and the Reef Fish Fishery Management Plan (FMP) require a 5-year review of the red snapper IFQ plan. The MSA indicates that such IFQ programs should be reviewed to determine if they meet their established goals.[1] The reef fish FMP established specific goals to ensure the plan helps rebuild the stock, reduces overcapacity in the commercial fleet, eliminates derby fishing where fishermen raced to fish during short seasons, promotes safety at sea, lengthens fishing seasons, and stabilizes red snapper markets.[2]

There is significant evidence that IFQ management is meeting these goals. The Council's red snapper 5-year review advisory panel composed of commercial fishermen, recreational anglers, for-hire operators, academics, and a NGO representative reported in July 2011 that the IFQ program has reduced excess capacity, stabilized markets, improved monitoring and enforcement, reduced red snapper discards, and increased safety at sea.[3] The Council's Socioeconomic SSC recently reviewed analysis confirming that fishing capacity is gradually being reduced and, with many regulatory constraints now removed, fishermen's flexibility to plan their operations and businesses is leading to increased value of catch.[4]

[1] Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. § 1801 *et seq*.
[2] Gulf of Mexico Fishery Management Council (2006). Final Amendment 26 to the Gulf of Mexico Reef Fish Management Plan to Establish a Red Snapper Individual Fishing Quota Program.
[3] Gulf of Mexico Fishery Management Council (2011). Report: Ad Hoc Red Snapper IFQ 5-Year Review Advisory Panel. July 12-13, 2011.
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The most recent (2011) NMFS red snapper IFQ Annual Report also concludes that the program is benefiting the fishery.[5] The commercial fishery is harvesting slightly under its quota each year while discarding has been reduced. For the first time in decades, commercial overfishing for red snapper has ended and the annual catch limit is steadily increasing as the stock improves. The report also highlights improvements in economic performance – a rise and stabilization of ex-vessel prices and strong share prices under IFQs, reflecting the industry's confidence and expectation for long-run economic and biological improvements. Economic benefits of IFQ management come from two key sources: ex-vessel price gains and stability from eliminating seasonal closures and corresponding supply gluts, and fleet cost savings from removing restrictive management controls and promoting share trading.[6] Profitable fisheries benefit coastal communities and the nation, promoting stable jobs across a variety of industries, and the wealth generated from secure quota ownership delivers powerful incentive to invest in environmental stewardship.

We have two recommendations for the near-term. First, the minimum commercial size limit should be eliminated since it contributes to discarding without providing a biological benefit. Second, red snapper IFQ share and allocation transferability to the general public should be limited for now and revisited when comprehensive reef fish IFQ management is operating. Currently, red snapper IFQ trading is open to the public, grouper and tilefish IFQ trading is restricted within the fishery until 2015, and several reef fish are still under derby management. Differing trading rules in a multispecies fishery can create important problems. Red snapper share and allocation prices could increase relative to other species' IFQ shares, especially if some shares are unused, increasing costs which can constrain trading and entry of new participants. This introduces an important risk that red snapper discards may increase if fishermen cannot obtain shares or allocation to cover their catch. Appropriate analyses and coordination with management of other reef fish is essential prior to opening transferability to the public. However, we do support exploring transferability with the red snapper recreational fishery as soon as a system of management, monitoring, and enforcement comparable with the commercial IFQ program is operational.

We also recommend that the Council prioritize expanding commercial IFQ management to encompass all reef fish in the management unit and improving at-sea monitoring. These steps are needed to prevent effort shift and overfishing for species that remain under derbies. Given that speculation for landings history can exacerbate derby fishing, the Council should act quickly. Building on the success of red snapper, grouper, and tilefish IFQ management, comprehensive reef fish IFQ management will expand flexibility, profitability, and sustainability across the reef fish fishery.

