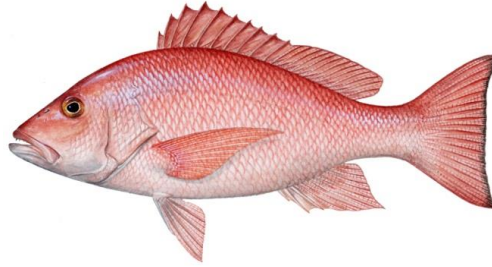


# **Red Snapper Management for Federally Permitted Charter Vessels**



## **Draft Amendment 41 to the Fishery Management Plan for the Reef Fish Resources of the Gulf of Mexico**

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## ABBREVIATIONS USED IN THIS DOCUMENT

ACL	annual catch limit
ACT	annual catch target
Charter AP	Ad Hoc Red Snapper Charter For-hire Advisory Panel
COI	certificate of inspection
Council	Gulf of Mexico Fishery Management Council
EFP	exempted fishing permit
For-hire permit	Gulf Charter/Headboat permit for Reef Fish
Gulf	Gulf of Mexico
HBC	headboat collaborative pilot study
IFQ	individual fishing quota
LAPP	limited access privilege program
Magnuson-Stevens Act	Magnuson-Stevens Fishery Conservation and Management Act
mp	millions of pounds
MRIP	Marine Recreational Information Program
NMFS	National Marine Fisheries Service
NS	national standard
PFQ	permit fishing quota
SRHS	Southeast Region Headboat Survey
TL	total length
USCG	United States Coast Guard
ww	whole weight
YCA	yearly catch allotment

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# CHAPTER 1. INTRODUCTION

## 1.1 Background

In 2014, the Gulf of Mexico Fishery Management Council (Council) reorganized the recreational sector by defining private angling and federal for-hire components for the harvest of red snapper in the Gulf of Mexico (Gulf) and allocating the recreational sector annual catch limit (ACL) between the recreational components (GMFMC 2014a). Establishing separate components within the recreational sector provides a basis for development of flexible management approaches tailored to each component which may reduce the likelihood for recreational quota overages that could jeopardize the rebuilding of the red snapper stock. In 2015, separate red snapper fishing seasons were established based on the estimated catch rates for each component's proportion of the recreational sector ACL, 42.3% for the federal for-hire quota and 57.7% for the private angling quota. All other management measures affecting the harvest of red snapper remain the same for both components,<sup>1</sup> including a 16-inch total length (TL) minimum size limit, 2-fish per person per day bag limit, and June 1 season start date.

Following the passage of Amendment 40 which specified the creation of the separate components, the Council discussed the development of flexible management approaches for the distinct components. The private angling component includes anglers fishing from private vessels and for-hire operators without a federal for-hire permit (i.e., state-licensed). The federal for-hire component includes all for-hire vessels with a valid or renewable Gulf Charter/Headboat permit for Reef Fish (for-hire permit), including Historical Captain Charter/Headboat permits.<sup>2</sup> The for-hire permit does not make a distinction between charter vessels and headboats. Some federally permitted for-hire vessels have historically been selected to participate in the Southeast Region Headboat Survey (SRHS), and as a result, these participating vessels have landings histories. The vessels in the SRHS were selected based on factors including size, passenger capacity, and business operation. These vessels are required to submit landings data on a weekly basis. Over the years, a few vessels have been added or removed from the SRHS; however, vessel participation is relatively stable. As of November 23, 2015, there were 67 vessels with a for-hire permit in the Gulf that participate in the SRHS and have associated landings histories. In October 2015, there were 68 federally permitted vessels participating in the SRHS; however, one vessel has since transferred its permit to a vessel that is not in the SRHS.

The remaining vessels with a for-hire permit do not participate in the SRHS and instead, have their landings estimated through the Marine Recreational Information Program (MRIP). The MRIP For-Hire Survey includes a voluntary dockside intercept survey and a monthly phone survey sampling approximately 10% of federally permitted charter vessels. In recognition that

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<sup>1</sup> The Headboat Collaborative's exempted fishing permit (EFP) assigned a portion of the red snapper recreational sector ACL. The EFP allowed for some different management measures. The EFP was for two years and ended on December 31, 2015.

<sup>2</sup> To qualify for a Historical Captain Gulf Charter/Headboat (HRCG) permit for Reef Fish, a captain must be U.S. Coast Guard licensed and operating as a captain of a for-hire vessel prior to March 29, 2001, and have at least 25% of their earned income from recreational for-hire fishing in one of the last four years ending March 29, 2001. These permits are renewable but not transferable to another individual, and require the permitted vessel be operated by the historical captain.

the remaining 1,247 federally permitted for-hire vessels as of November 23, 2015 do not have landings histories, the Council expressed interest in further reorganizing the federal for-hire component and initiated development of separate amendments to evaluate flexible management approaches that could be tailored to vessels based on the presence or absence of recorded landings histories. In part, this is due to the fact that different management approaches may be possible for vessels with landings histories recorded through the SRHS compared with those who do not have these recorded landings histories.

Management approaches for federally permitted vessels participating in the SRHS with associated landings histories, referred to here as **headboats**, are being evaluated in Reef Fish Amendment 42. Management approaches for federally permitted for-hire vessels that do not participate in the SRHS and thus do not have recorded landings histories are referred to as **charter vessels**. Amendment 41 evaluates flexible management approaches for charter vessels. The distinction between charter vessels and headboats established for the purpose of this amendment is different than the definition of a charter vessel and headboat in the federal regulations at 50 C.F.R. § 622.2 (Appendix A).

***In this amendment:***

**Charter vessels** refer to all federally permitted for-hire vessels that do not participate in the Southeast Region Headboat Survey and thus do not have recorded landings histories.

**Headboats** refer to all federally permitted for-hire vessels that participate in the Southeast Region Headboat Survey and thus have recorded landings histories.

***Definitions:***

**Gulf Charter/Headboat Permit for Reef Fish**, referred to as a **for-hire permit**, is the limited access, federal for-hire permit required to take paying passengers fishing for reef fish in federal waters.

**Recreational Annual Catch Limit (ACL)** – pounds of fish allowed to be landed by recreational fishers (includes private anglers, charter vessels, and headboats).

**For-hire Quota** - pounds of fish allowed to be landed by for-hire vessels (charter vessels and headboats).

**Charter Quota** –pounds of fish allowed to be landed by charter vessels under the program developed in this amendment.

The Council also established an Ad Hoc Red Snapper Charter For-hire Advisory Panel (Charter AP) to provide recommendations toward the design and implementation of flexible measures for the management of red snapper for charter vessels. A summary report of the May 2015 Charter

AP meeting, including its recommendations, is provided in Appendix B. In addition to the Charter AP, the Council created a corresponding Headboat AP charged with making recommendations for the management of reef fish for the headboat sub-component.

## **Components of the Recreational Sector**

The Council passed Amendment 40 with a 3-year sunset clause (GMFMC 2014a). Unless the Council takes action to otherwise modify management of the separate components (e.g., through Amendment 39<sup>3</sup> or another plan amendment), the provisions establishing separate recreational components and the respective allocations will expire on December 31, 2017. Retaining a distinct federal for-hire component with an associated component quota is necessary for the establishment of red snapper management for charter vessels. Amendment 41 is the current vehicle the Council is using to develop a management strategy for charter vessels harvesting red snapper. Thus, an action may need to be included that provides the Council the opportunity to extend management of the separate components of the recreational sector. Such an action would be necessary for the Council to establish the other actions in the amendment pertaining to the design features of charter vessel management for red snapper. Relatedly, an action would be needed to determine how the for-hire quota would be divided between the charter and headboat sub-components if the Council continues to pursue separate management approaches for the sub-components. These actions may be placed in Amendment 41 or 42.

## **Charter Vessels with Gulf Charter/Headboat Permits for Reef Fish (for-hire permits)**

Charter vessels issued federal Gulf Charter/Headboat Permits for Reef Fish are distributed throughout the Gulf with a concentration of vessels along the west Florida coast. Based on the homeport listed on the permit application, approximately 51% of the for-hire permits are in west Florida (excluding the Keys), 11% in Alabama, 3% in Mississippi, 10% in Louisiana, and 17% in Texas (Table 1.1.1). Permits with a listed homeport on the east coast of Florida are assumed to be fishing along the west coast of Florida, in the Florida Keys, or are not currently being used. The number of permitted vessels actively engaged in reef fish charter fishing and the number of currently unused reef fish charter permits is unknown. The number of permitted vessels landing red snapper each year is also unknown.

On November 23, 2015, there were 1,247 charter vessels and 67 headboats possessing valid or renewable for-hire permits. These 1,247 charter vessels possessing for-hire permits would constitute the universe of eligible program participants, as recommended by the Charter AP. As of November 23, 2015, 32 of these permits are active or renewable historical captain for-hire permits. Historical captain permits are renewable, but may not be transferred to another person; a historical captain may transfer the permit to another vessel if operated by the historical captain (Table 1.1.1).

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<sup>3</sup> The current draft of Amendment 39 addressing Regional Management of Recreational Red Snapper can be accessed on the Council's website:

<http://gulfcouncil.org/docs/amendments/PH%20Draft%20RF39%20Reg%20Man%2010-9-15.pdf>

**Table 1.1.1.** Regional distribution of charter vessels with Gulf Charter/Headboat permits for Reef Fish, and Historical Captain permits, by homeport state. Vessels participating in the SRHS are not included.

State (Region)	Number of Charter Vessels	Number of Charter Vessels with Historical Captain permit	Total
<b>Florida</b>			
Panhandle (Escambia - Gulf)	247	8	255
Peninsula (Franklin - Collier)	383	8	391
Keys (Monroe)	83	0	83
East Coast	5	0	5
<b>Alabama</b>	129	4	133
<b>Mississippi</b>	30	2	32
<b>Louisiana</b>	114	6	120
<b>Texas</b>	209	4	213
<b>Non-Gulf State</b>	15	0	15
<b>Total</b>	1,215	32	1,247

Source: NMFS-SERO permit office database accessed November 23, 2015. Historical captain permits may be renewed but are only transferable to another historical captain.

