



Tab B, No. 5(a)

Reef Fish Amendments 36A, 36B, 36C:

# Commercial IFQ Program Modifications

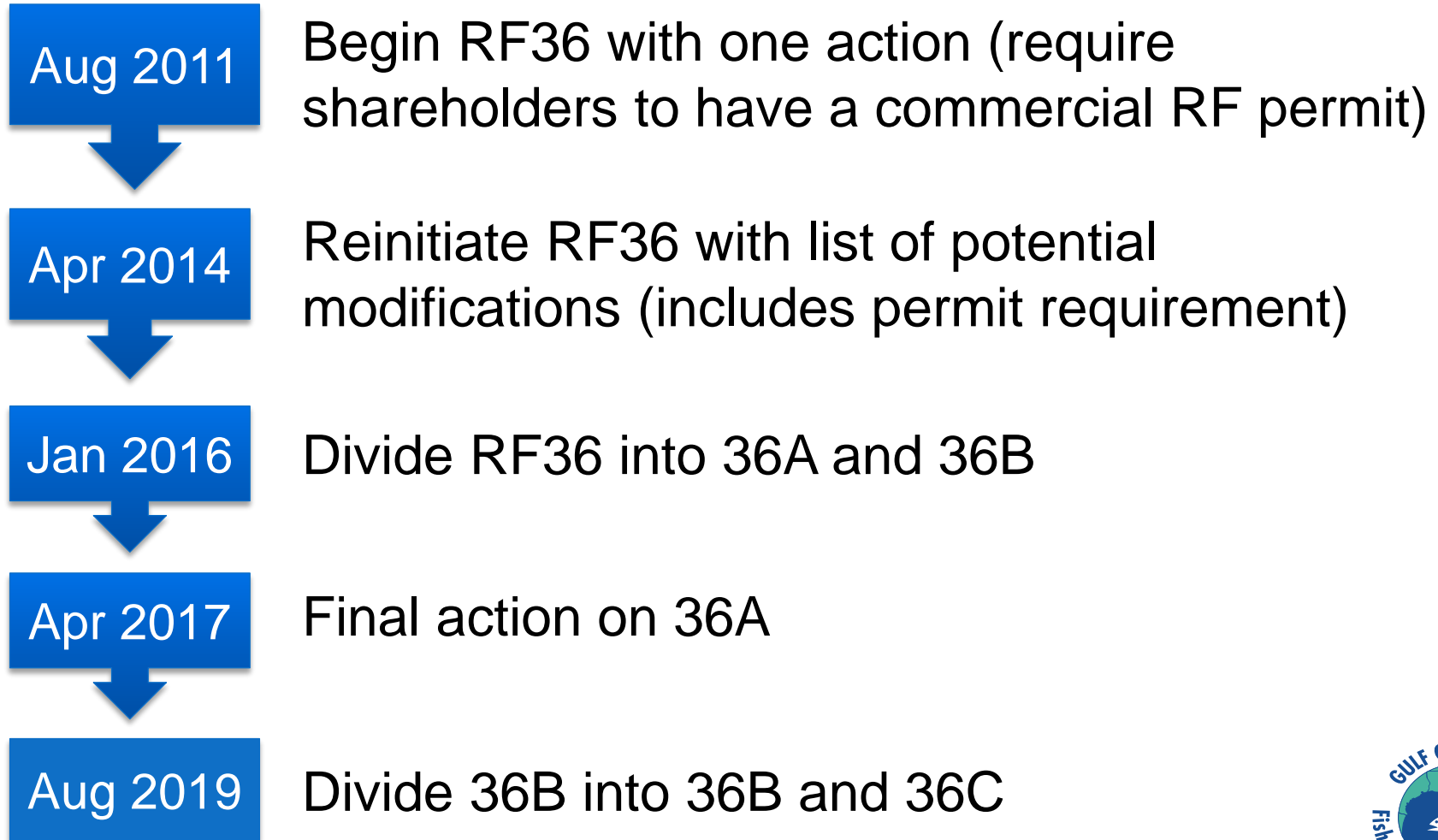


# Overview

- I. Brief history and overview of Amendments 36, 36A, 36B, 36C
- II. History of commercial RF permit action (36B)
- III. History of list of potential modifications
- IV. 36A – Final action in April 2017
- V. 36B – Require shareholders to have a commercial reef fish permit
- VI. 36C – Remaining actions (quota bank, etc.)
  - Purpose and Need