For-hire electronic monitoring. *We support electronic reporting for federally permitted for-hire vessels.*

Persistent large overharvests in the Gulf's recreational fisheries threaten fish populations, reduce access for anglers, and jeopardize the viability of recreational and commercial fishing businesses. A major overhaul of recreational fisheries management is needed. As a step in that direction, we

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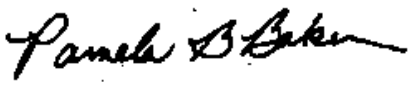
[5] NMFS Southeast Regional Office (2012). Gulf of Mexico 2011 Red Snapper Individual Fishing Quota Annual Report.

[6] Weninger, Q. and J.A. Waters (2003). Economic benefits of management reform in the northern Gulf of Mexico reef fish fishery. *Journal of Environmental Economics and Management* 46: 207-230.

support the Council's August 2012 motion to develop a plan amendment to explore electronic reporting for federally permitted for-hire vessels. Electronic reporting can be designed to improve the timeliness and accuracy of catch and effort data needed to help improve stock assessments, set catch limits, and manage seasons. To ensure effective catch accounting and transparent monitoring, we recommend the plan include options for at-sea reporting and a hail-in requirement. We encourage the Council and NMFS to work with industry and other stakeholders to develop options for verifiable and enforceable real-time reporting, built with flexibility and supported by the for-hire industry.

Sincerely,



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Economist, Gulf and Southeast Oceans Program

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Director, Gulf of Mexico Region

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October 12, 2012

Mr. Douglass Boyd, Chairman
Gulf of Mexico Fishery Management Council
2203 N Lois Avenue
Suite 1100
Tampa, Florida 33607 USA

Dear Mr. Boyd:

Coastal Conservation Association is taking this opportunity to give the Council our input on two issues that will be under discussion during the upcoming meeting in Gulfport. We are pleased to see that the Council has resumed work on the Congressionally mandated five-year review of the red snapper Individual Fishing Quota (IFQ) program. The concept of IFQs as currently constructed is fundamentally flawed – the red snapper IFQ program does not pay for itself, it is exacerbating red snapper bycatch mortality, and it is a formidable obstacle to much-needed reallocation. Addressing those issues is among the most important work currently before the Council and we urge you to either move forward to rectify the problems in a meaningful manner or dismantle the program entirely. Given the decision of the Council at the August 2012 meeting to table any further discussion of IFQ programs in the reef fish fishery, the time may have come to end the IFQ experiment in mixed commercial/recreational fisheries entirely.

In the event that the Council insists on pursuing solutions to the red snapper IFQ program, we urge the Council to consider the following during its review process:

1. The IFQ program was intended to be self-supporting through a financial contribution stemming from a surcharge on ex-vessel landings. In past years, NOAA Fisheries has reported that, because of accounting ingenuity and other creative arrangements, the surcharge was being avoided in some cases and leading to reduced revenues and a funding deficit for the program. By necessity, this deficit is being made up by taxpayer funds. The Council and NOAA Fisheries planned this IFQ program with the intent that those who reaped the windfall profits from free catch shares would at least return the favor by paying their own way. CCA urges the Council to come up with a method for IFQ shareholders to generate the funding necessary to fully support their program.

2. Despite claims by the Council and NOAA Fisheries that the availability of IFQ shares to lease would avoid bycatch problems as the stock recovered and expanded to historic grounds in the eastern Gulf, this has not occurred. Testimony from the commercial sector to the Council on the public record has repeatedly documented observations that as much as 800,000 to one million pounds of red snapper are being discarded, usually dead, from the longline and bandit fisheries that target grouper. A sound estimate of this number from the observer program is needed, but if wholly or even partly true, this is absolutely unacceptable from a conservation perspective. The Council must solve this problem.

3. The NOAA Fisheries Catch Share Policy states that the mandated reviews of catch share programs include a review of allocations and an investigation of means to allow transferability of quota between sectors that takes into account economic, ecological and social criteria. The Council has spent the last three years paying lip service to the idea of shifting allocation, but does in fact seem paralyzed when it comes to broaching this issue, despite the fact that every study of tbe economic benefits associated with the snapper and grouper fisheries of the Gulf clearly conclude that the majority of the net present value of the fishery is overwhelmingly produced by the recreational sector.