## Passenger Capacity

In general, charter vessels charge by the trip rather than by the individual angler, as is typical of headboats. Although there are some charter vessels with large passenger capacities, charter vessels generally have a lower passenger capacity than headboats. The majority of charter vessels do not have a USCG certificate of inspection (COI), and are thus limited to carrying a maximum of six passengers (Table 1.1.2). Nevertheless, charter vessels are not only classified as such based on the vessel's passenger capacity, and some charter vessels with larger passenger capacities may charge a fee per passenger rather than charging for the entire vessel.<sup>4</sup>

Each charter vessel has a passenger capacity based on its for-hire permit, and a vessel passenger capacity, based on the vessel's COI, or lack thereof. Prior to the 2004 moratorium on for-hire permits (GMFMC 2003), a permit's passenger capacity was equal to the passenger capacity specified on the vessel's COI, and a copy of the COI was required to renew or obtain the permit. Vessels without a COI are limited to carrying a maximum of six passengers. The moratorium was put in place to limit overall fishing effort by for-hire vessels fishing in federal waters. Since the for-hire permit moratorium was implemented, the passenger capacity of each permit may not

<sup>4</sup> Whether a vessel is a charter vessel or headboat, as defined in 50 C.F.R. § 622.2, is based solely on vessel size and passenger capacity. As previously noted, the definitions of charter vessel and headboat that are used for the purpose of this amendment are different than the definitions in the regulations.

be increased, even if a permit holder transfers the permit to a vessel with a COI that allows a greater passenger capacity. Effective August 30, 2013,<sup>5</sup> a copy of the COI is no longer required to renew or transfer a charter/headboat permit.

In most cases, the permit and vessel passenger capacities are the same; the majority of charter vessels have a permit passenger capacity of 6; the vessel does not have a COI, thus limiting the number of paying passengers to 6. However, there are cases where the permit's passenger capacity is greater than the vessel's passenger capacity, and vice versa.

**Table 1.1.2.** Permit passenger capacity of charter vessels with Gulf Charter/Headboat Permits for Reef Fish, and Historical Captain permits.

<b>Passenger Capacity</b>	<b>Number of Charter Vessels</b>	<b>Number of Charter Vessels with Historical Captain permit</b>
6	1,043	23
9-15	19	1
16-19	25	0
20-24	51	1
25-30	21	1
31-40	15	3
41-50	20	0
51-80	10	2
>80	11	1

Source: NMFS-SERO permit office database accessed November 23, 2015. Vessels participating in the SRHS are not included.

For example, as of November 23, 2015, 108 charter vessels have a permit passenger capacity that is larger than the vessel's passenger capacity. The operators of these vessels would not currently be carrying the maximum amount of passengers allowed by their permit, as they are restricted by their vessel's COI (or lack thereof). Most of these vessels do not have a COI, and are able to take no more than 6 paying passengers, even though their permit would allow a greater number of passengers. In turn, there are 11 charter vessels with a vessel passenger capacity (based on the COI) that is greater than the permit passenger capacity. In these cases, the charter vessel is limited to its permit passenger capacity to take anglers fishing. However, these vessels may take paying passengers on separate non-fishing trips, such as dolphin watching tours, up to the number of passengers specified on the COI. If any fishing activity is done on the trip, the charter vessel is restricted to the passenger capacity specified on the charter/headboat permit. Thus, in the event passenger capacity is used as a metric for apportioning fishing privileges through this amendment, the Council must decide whether to use the permit's passenger capacity, or the lower of the permit or vessel's passenger capacity.

<sup>5</sup> Final Rule available at:

[http://sero.nmfs.noaa.gov/sustainable\\_fisheries/gulf\\_fisheries/2013/coi/documents/gulf\\_2013\\_coi\\_framework\\_final\\_rule.pdf](http://sero.nmfs.noaa.gov/sustainable_fisheries/gulf_fisheries/2013/coi/documents/gulf_2013_coi_framework_final_rule.pdf)

As of November 23, 2015, there were 32 active or renewable historical captain for-hire permits. Historical captain permits are renewable, but may not be transferred to another person; a historical captain may transfer the permit to another vessel if operated by the historical captain.

**Table 1.1.3.** Number of vessels in each state or region with the permit's passenger capacity including historical captain permits.

Passenger Capacity	FL Keys	FL Peninsula	FL Panhandle	FL East Coast	AL	MS	LA	TX	Non-Gulf State
6	78	365	171	4	102	27	115	192	13
9-15		3	14				1	2	
16-19		2	19		1		1	1	1
20-24		8	25		15	2		2	
25-30		3	12		3	1	1	2	
31-40	1	1	4	1	7	2	1	1	
41-50	1	3	5		3			8	
51-80	2	2	3		2		1	2	
>80	1	4	2					3	1
<b>Total</b>	<b>83</b>	<b>391</b>	<b>255</b>	<b>5</b>	<b>133</b>	<b>32</b>	<b>120</b>	<b>213</b>	<b>15</b>

Source: NMFS-SERO permit office database accessed November 23, 2015.

Recreational landings by species are not available at the community level. For-hire landings are estimated through the MRIP For-Hire Survey, which includes a voluntary dockside intercept survey and a monthly phone survey sampling approximately 10% of federally permitted charter vessels. Table 1.1.4 provides annual average landings estimates by Gulf State and three regions of Florida, for the years 2004-2012. Table 1.1.5 provides these average landings estimates for three time series.

**Table 1.1.4.** Regional red snapper landings by charter vessels.

Year	FLW - Keys	FLW - Peninsula	FLW - Panhandle	AL	MS	LA	TX
2004	0.00%	0.20%	54.70%	30.60%	0.50%	12.50%	1.60%
2005	0.10%	1.40%	42.90%	35.60%	0.00%	17.60%	2.30%
2006	0.20%	5.10%	40.40%	31.50%	0.20%	21.00%	1.60%
2007	0.00%	2.10%	56.60%	28.20%	0.00%	10.70%	2.40%
2008	0.10%	1.80%	63.30%	19.50%	0.10%	12.70%	2.60%
2009	0.00%	1.20%	60.40%	21.30%	0.00%	14.50%	2.60%
2010	1.30%	7.20%	66.50%	13.20%	1.40%	0.00%	10.40%
2011	0.00%	1.00%	55.40%	34.60%	0.20%	4.80%	3.90%
2012	0.00%	1.50%	48.70%	28.10%	0.10%	18.50%	3.10%

Source: A. Strelcheck, SERO, pers. comm. May 5, 2014.

**Table 1.1.5.** Average regional red snapper landings by charter vessels for select time series.

Average for Years	FLW - Keys	FLW - Peninsula	FLW - Panhandle	AL	MS	LA	TX
2004-2012	0.20%	2.40%	54.30%	27.00%	0.30%	12.50%	3.40%
2004-2012 (exclude 2010)	0.10%	1.80%	52.80%	28.70%	0.10%	14.00%	2.50%
2011-2012	0.00%	1.20%	52.10%	31.40%	0.20%	11.70%	3.50%

Source: A. Strelcheck, SERO, pers. comm. May 5, 2014.

## 1.2 Allocation-based Management & Limited Access Privilege Programs (LAPPs)

Management measures considered in this draft amendment focus on allocation-based management approaches, including recommendations made by the Charter AP. Traditional management instruments, such as adjustments to bag limits and the structure of the fishing season, are currently in place. Retaining use of these management tools is provided as the No Action alternative in Action 1. Should the Council decide to continue to manage charter vessels using these management measures, changes could be made through the Council’s framework procedures. These management measures are further discussed in Section 2.7.

The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) provides the Council with flexibility in the type and design of limited access privilege programs (LAPPs) and guidelines for the different types of programs. The most recent reauthorization of the Magnuson-Stevens Act expanded the flexibility in the design of such programs, specifically pertaining to the recipients of the limited access privileges (Anderson and Holliday 2007), which may be distributed to individual entities or groups.

Under the Magnuson-Stevens Act, the term ‘**limited access system**’ means “a system that limits participation in a fishery to those satisfying certain eligibility criteria or requirements contained in a fishery management plan or associated regulation.” 16 U.S.C. § 1802(27). Federally permitted for-hire vessels in the Gulf are managed under a limited access system in which there are a finite number of valid and renewable charter/headboat permits for reef fish. In contrast, the private angling component is not a limited access system; it remains open access.

Under the Magnuson-Stevens Act, the term ‘**limited access privilege**’ means “a Federal permit, issued as part of a limited access system under section 303A to harvest a quantity of fish expressed by a unit or units representing a portion of the total allowable catch of the fishery that may be received or held for exclusive use by a person,” and includes individual fishing quotas. 16 U.S.C. § 1802(26). In designing a LAPP, the Council is advised to use the National Standards, other applicable law, and the management objectives of the particular fishery management plan as the criteria in the selection of a LAPP (Anderson and Holliday 2007). Further, the goals and objectives for the management of charter vessels should guide the selection of an appropriate management approach and corresponding program features. All of the options for allocation-based management would involve dividing the quota in some way

among participants, but not all allocation-based management approaches would be considered LAPPs under section 303A of the Magnuson-Stevens Act.

Should this amendment result in the establishment of a LAPP, a detailed review would be conducted five years after implementation of the program (Magnuson-Stevens Act 303A(c)(1)(G)). Also, as mandated by the Magnuson-Stevens Act, an individual fishing quota (IFQ) program in the Gulf must be approved by a majority of those voting in the referendum among eligible permit holders. Depending on the management approach selected by the Council, the National Marine Fisheries Service (NMFS) will determine whether a referendum is required.

Section 2.6 addresses additional actions that may be added for the design of an allocation-based program. These include caps on the amount of annual catch allotments that may be used by a participant, accountability measures, cost recovery fees, and landings monitoring and evaluation, among others.

### 1.3 Purpose and Need

The **purpose** of this action is to develop a management approach for federally permitted Gulf reef fish charter vessels that provides flexibility, reduces management uncertainty, improves economic conditions, and increases fishing opportunities for federal charter vessels and their angler passengers.

The **need** is to consider flexible management approaches for federally permitted charter vessels that will prevent overfishing while achieving, on a continuing basis, the optimum yield from the harvest of red snapper by the for-hire sector (national standard (NS) 1); take into account and allow for variations among, and contingencies in the fisheries, fishery resources, and catches (NS 6); and provide for the sustained participation of the fishing communities of the Gulf and to the extent practicable, minimize adverse economic impacts on such communities (NS 8).