# I. Brief History of RF Amendment 36



# I. Overview of Amendment 36

**36A** – All reef fish vessels hail-in; reclaim shares from non-activated accounts; withhold allocation before quota reduction

**36B** – Action 1: Require shareholders to have a commercial reef fish permit

– Action 2: Establish a process for share divestment if unable to meet new requirements

**36C** – Action 1: Distribute shares reclaimed through 36A or use those shares to create a quota bank

– Action(s) 2: Develop a Quota Bank

– Action 3: Estimated weights in landing notifications

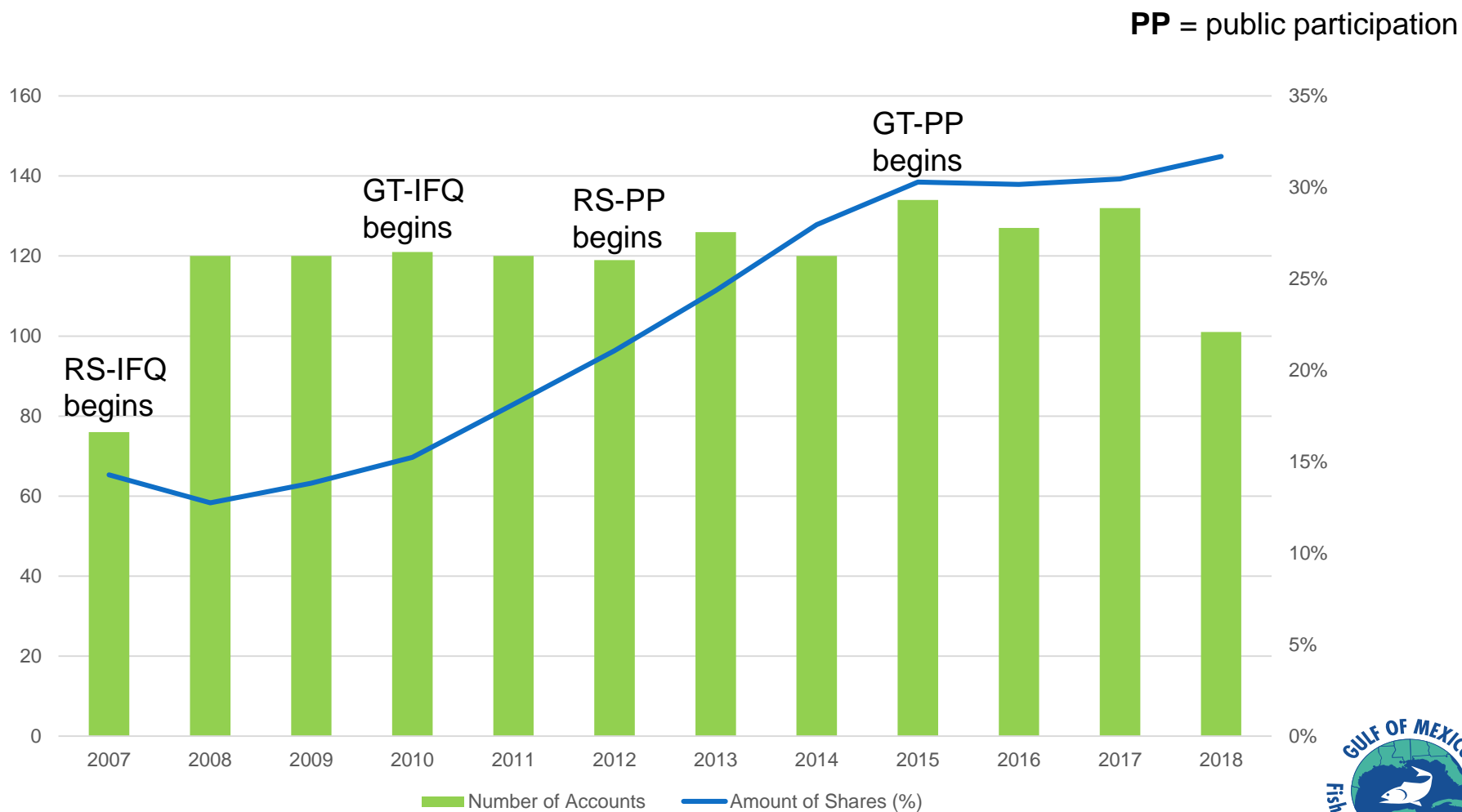


## II. Commercial Permit Requirement

- First 5 years of each IFQ program, commercial reef fish permit required to receive (buy) shares and allocation.
- As of 1/1/2010 (RS), 1/1/2015 (GT), any U.S. citizen or permanent resident may obtain an account and buy/retain/sell shares and allocation (public participation; PP).
- Commercial reef fish permit remains required for landing IFQ allocation.
- Council published control dates before public participation began, but did not take action.
- Amendment 36 began with this one action (Aug 2011)



## II. Number of Shareholder Accounts with Red Snapper shares and No permit



## II. Commercial permit requirement – timeline

2011



- RF36 initiated and preferred alternative selected (require shareholders to have a permit); Control date for future RS public participation (PP).

2012



- Work on RF36 postponed.

2014



- Review potential program changes; resume RF36; Motion to restrict PP; Control date for future GT PP.

2016



- Divide RF36 into 36A and 36B (Jan).

2017



- Review RF36B Options Paper (June).

2018-19



- Modify permit requirement action (Aug 2018; June 2019).

2019

- Divide RF36B into 36B and 36C (Aug).



# III. List of Potential Program Modifications

- Apr 2014 – List of potential program modifications
- List compiled from:
  - Red Snapper IFQ Program 5-year Review
  - Ad Hoc RS-IFQ AP
  - Law Enforcement AP
  - Council discussion
- Legal review for triggering referenda





# III. List of Potential Program Modifications presented/added in April 2014

<b>36B</b>	Require commercial reef fish permit, or limit amount of shares non-permitted entities may possess	Aug 2011: sole action in RF36; Jan 2016: moved to 36B; Aug 2019: remains in 36B