   This deadlock is due to status quo bias by the Council and within NOAA Fisheries, which is driven by loss aversion and an uneven collective action playing field. Viewed from the existing institutional perspective, gains from allocating more fish to the recreational sector seem less certain due to the nature of the data and the estimation techniques, while losses to the commercial sector seem certain when dealing with a rebuilt stock with hard catch limits. The Council is displaying the essence of loss-averting behavior. Regarding the collective action problem, the commercial sector is represented by a small and shrinking number of members that are tightly organized around their interests. Any losses or reductions in allocation will be spread across relatively few individuals. This incentive creates strong collective action bonds leading to strong and organized lobbying against allocation increases for the recreational sector if those increases are taken from the commercial quota. On the other hand, the recreational sector is represented by millions of people and the individual increment of allocation that would accrue to any one angler is small. When you pit a small number of individuals with a lot at stake against a large number of individuals with a small amount at stake in an environment where the manager would like to avoid loss or controversy at any cost, it becomes impossible to change allocations. A system is needed to break this deadlock.

   Perhaps a workable solution is to allocate any and all increases in harvest limits in a rebuilding fishery to the recreational sector as the stock recovers, if such reallocation is supported by economic, social and ecologic criteria.

The allocation decision should then be revisited periodically, perhaps every three to five years or perhaps each time the council moves to increase harvest limits. The Council would not be taking anything away from the commercial sector and yet would still move in a direction that enhances the economy, thereby avoiding the loss-aversion problem by making Council action on allocation change far more palatable. If current quotas for commercial fishermen are not reduced to reallocate, commercial revenues will not fall and they will have far less incentive to take up collective action to stop the reallocation. In catch share fisheries, commercial quota sale or lease prices will not change, nor will commercial asset values if reallocations come only from rebuilding gains. Recreational value, and therefore overall value of any fishery reallocated using the appropriate economic, social and ecological criteria, will increase as will recreational flexibility and the economic and ecological sustainability of coastal communities. And all the ecological benefits of optimum yield can be had while increasing the value of the resource to the nation. We urge the Council to set aside historic bias and manage this valuable resource to provide the highest benefits to the nation in the same fashion as the board of directors of any successful business enterprise would seek to maximize profits.

Finally, we would like to raise two ideas that are increasingly being discussed in reference to gray triggerfish. The first, which arose during discussions in the stock assessment, is the possibility that increasing red snapper populations are affecting triggerfish by predation on egg masses. This issue deserves more scientific scrutiny. Second, new research seems to show that the regulatory change mandating circle hooks in the Gulf reef fish fisheries may have artificially influenced catch-per-effort indices that drive the assessment model. If, in fact, catchability of triggerfish has been reduced because it is more difficult to hook them on circle hooks, then the projections showing stock declines and overfishing could be flawed. We would urge the Council to ask the Southeast Science Center to investigate this possibility. If the state of current research is such that a metric showing proportional catchability of triggerfish on 'J' hooks versus circle hooks can be developed, a rerun of the model inputting this change might yield a more robust indicator of stock status and would be a fairly easy task to accomplish.

Sincerely,

Chester Brewer, Chairman
CCA Government Relations Committee

Subject: Ifq program
Date: Tuesday, September 25, 2012 9:17 AM
From: brian lewis <blewis131@hotmail.com>
To: John Milner <GulfCouncil@gulfcouncil.org>
Conversation: Ifq program

Dear gulf council,

I'm very concerned about the amount of American red snapper bycatch that has to be discarded in the Gulf of Mexico .
The msa states we must reduce discards and mortality , however I find it hard to believe that the ifq program is in line with this requirement.

The fishermen in the eastern gulf do not have quota or cannot find it to lease and/or the price to lease it is so ridiculous .
We need to be able to utilize our other quota to keep a percentage of the red snapper in the eastern gulf ie 1.5 of red grouper for 1 red snapper , gags 1:1 and so on .
The average long line boat is catching 1000lbs of red snapper per trip .
The average vertical line boat is 200lbs.
So if the average number of trips per year is say 20 that's a lot of red snapper that is being discarded and most of them are dead , especially in deep water .
The ifq program has met some of the goals, but not most .
The wait and see approach is not the way this program should be handled .