### 1.4 History of Management

In recent years, a decreasing number of federal for-hire vessels, shorter red snapper recreational fishing seasons, and declining proportions of the red snapper recreational quota harvested by the federal for-hire component have adversely affected the stability of the for-hire component of the recreational sector, for both operators and their angling passengers. In response to these unfavorable conditions, the for-hire industry and the Council began exploring management measures to mitigate these conditions. Efforts by the for-hire industry are illustrated by the 2014-2015 Gulf Headboat Collaborative Program and an exempted fishing permit application submitted by Alabama Charterboats, which was not approved by NMFS. This section reviews the management actions pertaining to recreational red snapper management and the management of federally permitted for-hire vessels, including Council discussions related to the development of this Amendment 41.

## Recreational red snapper management

The Gulf red snapper stock is overfished and currently under a rebuilding plan. Consistent with the rebuilding plan, both commercial and recreational quotas have been allowed to increase as the stock has recovered. Improvements to the stock were reflected in quota increases from 5 million pounds (mp) in 2009 to 11 mp in 2014. The commercial sector has been managed under an IFQ program since 2007 and landings have stayed below the commercial quota as each IFQ allocation holder is strictly monitored to ensure they do not land more fish than pounds allocated to them through the program. Currently, the commercial sector is regulated by a 13-inch TL minimum size limit for red snapper. Recreational fishing for red snapper is managed with a 16-inch TL minimum size limit, 2-fish bag limit, and a season beginning on June 1 and ending when the recreational quota is projected to be caught for the private angling and for-hire components.

Despite the increasing recreational quota in recent years (2.45 mp in 2009 to 7.01 mp in 2015), the season length has decreased, in part because the average size of the fish harvested has increased (i.e., it takes fewer fish to fill the quota). As the red snapper stock rebuilds, the abundance and size of red snapper in the Gulf are increasing. More fish means people are catching them faster, and those that are landed are larger, thus the pounds of quota get caught faster. This situation is compounded when the States implement less restrictive state-water seasons. Catches in these extended state-water seasons have to be accounted for in calculating when the recreational quota will be reached.

Prior to 1997, recreational fishing for all reef fish was open year round in federal waters of the Gulf. Although catch levels were controlled through minimum size limits and bag limits, the recreational sector exceeded its allocation of the red snapper total allowable catch, though the overages were declining through more restrictive recreational management measures. The Sustainable Fisheries Act of 1996 required the establishment of quotas for recreational red snapper fishing and commercial fishing that, when reached, result in a prohibition on the retention of fish caught for each sector, respectively, for the remainder of the fishing year. With the establishment of a recreational quota in 1997, the Regional Administrator was authorized to close the recreational season when the quota is reached, as required by the Magnuson-Stevens Act. From 1997 through 1999, NMFS implemented the recreational red snapper quota requirement through an in-season monitoring process by establishing a quota monitoring team that, through monitoring landings data that were available, plus projecting landings based on past landings patterns, projected closing dates a few weeks in advance. Between 1996 and 2013, the recreational fishing season decreased from 365 days to 42 days.<sup>6</sup>

In 2008, **Amendment 27/Shrimp Amendment 14** (GMFMC 2007) revised the rebuilding plan for red snapper. For the recreational sector, the rule implemented a June 1 through September 30 fishing season in conjunction with a 2.45 mp recreational quota, 16-inch TL minimum size limit, 2-fish bag limit, and zero bag limit for captain and crew of for-hire vessels.

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<sup>6</sup> Upon availability of a quota increase in 2013, the 28-day recreational season was supplemented by a 14-day fall season for a total of 42 days.

At its April 2014 meeting, the Council requested an emergency rule to revise the recreational accountability measures for red snapper by applying a 20% buffer to the recreational quota, resulting in a recreational annual catch target (ACT) of 4.312 mp whole weight. In addition, several Gulf States announced extended state-water fishing seasons. Given the additional harvest estimated to come from state waters, a 9-day fishing season in federal waters was established for 2014. The Council's decision to request an emergency rule was made following the decision of the U.S. District Court for the District of Columbia in *Guindon v. Pritzker* (March 26, 2014). In March 2015, the Council implemented a framework action to formally adopt the ACT as a buffer to the recreational sector ACL, and adopted a quota overage adjustment such that if the recreational quota is exceeded in a fishing season, the amount of the overage is deducted from the following year's quota (GMFMC 2014b).

### **Management of the Federal For-hire Component**

Additional actions have affected federally permitted for-hire vessels. Since 1996, when **Amendment 11** was implemented, for-hire vessels fishing in federal waters are required to have a federal charter/headboat permit for reef fish. The initial purpose of the permits was to address potential abuses in the two-day bag limit allowance. It was thought that by having a permit to which sanctions could be applied would improve compliance with the two-day bag limit. In addition, the permit requirement was seen as a way to enhance monitoring of the for-hire component of the recreational sector.

In 2003, a three-year moratorium on the issuance of new charter/headboat permits for reef fish was established through **Amendment 20** (GMFMC 2003), to limit further expansion in the for-hire fisheries, an industry concern, while the Council considered the need for more comprehensive effort management systems. This means that participation in the federal for-hire component is capped; no additional federal permits are available. The number of federal reef fish for-hire permits has been decreasing since the establishment of the moratorium (GMFMC 2014a). The permit moratorium was extended indefinitely in 2006 through **Amendment 25** (GMFMC 2006).

**Amendment 30B** (GMFMC 2008) included an action requiring that vessels with federal commercial or charter/headboat reef fish permits comply with more restrictive federal reef fish regulations if state regulations are different when fishing in state waters. The implementation of this provision reduced the fishing days available in federal waters to the for-hire vessels in comparison to the private recreational anglers. Prior to the implementation of this provision, the for-hire vessels represented greater than 40% of the recreational harvest of red snapper. Since then, the for-hire harvest of red snapper has continually decreased and represented less than 20% of all recreational landings in 2013 (GMFMC 2014a).

In April 2014, the Council requested staff to begin development of an action to examine the potential for an IFQ-type program for for-hire vessels in the Gulf. The Council reviewed a scoping document in response to the request, but did not take further action at that time.

At its October 2014 meeting, the Council approved **Amendment 40** (GMFMC 2014a) which divided the recreational quota into a for-hire component quota (42.3%) and a private angling

component quota (57.7%) for the recreational harvest of red snapper. In 2015, this resulted in an ACT of 2.371 mp for the federally permitted for-hire component (45 federal fishing days) and 3.234 mp for the private angling component (10 federal fishing days), respectively. The 2015 season closures for the recreational harvest of red snapper were determined separately for each component based on each component's ACT. **Amendment 40** also included a 3-year sunset provision on the separation of the recreational sector into distinct components. At its August 2015 meeting, the Council approved **Amendment 28** (GMFMC 2015) which adjusted the red snapper allocation between the commercial and recreational sectors. This amendment is currently under review by the Secretary of Commerce.

In January 2015, the Council broadened its direction to staff regarding the development of an IFQ-type program for for-hire vessels, to make recommendations relative to the design and implementation of a more flexible management strategy for the for-hire component. Concurrently, the Council initiated separate amendments to address management of charter vessels (**Amendment 41**) and headboats (**Amendment 42**) as sub-components of the federal for-hire component. This document has been developed in response to this request, and provides potential options for a management strategy for the harvest of red snapper by charter vessels.

Additional actions being developed pertaining to the federal for-hire component of the recreational sector include **Amendment 39** and **Amendment 42**. **Amendment 39** considers establishing regional management for the recreational harvest of red snapper. This action could remove the separation of the recreational components and manage all federal for-hire vessels under the regional management measures. **Amendment 42** considers management alternatives for the headboats participating in the SRHS for several reef fish species. A complete history of management for the Reef Fish Fishery Management Plan is available on the Council's website<sup>7</sup> and a history of red snapper management through 2006 is presented in Hood et al. (2007).

Finally, an amendment to require electronic reporting by charter vessels is currently under development by the Council. The purpose of the amendment is to improve the monitoring of charter vessel landings, thereby reducing the likelihood of exceeding the recreational sector ACL.

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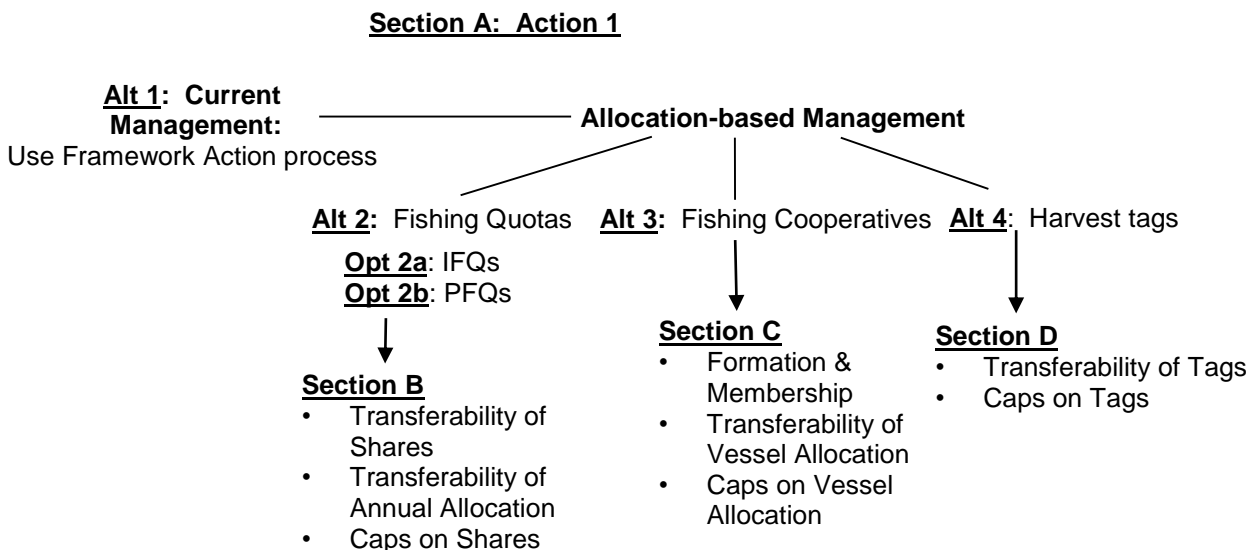
<sup>7</sup> [http://www.gulfcouncil.org/fishery\\_management\\_plans/reef\\_fish\\_management.php](http://www.gulfcouncil.org/fishery_management_plans/reef_fish_management.php)

## CHAPTER 2. MANAGEMENT ALTERNATIVES

### 2.1 Section A – Allocation-based Management Approaches for Charter Vessels

The format to present management alternatives used in this section departs from the structure used in other amendments. In most amendments to a fishery management plan, management measures considered for implementation are generally organized as successive actions, with each action dealing with a specific issue. However, the presentation and evaluation of management measures included in this amendment require an alternative format due to the mutually exclusive nature of some of the effort management approaches under consideration. As drafted, this is a two-step decision making process for the Gulf of Mexico Fisheries Management Council (Council). First, the Council has to determine the effort management approach deemed most appropriate to manage charter vessels of the for-hire component. In the second step, the Council has to focus on the design characteristics corresponding to the selected effort management approach (Figure 2.1.1).

