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

Aug 2011
Begin RF36 with one action (require shareholders to have a commercial RF permit)

Apr 2014
Reinitiate RF36 with list of potential modifications (includes permit requirement)

Jan 2016
Divide RF36 into 36A and 36B

Apr 2017
Final action on 36A

Aug 2019
Divide 36B into 36B and 36C
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).


- **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

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

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

<table>
<thead>
<tr>
<th>Share category</th>
<th>Reclaimed Shares</th>
<th>2019 Quota (lbs gw)</th>
<th>2019 Allocation (lbs)</th>
<th># Accounts with shares ≤ 500 lbs</th>
</tr>
</thead>
<tbody>
<tr>
<td>DWG</td>
<td>0.028405%</td>
<td>1,024,000</td>
<td>291</td>
<td>207</td>
</tr>
<tr>
<td>RG</td>
<td>0.106974%</td>
<td>3,000,000</td>
<td>3,209</td>
<td>178</td>
</tr>
<tr>
<td>GG</td>
<td>0.182621%</td>
<td>939,000</td>
<td>1,715</td>
<td>291</td>
</tr>
<tr>
<td>SWG</td>
<td>0.451821%</td>
<td>525,000</td>
<td>2,372</td>
<td>336</td>
</tr>
<tr>
<td>TF</td>
<td>0.055081%</td>
<td>582,000</td>
<td>321</td>
<td>139</td>
</tr>
<tr>
<td>RS</td>
<td>0.078800%</td>
<td>6,937,838</td>
<td>5,467</td>
<td>111</td>
</tr>
</tbody>
</table>
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:

- National and international examples (Council staff)
- Gulf of Mexico Shareholders’ Alliance
- Gulf of Mexico Shareholders’ Alliance
- Catch Together (Paul Parker)