My thoughts are once. Grouper fishermen has exhausted his quota then he will be done fishing and no bycatch issues there .

Some suggestions :

1) Regionalize a percent of the quota to the eastern gulf so we can be in line with the msa requirements .
2) If the fishermen wants to fish he has to use his red grouper or other ifq to keep these red snapper .
3) Spiritually the ifq program is privatizing the resource , we need to work on that .
4) We need a better study of the recreational harvest to see truly what is being harvested so that the fish can be allocated properly .
5) We need the ifq loan program implemented .
6) We need financial aid allocated to the fishermen who did not receive shares . I.E. saltonstall-Kennedy fishing fund .
7) Fishery buy back from fishermen who don't want to fish anymore and their quotas are utilized to address the bycatch and mortality issues .
8) The best science available be used to protect our fisheries for years to come .
9) When the five year review occurs the fishermen who own shares and are actually

fishing the shares should be the ones to keep them , the sharecroppers need to be ousted .
10) A control date needs to be implemented that any person who buys shares of any reef fish, who doesn't have a proven reef fish history should not be allowed to possess shares. And either must sell them .
11) Any allocations that are not landed should be allowed to carry over to the next year as increases to our fleets .

Regards,
Brian Lewis
102 south nimbus ave
Clw, fl. 33765
727-423-6950

Sent from my iPad

Gulf Council and constituents,

Thank you for your time in reading this and allowing me to voice some of my concerns and opinions pertaining to current and future fisheries management, as well as informally introduce myself.

My name is Dean Cox, owner of Cox Fisheries inc. which consists of two commercial fishing vessels that are involved in the gulf reef fish fishery. My business is based out of Destin Fl. I was professionally fishing on commercial or charter boats since 1986. Prior to fishing professionally, I would spend boyhood summers working on my grandfathers charter boat as he as well was a commercial and or charter fisherman most of his life. NMFS catch records will verify that I've been a captain on various boats from1993 to present day.

I represent F.F.F.F. which is an abbreviation for, Fishermen For Fishing Future; a self proclaimed organization not yet formed, consisting only of myself at this time. I chose this as the name because many combinations of F.F.F.F . will have the same meaning. In lieu of this , I would not be opposed to joining the Gulf of Mexico Reef Fish Shareholders Alliance (as a voting member,) if monies allowed. I feel they best represent most of my opinions , of fisheries issues and are on a great path to ensuring Gulf reef fish, fishing remains a viable, equitable, sustainable industry.

As a captain, my mainstay in the reef fish fishery has historically been Vermillion Snapper. As a matter of fact, out of necessity, I was one of the innovators of harvesting Vermillions with greater technical, efficiency than known in years prior. I was also an integral part in designing ,testing ,and modifying the fishing gear that is used today to target Vermillion's .

I think most Vermillion Snapper fishermen would agree that the Vermillion fishery in the Gulf is, volatile as compared to other reef fishes. Through much time & study, My expertise and experience tell me that Vermilions tend to be temperamental and more finicky than other reef fish. They are also smaller compared to other reef fish and in most cases tend to add up at a slower rate when fishing for them. I also feel more variables affect them than any other reef fish I've tried to target. A number of insights should support my beliefs in this matter, and I encourage others to engage me as to why I feel this way.

Now for my conundrum… I've been a captain in the reef fish industry for 18 years, yet I am having increasing difficulty earning a living, perhaps to the extent of bankruptcy. I understand that that

there are possibly infinite factors influencing this but I'll point out the ones I feel relate to my circumstance and current fishery management.

1. Lack of adequate Red Snapper shares or allocation to maintain a profitable CPUE.

2. Lack of capital to invest in said Red Snapper shares or allocation.

3. Decreased natural capital.

4. Shrinking habitat in which to fish for my targeted species.

5. Open access to my historical fishery.

7. Waning capital services.

8. Slow adaptive fishery management processes.

Ill stop at those listed for now so not to be redundant, if I haven't already done so.