Based on the two-step decision making process discussed above, management actions under consideration in this amendment are structured as follows: Section A includes alternative effort management approaches and other decisions common to all the approaches. Sections B, C, and D include design elements and provisions corresponding to a fishing quota program, a cooperative program, and a harvest tag program, respectively. Therefore, the actions in Section B are only valid if Alternative 2 is chosen in Action 1; the actions in Section C are only valid if Alternative 3 is chosen; and the actions in Section D are only valid if Alternative 4 is chosen.



**Figure 2.1.1.** Structure of the management alternatives considered in Section A, Action 1.

Except for Action 1, the No Action alternatives (Alternative 1 in each action) evaluate a hypothetical scenario of no federal management for the various decisions that are being made under each of the actions. This allows for a more meaningful analysis among the alternatives to better inform decision-makers, stakeholders, and the public about the likely results of taking action versus not taking action. In actuality, the true No Action is the federal regulations that are currently in place that govern the for-hire operators in the Gulf of Mexico (Gulf).

### 2.1.1 Action 1 – Allocation-based Management Approach

**Alternative 1:** No Action. Do not adopt an allocation-based management approach. Continue to manage federally permitted charter vessels with the federal 16 inches total length minimum size limit, 2-fish bag limit, and a June 1 fishing season start date.

**Alternative 2:** Establish a fishing quota program (Section B) that provides participants with shares and annual allocation. The fishing quota program would be:

**Option 2a:** an Individual Fishing Quota program (IFQ).

**Option 2b:** a Permit Fishing Quota program (PFQ).

**Alternative 3:** Establish a fishing cooperative program (Section C) that provides the cooperatives with annual allocation.

**Alternative 4:** Establish a harvest tag program (Section D) that provides participants with annual allocation distributed in the form of harvest tags.

#### **Discussion:**

A primary decision point in the development of a charter vessel management plan concerns the management approach to be taken. **Alternative 1** (No Action) would continue to manage federally permitted charter vessels under existing management measures. If the Council were to select **Alternative 1** (No Action), the Council could pursue modifying current management measures for charter vessels through its framework procedure. A discussion of these management measures, including options for their potential modification is provided in Section 2.6.

**Alternatives 2-4** propose allocation-based management approaches in which a specified portion of the recreational red snapper annual catch limit (ACL) would be distributed among program participants. The participants, as individuals or small groups, can then choose when to use that allocation. In the case of charter vessels, each operator would have allocation to account for fish harvested by the passengers on each trip. Timely reporting is a key element of allocation-based programs; as allocation is used, it must be subtracted from the annual allocation for the individual or group. When each individual or group has used all of their allocation, they must stop fishing or obtain more allocation (if allowed by the program). Additional actions would be required to establish an allocation-based program and are addressed in Section 2.5.

Allocation-based management approaches would distribute fishing privileges at the beginning of the fishing year, and are generally more effective in ensuring that harvest does not exceed a pre-determined amount of allowable catch (e.g., the amount of the recreational sector ACL assigned to the program), than using traditional management tools alone (Johnston et al. 2007). These types of programs provide greater flexibility to charter vessel operators in terms of when and how they use their portion of the allocated quota. On the other hand, some charter vessel operators may not be satisfied with the amount of quota they would receive under a given program.

Some allocation-based programs distribute *shares*, which are a set percentage of the quota. If an individual or group holds shares, each year they would receive the amount of pounds representing the percentage of the quota held, which is their *allocation*. The allocation amount changes if the quota changes, but the amount of shares remains the same, unless the transfer of shares is allowed. In other programs, shares are not used, only annual allocation. Under this type of program, the allocation would change from year to year, depending on the quota, changing membership of participants, change in average weight of fish, or other factors.

The allocation-based approaches could be structured such that shares and allocation are distributed to participants (**Option 2a**) or to permits (**Option 2b**). Or, the allocation-based approach could use annual allocation, only, distributed to organized groups of program participants (**Alternative 3**) or as harvest tags (**Alternative 4**). The method of distribution could be accomplished in a variety of ways (Action 2).

Individual fishing quotas (IFQs) (**Option 2a**) and permit fishing quotas (PFQs) (**Option 2b**) would distribute durable fishing privileges in the form of shares to an individual, business entity, or vessel permit. The primary difference between PFQs and IFQs concerns the entity to which harvest privileges are associated. If established, PFQ shares and allocation would be attached to a permit, while IFQ shares and allocation remain separate from the permit. Transferability provisions for shares and allocation of either type of quota program would be addressed in a separate action and include a reasonable range of alternatives. After program initiation, it could be possible to combine the use of PFQs or IFQs within a cooperative. For example, following the establishment of a fishing quota program, quota holders could voluntarily pool their allocations and form a cooperative (Anderson and Holliday 2007).

Fishing cooperatives (**Alternative 3**) would be comprised of groups of charter vessel owners or operators, and may or may not be geographically based. That is, members may organize themselves around some shared characteristic other than a shared geographical region (e.g., charter vessels with large vessel capacities that are not headboats). The allocation of red snapper quota among different cooperatives, which are self-organizing groups with varied numbers of members, may be difficult depending on the vessel characteristics within and among each cooperative.

An example of cooperative management is the sector management in New England, which lays out the requirements for cooperatives, in terms of forming a 501(c)(5) organization, and drawing up by-laws, which the National Marine Fisheries Service (NMFS) reviews and approves for consistency with Magnuson-Stevens Conservation and Management Act (Magnuson-Stevens

Act) requirements and other applicable laws. These by-laws form part of a cooperative's operations plan, which must include a description of how fishing privileges would be distributed among members. NMFS approval of a cooperative's operations plan would include a determination that the distribution of fishing privileges is fair and equitable among participants.

Harvest tags (**Alternative 4**) could be used as a stand-alone allocation-based approach, or as an enforcement and validation tool in conjunction with another allocation-based program. As a stand-alone program (**Alternative 4**), harvest tags would be used for granting harvest privileges and controlling harvest (Johnston et al. 2007). A harvest tag program would involve an annual distribution of physical tags to charter vessel operators, and each tag would allow an angler to retain an individual red snapper. After capture, the tag must be affixed to the fish thereby identifying the individual fish as legally caught and preventing the tag from being used to catch additional fish. The number of tags available each year would be determined by the amount of the recreational sector ACL apportioned to the fish tag program, divided by the average weight of red snapper estimated to be caught on charter vessels. Any unused tags at the end of the year would be forfeit, and new tags would be distributed at the beginning of each year.

Since the demand for red snapper is likely greater than the available quota, a mechanism would be needed to allocate the tags in a fair and equitable manner. Tags could be distributed in multiple ways (see Action 2) among participants, such as by using passenger capacity or regional variability in the estimated landings of red snapper. Alternately, tags could be distributed through a lottery or auction. The Council would evaluate and determine the features of the program, including methods of distribution and whether tags would be transferable among program participants.

According to Johnston et al. (2007), the primary goals of hunting tag programs are to limit harvest, ensure equitable distribution of harvest opportunities, promote effective monitoring and enforcement, and to provide data to improve management. A harvest tag program could provide anglers fishing from charter vessels with greater flexibility as to when red snapper could be caught. However, as with all allocation-based approaches, it should not be assumed that all charter vessels would receive a quantity of tags they feel is sufficient to meet their clients' needs.

Key differences among **Alternatives 2-4** concern the recipient of fishing privileges and the durability, or permanence, of fishing privileges, which affects the incentive structure and anticipated conservation benefits from distributing limited access fishing privileges (Anderson and Holliday 2007). Under an IFQ or PFQ program, shares would be distributed initially to permit holders who would be able to retain those shares and continue to receive the annual allocation distributed based on the amount of shares. Under an IFQ program, permit holders who received the initial apportionment of shares could retain those shares and continue to receive the annual allocation distributed based on the amount of those shares. In the existing commercial IFQ programs in the Gulf, the original permit holder retains the shares and continues to receive the annual allocation associated with those shares, even if the permit is transferred or not renewed. Should an IFQ program be developed for charter vessels, the Council would need to decide whether shareholders would be required to maintain a federal for-hire permit (see section 2.2.1). Shares and the annual distribution of allocation would be the same under a PFQ program,

except that in the event a permit holder transfers the permit, the shares remain with the permit and not with the original permit holder.

A cooperative or fish tag program would each use annual allocation only; shares would not be used. Rather, the amount of allocation distributed to participants could vary from year to year. Using allocation only, without shares, confers less durable property rights on participants and there would be less incentive for the participants to maintain and invest in improvements for the resource in ensuing years (Anderson and Holliday 2007). On the other hand, distributing allocation annually could ensure that harvest privileges remain in the hands of those directly engaged in the fishery.

Fishing cooperatives would require greater cooperation among members than PFQs, IFQs, or fish tag programs, which all assign harvest privileges at the individual vessel or permit holder level. The selection of additional program features such as the transferability and durability of fishing privileges, will affect the flexibility afforded to program participants and should reflect the goals and objectives for the program. Regardless of the approach selected, timely reporting is a key element of allocation-based programs; as allocation is used, it must be subtracted from the annual allocation for the individual or group. When each individual or group has used all of its allocation, they must stop fishing or obtain more allocation (if allowed by the program).