	Require a VMS hail-in for all commercial reef fish trips	Jan 2016: moved to 36A; Apr 2017: final action
<b>36A</b>	Reclaim shares from inactivated accounts	Jan 2016: moved to 36A; Apr 2017: final action
	Delay distribution of some IFQ allocation at the beginning of the year in which a quota decrease is expected to occur	Jan 2016: moved to 36A; Apr 2017: final action
<b>36C</b>	Require dealer notification of intent to offload (removed before final action)	Aug 2016: added to 36A; Apr 2017: removed from 36A
	Redistribute shares from inactivated accounts to small shareholders; new entrants; to reduce regulatory discards, through permit banks or NMFS.	Jan 2016: moved to 36A; Apr 2017: moved to 36B; Aug 2019: moved to 36C
<b>36C</b>	Redistribute quota increases above 9.12 mp to new entrants and small shareholders and to reduce regulatory discards	Jan 2016: moved to 36B; Aug 2019: moved to 36C
	Require accuracy in estimated weights on advanced landing notifications	Apr 2014: removed; Apr 2018: added to 36B; Aug 2019: moved to 36C

# III. List of Potential Program Modifications presented/added in April 2014

Removed

Allocation cap on amount that may be held by an individual or entity, or how much a vessel can use.	Jan 2016: put in RF36B; Aug 2017: removed
Establish use-it-or-lose-it provisions	Jan 2016: moved to 36B; Apr 2018: removed
Restrictions on sale of allocation or shares; Restrict ability for shareholders to sell or lease their shares and allocation without actively fishing	Jan 2016: moved to 36B; Aug 2017: removed
Allow a fisherman without sufficient allocation for his red snapper catch to acquire the needed allocation prior to the next fishing trip.	Jun 2015: removed
Allow shares held by an entity without a commercial reef fish permit to fish and land the allocation associated with those shares	Jun 2015: removed
Eliminate the red snapper commercial size limit	Jun 2015: removed
Consider a full retention fishery for red snapper	Jun 2015: removed
Collect rent via auctions of IFQ shares and allocation	Aug 2014: removed; June 2017: request for legal determination; Apr 2018: staff white paper presented