At this juncture I was preparing to take readers on a lengthy, insightful, and disheartening, virtual trip on one of my boats during this year to further my cause, however this would be rather time consuming, so I'll cut to the chase and entertain the offer at a later date.The most pressing issues I feel need to be addressed in the commercial reef fish sector are as follows:

- First and foremost, MSY, OY, and catch shares need to be established for the remaining reef fish. Correct me if I'm wrong but I think there is framework in the process for this now. If not, please let me express that time is of the essence in this matter. It has recently come to my attention that others without my credibility in the Vermillion Snapper fishery, are trying to impress upon the council that the Vermillion Snapper fishery is fine the way it is. I wont argue with the vermillion, stock assessment that concluded Vermilions were not over fished or undergoing over fishing, however I will point out that they are being overexploited which in turn creates a negative externality on my business, due most in part to sector shift. In the past two or three years I've seen more unfamiliar boats targeting vermillion than in the decade previous. Instead of waiting until the vermillion stock assessment, concludes vermillion are over fished ,how about the Council being proactive on this stock ?

- Next, historical Gulf Reef fish fishermen without capital to invest in Red Snapper shares , need shares or access to adequate allocation to sustain their business'. This needs to be addressed

during the five year comprehensive review. To elaborate on this matter, I believe that the Council is under the impression that all current Gulf Fishermen have capital to invest in shares and also have access to adequate Red Snapper allocation. I want to assure The Council this is not the case for not only myself, but for other persons struggling through my same situation.

I believe the following things are also important and are currently being addressed by the council now: i.e. Public outreach and participation, ease of public access to issues affecting fishermen, more fisheries studies, and adaptive management plans.

The following are suggestions of mine on how the Red Snapper issue mentioned above, could be addressed .

1. Inactive accounts need to be absolved and given to historic Gulf fishermen without shares.

2. Future increases in TAC that exceed the benchmark set at the inception of the Red Snapper IFQ program need to be given to historic Gulf fishermen without shares.

3. Unused allocation that was not sanctioned needs to be given to historical Gulf fishermen without shares. In the following year. Perhaps even retroactively would be nice. I understand the later probably wont happen, and I respect that.

4. When shareholders are deceased and unless direct descendants are involved in fisheries, a portion of their share's need to be divided among gulf fishermen without shares.

It is my personal belief that there are no limits, the waters are always calm, the weather always fair and the fish are always biting in a fisherman's afterlife.

Now then, at the end of 2007, 2008, and 2009, combined there was a quota of 247,826 lbs left unused. The data on this number for 2010 was not available to me at the time I composed this letter. Correct me if I'm wrong but I also think NMFS sets a 2% cushion on the TAC to address overages. And also there was a portion of the TAC set aside for discrepancies. I don't know about other gulf fishermen but I for one could have used a portion of this quota, or cushion, at full shareholder price or otherwise, especially given the fact that I was and continue to incur more costs than current shareholders. I was also discarding hundreds if not thousands of lbs. per trip, which is both disheartening and wasteful to myself, my crew, and others. I suppose there could be a bright side to this

unused quota, in the aspect that it allowed for more rapid rebuilding of stocks, and in turn hopefully be of benefit to me and others in my situation.

It is of detrimental importance to myself and others in my particular situation that I ask the Council if it has not already been done to set a motion or develop framework to address the concern's listed above.

Being I am way behind the learning ,curve, I urge any or all of those involved to help me understand and participate in the fisheries management process; Via email: deancox@mchsi.com or by phone: (850)-259-8782I would also like to offer the Gulf Council to consider me for future advisory panels or perhaps for job opportunities, such as public outreach, or otherwise, as the fishing business doesn't seem to be paying my bills at this time.

Once again let me thank you Council members and constituents in reading this. I hope it enlightened, intrigued, and works as a catalyst in helping develop equitable, sustainable, and adaptive, fisheries management practices now and in the future.

Dean Cox