## 2.1.2 Action 2 – Distribution of Quota to Charter Vessels

**Alternative 1:** No Action. Do not specify a method for distributing quota to charter vessels.

**Alternative 2:** Distribute quota based on the passenger capacity of charter vessels.

**Alternative 3:** Distribute quota based on tiers of the passenger capacity of charter vessels. Tiers are defined such that each:

**Option 3a:** Vessel with a passenger capacity of 6 receives 1 unit;  
Vessel with a passenger capacity of 7 or greater receives 2 units.

**Option 3b:** Vessel with a passenger capacity of 6 receives 1 unit;  
Vessel with a passenger capacity of 7-24 receives 2 units;  
Vessel with a passenger capacity >24 receives 3 units.

**Alternative 4:** Distribute quota based on average landings of charter vessels in each geographic region using:

**Option 4a:** Average landings for 2004-2012.

**Option 4b:** Average landings for 2004-2012, excluding landings from 2010.

**Option 4c:** Average landings for 2011-2012.

**Alternative 5:** Distribute the quota by auction. All eligible participants are allowed to place bids.

Note: If cooperatives are established, the contribution from member vessels is combined. Either **Alternative 2** or **Alternative 3** may be selected as preferred in combination with **Alternative 4**. If **Alternative 4** is selected alone, then the distribution would be equal among all vessels in the region. A hypothetical example for these alternatives is provided in the discussion.

### Discussion:

This action addresses how to divide the red snapper charter quota among vessels, given the selected approach in Action 1. Depending on the allocation-based approach selected, this action distributes the quota as shares or allocation. That is, if an allocation-based approach is selected that uses both shares and annual allocation (IFQ or PFQ), this action addresses the initial apportionment of shares. Subsequently, annual allocation will be distributed based on the amount of shares held by a participant. If an allocation-based approach is selected that uses annual allocation, only, the allocation to cooperatives or for fish tags would be recalculated each year, reflecting annual changes in red snapper fishing activity and permit ownership.

In the Gulf's commercial IFQ programs, annual IFQ allocation is distributed and accounted for in pounds of fish. The Council may decide to distribute annual allocations in pounds of fish or in number of fish, based on an average weight of red snapper landed by the recreational sector. If

number of fish are used, landings would need to be monitored to ensure that the weight of all landed fish does not exceed the quota. The recent Headboat Collaborative program used a quota set-aside to account for discrepancies between the estimated average weight of red snapper, used to distribute validation tags, and the weight of the fish which were actually landed.

Detailed landings histories are available for vessels participating in the Southeast Region Headboat Survey (SRHS), but such information does not exist for charter vessels. As a result, individual vessels' catch histories cannot be used to apportion fishing privileges among participants. This action considers several approaches for distributing quota among charter vessels using passenger capacity (**Alternatives 2 and 3**), geographical region (**Alternative 4**), and an auction (**Alternative 5**).

**Alternatives 2 and 3** propose quota distribution based on passenger capacity. Section 1.1 discusses the two types of passenger capacity, for the permit and for the vessel. Each charter vessel has a permit passenger capacity based on its for-hire permit, and a vessel passenger capacity, based on the vessel's certificate of inspection (COI), or lack thereof. Vessels without a COI are limited to carrying a maximum of six passengers. Prior to the 2004 moratorium on for-hire permits (GMFMC 2003), for-hire permits were open access. Thus, a permit's passenger capacity was equal to the passenger capacity specified on the vessel's COI. Since the moratorium was implemented, for-hire permits are limited access and the passenger capacity of each permit may not be increased, even if a permit holder transfers the permit to a vessel with a COI that allows a greater passenger capacity.

In most cases, the permit and vessel passenger capacities are the same. The majority of charter vessels have a permit passenger capacity of 6; the vessel does not have a COI, thus limiting the number of paying passengers to 6. However, there are cases where the permit's passenger capacity is greater than the vessel's passenger capacity, and vice versa. In the case of a vessel with a permit passenger capacity of 6 and a vessel passenger capacity of 10, the charter operator may take a maximum of 6 paying passengers fishing for reef fish, and may take 10 paying passengers on non-fishing trips, such as dolphin watching tours. Even if transferred to another operator or vessel, this for-hire permit may never be used to take more than 6 paying passengers fishing for reef fish. In the case of a vessel with a permit passenger capacity of 10 and a vessel passenger capacity of 6, the charter operator may take 6 paying passengers fishing for reef fish, only. However, the charter operator may transfer the permit to another operator or to another vessel, and after meeting the requirements to obtain a COI for a vessel passenger capacity of 10 persons, the permit could be used to carry 10 paying passengers to fish for reef fish. Thus, the Council will need to decide whether passenger capacity be defined as 1) each permit's passenger capacity or 2) the lower of the permit's or vessel's passenger capacity.

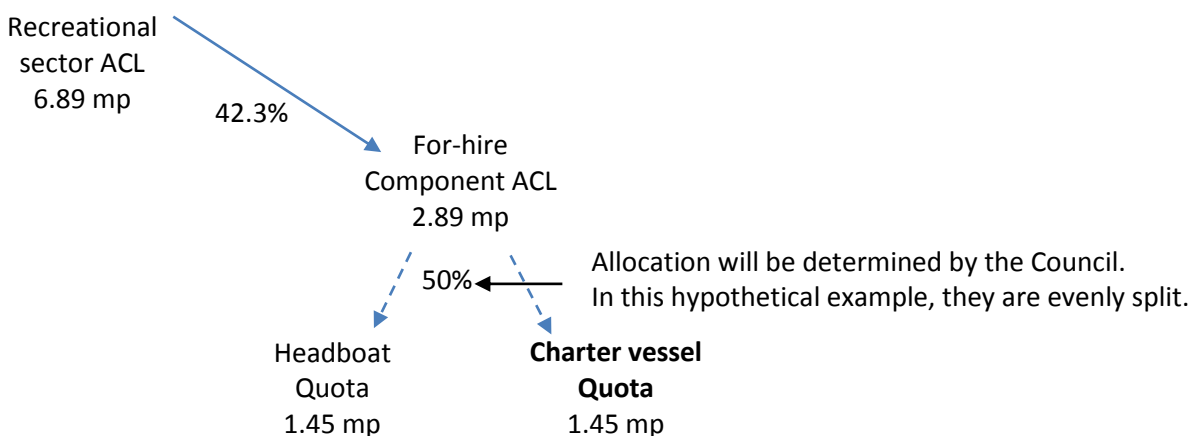
**Alternative 4** provides a method to distribute quota based on geographic region. Tables 1.1.4 and 1.1.5 provide the estimated proportion of red snapper landings by charter vessels around the Gulf. The landings are provided for Alabama, Mississippi, Louisiana, and Texas, and for three regions of Florida, the Keys, the west Florida peninsula, and the Panhandle. As seen in the tables, red snapper are not landed uniformly by charter vessels around the Gulf. Charter vessels land very little red snapper in the Florida Keys and Mississippi, while charter vessels in the Florida Panhandle and Alabama land the majority of red snapper. These tables will be updated

with landings for 2014 and 2015. The Council may wish to select the years to be used for the time series options.

**Alternative 5** would distribute the quota using an auction. In the event a limited access privilege program (LAPP) is developed, the Magnuson-Stevens Act requires that the Council shall consider, and may provide, if appropriate, an auction system or other program to collect royalties for the initial, or any subsequent, distribution of allocations in a LAPP (303A(d)).

#### Hypothetical example of distributing quota among charter vessels

The 2016 recreational quota for red snapper is 6.89 mp. The federal for-hire component quota is 42.3% of the recreational quota, resulting in 2.89 mp. If the Council pursues separate management programs for the headboats and charter vessels, then the 2.89 mp for-hire quota will need to be divided between the two sub-components. For the purpose of this example, the for-hire quota is split evenly between the sub-components, resulting in a 2016 red snapper charter quota of 1.45 mp.



**Figure 2.1.2.1.** Diagram showing how the charter vessel quota would be calculated.

In this example, there are 1,000 charter vessels. 500 of these charter vessels have a passenger capacity of 6; they do not have a COI. 250 charter vessels have a passenger capacity of 10, and 250 charter vessels have a passenger capacity of 25. Thus, the total passenger capacity of charter vessels is 11,750.

For **Alternative 2**, the quota (1.45 mp) is divided by the total passenger capacity of all charter vessels (11,750), then multiplied by each passenger capacity to provide a number of pounds per passenger capacity size. This results in 740 lbs for each 6-pack vessel (those without a COI); 1,230 lbs for each vessel with a passenger capacity of 10; and 3,075 lbs for each charter vessel with a passenger capacity of 25.

**Alternative 3** apportions the quota using “tiers” of passenger capacity. Under **Option 3a**, the 500 charter vessels with a passenger capacity of 6 receive one unit of quota each; the remaining 500 charter vessels all have a passenger capacity greater than 6, and thus receive two units of

quota, for a total of 1,500 units of quota. Given the 1.45 mp charter quota, charter vessels with a passenger capacity of 6 receive 966 lbs of quota each, and each of the remaining charter vessels with a larger passenger capacity would receive 1,933 lbs of quota.

**Option 3b** divides the passenger capacities into an additional tier. Again, the 500 charter vessels with a passenger capacity of 6 represent one unit of quota, each. The 250 charter vessels with a passenger capacity of 10 would represent two units of quota, each; and the 250 charter vessels with a passenger capacity of 25 would represent three units of quota, each, for a total of 1,750 units. Given the 1.45 mp charter quota, charter vessels with a passenger capacity of 6 would receive 828 lbs of quota; charter vessels with a passenger capacity of 10 would receive 1,657 lbs of quota; and charter vessels with passenger capacities of 25 would receive 2,484 lbs of quota.