# IV. RF Amendment 36A

- Final action in April 2017
- 3 actions:
  - Require all RF permitted vessels to hail-in and land at approved landing location, even if not landing IFQ species (effective Jan 1, 2019).
  - NMFS reclaimed RS and GT-IFQ shares from non-activated accounts (effective July 12, 2018).
  - Provide RA with authority to withhold IFQ allocation at beginning of a year in which a quota reduction is expected. Release the allocation by June 1 if quota reduction not implemented.



# V. RF Amendment 36B

## Purpose statement:

The **purpose** of this action is to limit IFQ share ownership by shareholders without a valid or renewable commercial reef fish permit and promote share ownership by fishermen landing reef fish within the RS and GT-IFQ programs. This action considers placing limitations on shareholder accounts that are not associated with a valid or renewable commercial reef fish permit. A shareholder account is considered to be associated with a permit if the exact same entities are listed on both the shareholder account and permit.



# V. RF Amendment 36B

- Action 1 – Permit Requirement
  - Require some or all shareholders to have a commercial reef fish permit
- Action 2 – Share Divestment
  - Establish a process for share divestment for those unable to meet new requirements upon implementation of amendment and in the future



# VI. RF36C – Purpose and Need

- The purpose of this action is to assist small participants and new entrants to the IFQ programs; to reduce discards, and to increase access to shares to actively fishing eligible commercial fishermen.
- The need is to modify the IFQ programs to reflect changes in the fishery since implementation of the programs; to address social and economic issues that have affected fishing communities and participation in the fisheries; to prevent overfishing; to achieve, on a continuing basis, the optimum yield from federally managed fish stocks; and to rebuild the red snapper stock.



# VI. RF Amendment 36C

Council motions for purpose of actions:

- To identify quota set-asides to address and assist small participants and new entrants, and to reduce discards. (Aug 2017)
- To create a quota set-aside from non-activated accounts to run a NOAA quota bank for addressing commercial discards. The Council shall create an industry steering committee to provide advice in the administration of the program. (Apr 2018)
- To increase access to shares to actively fishing eligible commercial fishermen. (Jan 2019)



# VI. RF Amendment 36C

- Action 1 – Distribution of reclaimed shares from non-activated accounts (36A)
- Action 2 – Establishing a Quota Bank (multiple sub-actions)
- Action 3 – Accuracy of estimated weights in advance landing notifications





# VI. RF Amendment 36C

- Action 1 – Distribution of reclaimed shares
  - Distribute the shares to shareholders = no quota bank (i.e., Action 2 is not applicable)
  - Use those shares to start a quota bank

Share category	Reclaimed Shares	2019 Quota (lbs gw)	2019 Allocation (lbs)	# Accounts with shares $\leq 500$ lbs
DWG	0.028405%	1,024,000	291	207
RG	0.106974%	3,000,000	3,209	178
GG	0.182621%	939,000	1,715	291
SWG	0.451821%	525,000	2,372	336
TF	0.055081%	582,000	321	139
RS	0.078800%	6,937,838	5,467	111

# VI. RF Amendment 36C

- Action 2 – Establishing a Quota Bank
  - Assigning allocation to the quota bank;
  - Defining eligible recipients of the allocation in the quota bank;
  - Determining the amount of allocation for each group of recipients, and each individual recipient;
  - Method of distributing the allocation in the quota bank.



# VI. RF Amendment 36C – quota banks

Quota bank presentations at Council meetings:

Aug 2016



- National and international examples (Council staff)
- Gulf of Mexico Shareholders' Alliance

June 2019



- Gulf of Mexico Shareholders' Alliance

Aug 2019



- Catch Together (Paul Parker)

