

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 artificial 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
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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 <krisssahr@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.Ansong@dnr.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 presentation 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 existence. 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 mankindgreed!

Capt Gary Jarvis F/V Back Down 2

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

Mr. Douglass Boyd
Chairman
GMFMC

January 11, 2013

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 vice 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?](http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit§ion=2)

[title=Individual_fishing_quota&action=edit§ion=2](http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit§ion=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](http://en.wikipedia.org/wiki/Quota_Management_System) in the initial allocation of fishing quota in New Zealand's quota management system [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 [Mi'kmaq](http://en.wikipedia.org/wiki/Mi%27kmaq_people) in Canada and the Saami [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 arbiters in respect of access and participation in rights-based regimes.[15] http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_note-15

[\[edit http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit§ion=3\]](http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit§ion=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.

[\[edit http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit§ion=4\]](http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit§ion=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?](http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit§ion=5)

title=Individual_fishing_quota&action=edit§ion=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?](http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit§ion=6)

title=Individual_fishing_quota&action=edit§ion=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?](http://en.wikipedia.org/w/index.php?title=Individual_fishing_quota&action=edit§ion=7)

title=Individual_fishing_quota&action=edit§ion=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§ion=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_\(law\)](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§ion=9>

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[^] **a** <http://en.wikipedia.org/wiki/Individual_fishing_quota#cite_ref-chu_2-0> **b**

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Sent from my iPad

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

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.

Mr. Doug Boyd, Chair

January 4, 2013

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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.

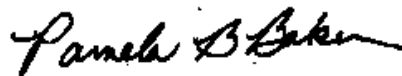
We have two recommendations for the near-term. First, the minimum commercial size limit should be eliminated since it contributes to discarding without providing a biological benefit. Second, red snapper IFQ share and allocation transferability to the general public should be limited for now and revisited 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.

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.

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.

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

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.

Mr. Doug Boyd, Chair

October 26, 2012

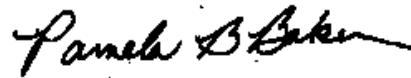
Page 3 of 3

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,



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



Pamela Baker
Director, Gulf of Mexico Region

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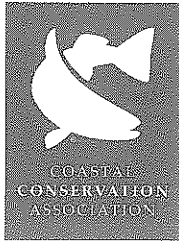
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October 12, 2012

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 the 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.

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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 from 1993 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 Vermillions 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.

I'll 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 won't argue with the vermilion, 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 vermilion than in the decade previous. Instead of waiting until the vermilion stock assessment, concludes vermilion 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