**Table 2.1.2.1.** Comparison of Alternatives 2, 3a, and 3b using a hypothetical charter fleet.

Hypothetical charter fleet	Alternative 2	Alternative 3 Option 3a	Alternative 3 Option 3b
Charter vessel quota 1.45 mp	11,750 permitted passenger capacity on a given day	1,500 units of quota	1,750 units of quota
<b>500 vessels</b> (6 pass.)	740 lbs/vessel	966 lbs/vessel	828 lbs/vessel
<b>250 vessels</b> (10 pass.)	1,230 lbs/vessel	1,933 lbs/vessel	1,657 lbs/vessel
<b>250 vessels</b> (25 pass.)	3,075 lbs/vessel		2,484 lbs/vessel

**Alternative 4** adds a geographic factor to apportioning the quota. That is, the distribution of fish could be weighted using the abundance of red snapper landings regionally. **Alternative 4** provides three options for different time series on which to base the allocation. For each option, the charter quota would be divided based on the average estimated landings for each region. Under **Option 4a**, which would use the average landings of charter vessels for 2004-2012, 27% of the charter quota would be distributed equally among Alabama charter vessels. This example divided the quota into pounds, which would equal the distribution of allocation under a cooperative or harvest tag program (allocation, only). For an IFQ or PFQ program, shares would be initially distributed as a percentage of the quota. For example, a PFQ program and **Alternative 2** are selected as preferred, with a charter quota of 1.45 mp. Each charter vessel with a passenger capacity of 6 would receive shares totaling .0005%.

This hypothetical example illustrates how each alternative would be calculated. The actual pounds of charter vessel quota that would be distributed would be calculated using the actual charter vessels passenger capacity.

## 2.2 Section B – Fishing Quota Program (IFQ or PFQ)

Actions in this section are only valid if Alternative 2, Option 2a or 2b is chosen in Action 1; the presentation of actions and alternatives, including the No Action alternatives, presumes the development of a fishing quota program for charter vessels.

An IFQ program involves shares and allocation held by individuals or business entities, in this case, charter vessel permit holders. Shares would be distributed to each permit holder based on the alternative selected in Action 2. Those shares would represent a percentage of the quota assigned to the program. After the initial distribution, shares would be associated with the permit holder at the time of initial apportionment, but not the permit itself. Therefore, shares could be transferred separately from the permit, in accordance with any restrictions in the program. Each year, allocation would be distributed to participants holding shares by NMFS; individual allocation would be determined by multiplying the shareholder percentage by the program's total quota.

A PFQ program involves shares and allocation associated with a permit, in this case federal Charter/Headboat permits for Reef Fish (for-hire permits) that are *not* associated with vessels in the SRHS survey. In a PFQ system, the amount of shares assigned to a permit would be based on the alternative selected in Action 2. Those shares would represent a percentage of the quota for the program and allocation would be distributed to that permit holder at the start of the year. If the permit is transferred, the shares would transfer with the permit and now be associated with the new permit holder, who becomes the shareholder.

**Shares** refer to a set percentage of the quota. Shares are maintained annually by the shareholder or permit holder, unless transferred (sold).

**Allocation** refers to the amount of pounds of the quota represented by the shares (percentage of the quota) held. Unused allocation expires at the end of each year.

The allocation amount changes if the overall quota changes, while the amount of shares (as a percentage of the quota) remains the same.

The NMFS Southeast Regional Office currently manages commercial IFQ programs for red snapper, groupers, and tilefish, and maintains and supports the commercial Bluefin Tuna Individual Bluefin Quota program, which is a type of PFQ. The structure of an IFQ or PFQ program for charter vessels could be incorporated into the current online system. Participants would hold shares and allocation in accounts within the IFQ/PFQ system, and distribution, usage, and transfers would all be tracked by NMFS.

Should the Council pursue a fishing quota program for charter vessels, a referendum among participants would likely be required to approve the program. The Magnuson-Stevens Act states, “the Gulf Council may not submit, and the Secretary may not approve or implement, a fishery

management plan or amendment that creates an individual fishing quota program...unless such a system, as ultimately developed, has been approved by...a majority of those voting in the referendum among eligible permit holders with respect to the Gulf Council. For multispecies permits in the Gulf of Mexico, only those participants who have substantially fished the species proposed in to be included in the individual fishing quota program shall be eligible to vote in such a referendum.”

Further, the Magnuson-Stevens Act prohibits any person from participating in a limited access privilege program that is not a U.S. citizen, corporation, partnership, or other entity established under the laws of the U.S. or any state, or a permanent resident alien. It also requires participants to meet the eligibility and participation requirements established by the program. For purposes of this amendment, all charter vessels, i.e., vessels with a for-hire permit that do not participate in the SRHS, would participate in the program. The rest of the requirements would be developed in the actions in this section.

### 2.2.1 IFQs/PFQs: Transferability and Maintenance of Shares

**Alternative 1:** No Action. There are no restrictions on transferring or the maintenance of shares.

**Alternative 2:** A participant must have a Charter/Headboat Permit for Reef Fish to receive transferred shares and to maintain shares.

**Alternative 3:** A participant must have a Charter/Headboat Permit for Reef Fish to receive shares, but not to maintain shares once obtained (IFQ program, only).

**Alternative 4:** Do not allow the transfer of shares among participants.

### 2.2.2 IFQs/PFQs: Transferability of Allocation

**Alternative 1:** No Action. There are no restrictions on the transfer of allocation.

**Alternative 2:** Allocation can be transferred to any other participant in the program. The participant receiving the allocation must have a Charter/Headboat Permit for Reef Fish.

**Alternative 3:** Allocation can be transferred to any other participant in the program. The participant receiving the allocation does not need to have a Charter/Headboat Permit for Reef Fish.

**Alternative 4:** Do not allow the transfer of allocation among participants.

Notes: A for-hire permit would still be required for landings red snapper from the charter quotas.

### 2.2.3 IFQs/PFQs: Caps on Shares

**Alternative 1:** No Action. Do not cap the amount of shares that one participant can hold.

**Alternative 2:** No participant may hold shares equaling more than the maximum shares issued during initial apportionment for a participant (as defined in Action 2).

**Alternative 3:** No participant may hold shares equaling more than x% of the total charter vessel quota.

Notes: The Magnuson-Stevens Act precludes any individual, corporation, or other entity from acquiring an excessive share of LAPP privileges. The Council should establish share caps to prevent any participant from acquiring an excessive share of fishing privileges. Allocation caps must also be considered.

## 2.3 Section C – Fishing Cooperative Program

Actions in the section are only valid if Alternative 3 is chosen in Action 1. The presentation of actions, including the No Action alternatives, presumes the development of a fishing cooperative program for charter vessels.

The Fishermen’s Collective Marketing Act of 1934 (15 USC 521) defines a fishing cooperative as a group comprised of “persons engaged in the fishing industry as fishermen, catching, collecting, or cultivating aquatic products, or as planters of aquatic products on public or private beds, that may act together in association, corporate or otherwise.” Fishing cooperative management does not require the participants to be located in the same areas.

An example of a recreational fishing cooperative is the 2014-2015 Headboat Collaborative pilot study (HBC), which was created to evaluate the viability of an allocation-based management strategy for improving the conservation of marine resources and economic stability and performance of the headboat sector. The HBC program had one manager responsible for distributing allocation to 19 vessels home-ported throughout the Gulf. Alternately, a cooperative could be led by a board of directors. The structure of a fishing cooperative for all charter vessels could be incorporated into the current online system, by adapting the HBC structure. Another example of fishing cooperatives which may inform the development of cooperatives for charter vessels include the sector management in New England (see section 2.1.1).

If the Council selects a cooperative program, the quota contribution from member vessels as selected in Action 2 would be combined and called the **potential catch contribution**. This is the pounds or numbers of fish each vessel contributes to a cooperative based on the apportionment of the for-hire quota to each vessel. The **yearly catch allotment** (YCA) is the pounds or number of fish assigned to a cooperative. Finally, the **vessel allocation** is the pounds or number of fish each charter vessel is allowed to land.

To form a cooperative, the potential members would develop an operations plan which must be reviewed and approved by NMFS. The operations plan must include bylaws, procedures for selecting a manager or board of directors, the process for allocating the cooperative's YCA among members, a list of members, methods for monitoring landings and addressing infractions, and a method of accounting for YCA overages, among other elements. Each cooperative would be managed independently from the other cooperatives, which would allow flexibility of each cooperative to manage their respective allocation as they deem fit. Multiple cooperatives could be formed. The YCA would be distributed to vessels according to the internal cooperative agreement.

### **2.3.1 Cooperatives: Formation and Membership**

**Alternative 1:** No Action. Do not specify how cooperatives are established.

**Alternative 2:** All charter vessels will be placed in one cooperative.

**Alternative 3:** All charter vessels will initially be placed in one cooperative. Program participants can voluntarily create new cooperatives with a minimum membership of three vessels.

**Option 3a:** Members can only change cooperative membership before the beginning of each fishing season, during a declaration period designated by NMFS. After the close of the declaration period, participants cannot change membership until the next year.

**Option 3b:** Members can only change cooperative membership before the beginning of every second fishing season, during a declaration period designated by NMFS. After the close of the declaration period, vessels cannot change membership until the next declaration period.

### 2.3.2 Cooperatives: Transferability of Vessel Allocation

**Alternative 1:** No Action. There are no restrictions on transferring vessel allocation.

**Alternative 2:** Vessel allocation may be transferred among members within the same cooperative.

**Alternative 3:** Vessel allocation may be transferred between members of different cooperatives.

**Alternative 4:** Do not allow vessel allocation to be transferred among participants.

Note: **Alternative 3** may only be selected if Alternative 3 is selected in Action 2.3.1.

### 2.3.3 Cooperatives: Caps on Vessel Allocation

**Alternative 1:** No Action. There is no cap on the amount of vessel allocation that a participant can hold and/or use.

**Alternative 2:** No participant may hold more than x% of the total charter vessel quota at any point in time.

**Alternative 3:** No participant may hold and/or use more than x% of the total charter vessel quota cumulatively throughout a calendar year.

Note: Since cooperatives will not use shares, only annual allocation, an action is only needed for caps on allocation.

## 2.4 Section D – Harvest Tag Program

Harvest tags could be used as a stand-alone allocation-based management approach, or as an enforcement and validation tool in conjunction with another allocation-based program. As a stand-alone program, fish tags would be used for granting harvest privileges and controlling harvest (Johnston et al. 2007). A harvest tag program would involve the distribution of physical tags, each of which would allow the angler possessing the tag to retain an individual fish per tag. After capture, the tag must be affixed to the fish, thereby identifying the individual fish as legally caught, and preventing the tag from being used to catch additional fish. The number of tags available each year would be determined by the amount of the charter quota, divided by the average weight of red snapper landed on charter vessels. Any unused tags at the end of the year would be forfeit, and new tags would be distributed at the beginning of each year.

A fish tag program could provide charter operators and their passenger anglers with greater flexibility as to when fish could be caught. However, it should not be assumed that all

participating vessels would receive a quantity of tags they feel is sufficient to meet their clients' needs.

### 2.4.1 Harvest Tags: Transferability

**Alternative 1:** No Action. There are no restrictions on the transferability of harvest tags.

**Alternative 2:** Harvest tags may be transferred to any other participant in the program.

**Alternative 3:** Harvest tags may be surrendered to a NMFS harvest tag bank from which other program participants may obtain the tags by:

**Option 3a:** lottery

**Option 3b:** auction

**Alternative 4:** After distribution, harvest tags may not be transferred.

### 2.4.2 Harvest Tags: Caps

**Alternative 1:** No Action. There is no cap on the amount of harvest tags that a participant can hold.

**Alternative 2:** No participant may hold more harvest tags than represented by x% of the total charter vessel quota at any point in time.

**Alternative 3:** No participant may hold and/or use more than x% of the total charter vessel quota cumulatively throughout a calendar year.

## 2.5 Other Actions for an Allocation-based Program

Should the Council decide to develop an allocation-based approach, additional actions would be needed and may include the following:

**Accountability Measures** – In the event the charter quota is exceeded, accountability measures are needed.

**Appeals Process** – Following the initial apportionment of quota in an allocation-based management approach, some eligible participants may be wrongfully omitted from the initial distribution or may receive less than the initial allocation they were entitled to. An appeals process would be needed to correct these oversights.

**Cost Recovery Fees** – The Magnuson-Stevens Act requires that LAPPs established by a Council include a program of fees paid by limited access privilege holders to cover the costs of management, data collection and analysis, and enforcement of the LAPP. In a potential charter for-hire allocation-based program, red snapper harvested by recreational anglers do not have an explicit ex-vessel value because the fish cannot be sold. The Council would have to select a proxy to be used to compute the fees and determine the modalities for sending collected funds to NMFS. These fees may not total more than 3%.

Because recreational landed red snapper may not be sold, cost recovery fees could be based on the average commercial ex-vessel value per pound and be assessed for each fish landed. The average weight per trip could be calculated for each vessel using the previous year landings and the fee would be assessed per trip. Alternately, the cost recovery could be based on the cost of the fishing trip, or some combination of these.

**Quota adjustments** – In the event the quota increases, the Council may want to consider whether the increases be distributed according to the method selected in Action 2, to distribute the quota increase proportionally among all participants, or to use quota increases to provide for new entrants. An action may also be needed to address anticipated reductions to the quota. The action would evaluate giving the Regional Administrator the authority to hold back quota at the beginning of the year if a quota decrease is expected to occur later in the year.

**Program participation** – The Ad Hoc Red Snapper Charter For-hire Advisory Panel recommended that participation in the charter vessel management program be voluntary. Voluntary participation could complicate the program structure and administration, but provide increased flexibility to individual charter operators.

**Monitoring and Validation** – An amendment to require electronic reporting by charter vessels is currently under development by the Council. However, additional issues related to monitoring and validation may need to be addressed depending on the specific program selected.

**Additional program requirements** – Requirements of commercial IFQ programs in the Gulf include vessel monitoring systems, hail-out and hail-in (with 3 hours notifications), and require landings at approved sites. The Council would determine which requirements would be practicable and useful for the administration and enforcement of an allocation-based program for charter vessels.

## **Additional Considerations**

***Magnuson-Stevens Act, Section 407(d)*** – The establishment of a charter vessel LAPP would not exempt the federal for-hire component from the requirements of section 407(d) of the Magnuson-Stevens Act which requires that red snapper recreational fishing be halted once the recreational sector ACL is caught. If established, some participants in the selected program may have to forgo remaining annual allocation and lose fishing opportunities because the red snapper quota is caught. Therefore, benefits expected to result from a charter vessel LAPP may be limited by this provision in the Magnuson-Stevens Act.

***Dual-permitted vessels*** – As of October 30, 2015, 165 federal for-hire operators (including charter vessels and headboats) were dual-permitted, i.e., they possess a valid or renewable commercial permit and federal for-hire permit for reef fish. This includes four Historical Captain permits for reef fish. This number has increased slightly in recent years; in September 2011, there were 154 vessels possessing both a commercial and for-hire reef fish permit. These dual-permitted operators own varying amounts of commercial red snapper IFQ shares. The Council would have to determine whether IFQ shares held by dual-permitted vessels may or may not be used in an allocation-based charter vessel program.

## **2.6 Current Management Measures**

Modifications to the minimum size limit, including options for a slot limit, are not considered here. At its June 2015 meeting, the Council noted the problems associated with establishing different red snapper minimum size limits across the Gulf. If the Council is interested in evaluating the federal minimum size limit to be used in charter vessel management, or a slot limit, such an action could be included.

The current management measures (i.e., using bag limits and fishing seasons) are most effective in fisheries that are not experiencing high fishing pressure and for which landings are not required to remain below strict catch limits (Johnston et al. 2007). Currently, the use of these management measures allows for an adaptive approach to management as season length and bag limits can be reduced or expanded through the framework action process, based on changes in fishing pressure, activity, and indicators of stock health. Without a valid and reliable system for monitoring landings, management based on the current management tools alone may be insufficient to constrain landings to within a fixed catch limit. As a result, accountability measures have been implemented to reduce the likelihood of exceeding catch limits, and to make adjustments in the event a catch limit is exceeded.

### **2.6.1 Bag Limits**

The Council may want to evaluate the bag limit for red snapper on charter vessels. Should the Council intend to continue managing charter vessels with fishing seasons and bag limits, the Council could reduce the red snapper bag limit on charter vessels to 1 fish per person per day. The benefits of reducing the bag limit include reducing fishing pressure by slowing the rate of harvest, and extending the season. Reducing the bag limit could provide for a longer red snapper fishing season, and provide more individual anglers the opportunity to catch and retain a red snapper. However, extending the fishing season is more likely to occur if most anglers on charter vessels are currently catching the bag limit. As an example, previous analyses estimated a 42% reduction in charter vessel (excluding headboats) red snapper landings if the bag limit was reduced to one fish (SERO-LAPP-2012-11).

The drawbacks to reducing the bag limit include increased discards. High-grading to keep larger fish would be expected to occur more often under a lower bag limit and would contribute to discard mortality, thereby reducing the benefits of a lower bag limit. Also, anglers may want to

keep more fish and object to a lower bag limit. The Council has previously considered and rejected a reduction to the bag limit for the entire recreational sector for the purpose of extending the fishing season.

Should the Council select an allocation-based management approach a bag limit would not be necessary, although it could be a component of such a program. With the allocation assigned to charter vessels for their angler passengers, charter operators may wish to use the available quota in different ways. For example, one charter operator may prefer to provide anglers with access to one fish per trip, thereby increasing the number of anglers able to retain a red snapper, while other operators may have angling customers who prefer two fish per trip.

**Alternative 1:** No Action. The red snapper bag limit for recreational vessels is two fish per person per day.

**Alternative 2:** Reduce the red snapper bag limit for anglers fishing on federally permitted charter vessels to one fish per person per day.

**Alternative 3:** Increase the red snapper bag limit for anglers fishing on federally permitted charter vessels to three fish per person per day.

## 2.6.2 Fishing Seasons

Currently, the red snapper fishing season for each component begins on June 1 and closes when the corresponding component's annual catch target (ACT) is projected to be met. Modifying the fishing season, or structure of the fishing season, is another management option for charter vessels. The Council could consider alternate start dates for the red snapper fishing season. For example, opening the season on April 1 could allow charter vessels to provide red snapper fishing trips to spring break visitors.

Another option is to establish a split season, which could improve accountability as the second season would be contingent on landings from the first season. As with a bag limit reduction, the Council has considered but rejected establishing a split season for the entire recreational sector. For example, the Council could establish an initial charter vessel fishing season, the length of which is based on the projections for landing a proportion of the quota assigned to charter vessels. For an initial season starting June 1, the season would end when a specified proportion of the charter vessel quota (e.g., options could be 50%, 60%, etc., and would be reduced by the established ACT) is projected to be caught. After the landings are determined from the initial season, the fishing season could be reopened, with the second season's length determined by the remaining amount of quota. A split season could reduce the likelihood of a quota overage, especially while charter vessel landings are estimated through the Marine Recreational Information Program (MRIP).

The Council is currently developing an electronic reporting program for charter vessels that will improve accountability and reduce the likelihood of a quota overage. While landings estimates from MRIP are available two months following each wave, electronic reporting by charter

vessels would greatly improve the timeliness of obtaining landings data and monitoring the quota.

Potential benefits could result from establishing the season during the most desirable time for anglers, including Gulf Coast visitors, or establishing the season to avoid times of inclement weather. The drawbacks to modifying the fishing season include regional differences in the optimal start of the season. For example, tourist seasons and times of inclement weather do not occur at the same time around the Gulf. Also, shifting the fishing season to time periods when red snapper effort is lower would increase the season length, but shifting the fishing season to when effort is greater (optimal conditions) would shorten the length of the season.

**Alternative 1:** No Action. The red snapper fishing season begins on June 1 and ends when the annual catch target (ACT) is estimated to be caught.

**Alternative 2:** Remove the June 1 fishing season start date and begin the red snapper fishing season on the following date. The season will end when the ACT is estimated to be caught.

**Option 2a:** January 1.

**Option 2b:** April 1.

**Option 2c:** May 1.

**Alternative 3:** Establish a split season for red snapper, such that the initial season starts on April 1 and closes when the selected percent of the ACT is estimated to be caught. The supplemental season will begin on the selected month and end when the ACT is estimated to be caught.

**Option 3a:** 50%, September 1

**Option 3b:** 50%, October 1

**Option 3c:** 75%, September 1

**Option 3d:** 75%, October 1

## CHAPTER 3. REFERENCES

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## APPENDIX A. DEFINITIONS OF CHARTER VESSELS AND HEADBOATS IN THE FEDERAL REGULATIONS

Federal regulations (§ 622.2) define charter and headboat vessels as follows:

“*Charter vessel* means a vessel less than 100 gross tons (90.8 mt) that is subject to the requirements of the United States Coast Guard (USCG) to carry six or fewer passengers for hire and that engages in charter fishing at any time during the calendar year. A charter vessel with a commercial permit, as required under § 622.4(a)(2), is considered to be operating as a charter vessel when it carries a passenger who pays a fee or when there are more than three persons aboard, including operator and crew. However, a charter vessel that has a charter vessel permit for Gulf reef fish, a commercial vessel permit for Gulf reef fish, and a valid Certificate of Inspection (COI) issued by the USCG to carry passengers for hire will not be considered to be operating as a charter vessel provided—

- (1) It is not carrying a passenger who pays a fee; and (2) When underway for more than 12 hours, that vessel meets, but does not exceed the minimum manning requirements outlined in its COI for vessels underway over 12 hours; or when underway for not more than 12 hours, that vessel meets the minimum manning requirements outlined in its COI for vessels underway for not more than 12-hours (if any), and does not exceed the minimum manning requirements outlined in its COI for vessels that are underway for more than 12 hours.”

“*Headboat* means a vessel that holds a valid Certificate of Inspection (COI) issued by the USCG to carry more than six passengers for hire.

- (1) A headboat with a commercial vessel permit, as required under § 622.4(a)(2), is considered to be operating as a headboat when it carries a passenger who pays a fee or—
  - (i) In the case of persons aboard fishing for or possessing South Atlantic snapper-grouper, when there are more persons aboard than the number of crew specified in the vessel's COI; or (ii) In the case of persons aboard fishing for or possessing coastal migratory pelagic fish, when there are more than three persons aboard, including operator and crew.”

## **APPENDIX B. REPORT FROM THE AD HOC RED SNAPPER CHARTER FOR-HIRE ADVISORY PANEL**

### **Ad Hoc Red Snapper Charter For-Hire Advisory Panel Summary**

**May 13, 2015**

**Gulf Council Conference Room**

**Tampa, Florida**

#### **AP members present:**

Jim Green, Chair  
Tom Steber, Jr., V Chair  
Gary Bryant  
Shane Cantrell  
Mike Eller  
Troy Frady  
Chuck Guilford

Gary Jarvis  
Mark Kelley  
Tom Marvel, Jr.  
Mike Nugent  
Rene Rice  
Scott Robson  
Ed Walker  
Troy Williamson, II

#### **Council Member & Staff:**

Johnny Greene  
Ava Lasseter  
Karen Hoak  
Bernie Roy  
Assane Diagne  
Carrie Simmons  
Doug Gregory

#### **Others:**

Steve Branstetter  
Andy Strelcheck  
Jessica Stephen  
Cynthia Meyer  
Bob and Cathy Gill  
Kristen McConnell  
Tom Wheatley  
Jeff Barger  
Betty H. (Guilford)

The Ad Hoc Red Snapper Charter For-Hire Advisory Panel (AP) meeting was convened at 8:30 a.m. on Wednesday, May 13, 2015. Jim Green was elected Chair, and Tom Steber was elected Vice Chair.

Staff reviewed the charge to the AP, which was to make recommendations to the Council relative to the design and implementation of flexible measures for the management of red snapper for the for-hire sector. AP members began discussing data collection for the charter fleet including the status of the Joint Generic Charter Vessel Reporting Amendment and passed the following motions:

- **To recommend that the Council review the current data collection programs. If current data collection methods are not sufficient to support a flexible and accountable system, we urge the Council to develop data collection and monitoring needs for these programs to be successful.**
- **Ask the Council to implement electronic log books for the Gulf charter for-hire reef fish permit holders, including validation tools, no later than June 2016.**
- **To recommend that the Council do a feasibility study for the gulf charter-for-hire reef fish permit holders to see about the practicality of incorporating the for-hire data collection into the headboat program.**

Panel members noted the work they are doing to develop a management plan for the charter fleet at this meeting, and they expressed the need for more time to develop, implement, and then evaluate the effects of any new management plan. They want to provide recreational anglers the opportunity to experience a new management plan before the sunset occurs, too. The AP passed the following motions:

- **To recommend that the Council extend the sunset of Amendment 40 for two years.**
- **Recommend the Council remove the charter for-hire component from Amendment 39.**

AP members discussed management approaches and focused on allocation-based management. The concept of permit fishing quotas, or PFQs, was introduced and discussed. In contrast with individual fishing quotas (IFQs), the quota under PFQs would be attached to the federal permit and could not be transferred in any way from the permit. AP members noted that the transferability of IFQ shares and allocation in the commercial red snapper program was not a desirable program feature for allocation-based management of the charter fleet. AP members expressed opposition to the transferability of any kind of quota under an allocation-based management approach.

Tags were discussed as a desirable tool to help the charter fleet remain within its quota and aid in enforcement. AP members stated the tags should not be able to be separated from the charter permit and vessel. That is, tags could be used, or not used, by the permitted vessel to which they

were assigned, but they could not be “leased” or sold. AP members then passed the following motions:

- **To recommend the Council develop a plan for allocation-based management for the charter-for-hire component that can include but not be limited to such items as PFQs (permit fishing quotas), tags, cooperatives, and AMOs (angler management organizations).**
- **To define PFQs (permit fishing quotas) as presented to the Council:**
  - **Reef fish permit-based allotment that remains attached to the permit not the individual**
  - **No transferability, leasing, or selling of the allocation**
  - **Fish must be landed by the vessel that the permit is attached to**
  - **Annual opt-in to participate in the federal red snapper fishery**

Jessica Stephen noted that PFQs are used in the Pacific bluefin tuna longline fleet. The quotas are assigned to a permit based on its vessel landings history, and are permanently attached to the permit. The allocation can be transferred under some conditions.

The AP discussed the potential progress of their recommended management plan, and staff noted that the Council has initiated development of Amendment 41 to address red snapper management for the charter for-hire component. AP members then passed the following motion:

- **To recommend that the Council specify that Amendment 41 be reviewed five years after implementation to assess the extent to which it is meeting its goals.**

Speaking to the accountability measure that set a 20% buffer on the red snapper quota, AP members expressed that if the fleet could adopt a management plan that enables them to demonstrate the ability to remain within the quota, the 20% buffer could potentially be decreased or even eliminated. A member noted that a goal for the fleet was to have the possibility of a year round fishery that is totally accountable. The AP then passed the following motion.

- **To recommend to the Council that the purpose of Amendment 41 is to increase flexibility for permit holders, to decrease management uncertainty, and increase accountability to catch limits. A long term goal to have a year round fishery that is totally accountable.**

AP members began to discuss qualifications for participating in a new charter for-hire management plan. AP members discussed a series of participation qualifiers, by which vessels intending to participate in the charter red snapper management plan could be identified and separated out from latent charter permits, and from vessels in regions where red snapper are infrequently encountered. AP members passed the following motions:

- **To recommend that the management plan be open to all federal charter-for-hire reef fish permit holders.**

- **To recommend to the Council that the plan be structured so that permit holders who intend to participate in an allocation-based management plan, annually opt-in to the program for the purpose of identifying the user group for that year.**
- **To recommend the Council consider how the cost of any new program will be shared between the charter for-hire industry and NMFS, under an opt-in scenario.**

The use of tags by participating vessels was discussed as a way to validate all fish caught under the management plan. AP members noted how tags are used in the Headboat Collaborative program. A Collaborative participant stated that tags helped identify that the fish were caught legally. For example, if headboat passengers take their red snapper catch to cleaning stations in public places, law enforcement would be able to determine easily that the fish were caught legally. Concerns about the use of tags included how they would be distributed, or allocated, and the physical properties of tags so as to avoid tampering. The AP then passed the following motion:

- **To recommend all participating vessels in the management plan use carcass tags that could be validated for law enforcement which will be distributed at the beginning of the year. Tags will expire at the end of the year, to validate all fish harvested under this plan.**

There was discussion concerning the use of an independent body such as the Harte Institute for administration of the chosen plan. However, AP members and NMFS staff noted the additional complexity, as such administration would still require NMFS to be involved, in addition to requiring a federal contract, which would increase costs compared with in-house administration by NMFS.

Next, AP members discussed options for distributing allocation fairly among federal charter for-hire permit holders and noted their intent not to exclude anyone. They noted that defining fair and equitable depends on where you are in the Gulf and it can be defined in different ways. Without vessel catch histories, one member noted that dividing the quota up evenly was the only way to be fair, while another member questioned this method as red snapper is not accessible to charter vessels in all areas of the Gulf. Further discussion addressed the use of electronic logbooks. The AP passed the following motions.

- **To recommend the Council pursue allocation options that include all federal charter-for-hire reef fish permit holders.**
- **To recommend to the Council that all participants in the management plan report using electronic log books with dockside validation.**

Continuing the discussion on landings validation, an AP member noted that currently, a charter captain can refuse to participate in dockside intercept surveys and this should not be permitted in a new management plan. The AP members want enforcement measures to require compliance with the new charter management plan, including modifying NOAA law enforcements' penalty

schedule, if at all possible, and requiring charter operators to participate in dockside intercept surveys. The AP then passed the following motion:

- **To recommend to the Council that opt-in participants are subject to dockside intercepts and validated landings by local or federal law enforcement at any time. Any vessel found in violation would be subject to NOAA law enforcement sanctions.**

AP members further discussed potential qualifiers for participation in the charter for-hire red snapper management plan. The idea of qualifiers was proposed as a way to identify active versus latent permits, and vessels that actively fish for red snapper versus those charter vessels that do not. For example, a federally permitted vessel that does not have the corresponding state licenses to be actively charter fishing, could be considered inactive in red snapper fishing. However, it was noted that the Gulf States have different requirements for federally permitted charter vessels, which could complicate identifying latent permits Gulf-wide. AP members passed the following motion:

- **As a qualifier to participate, the participant must meet all licensing requirements for his/her state of operation.**

The AP discussed the use of quota on dual-permitted (charter and commercial) vessels under an allocation-based management plan, and passed the following motions:

- **After implementation of the plan, that there be no inter-sector (commercial and recreational) trading permitted.**
- **That any allocation granted to a permitted vessel may only be used during charter-for-hire trips.**

Next, the AP discussed allocating quota among charter vessels and passed the following motions:

- **To recommend that the allocation tier level be based on permit capacity but no greater than approved passenger capacity.**
- **To recommend that the Council consider the following allocation scenario to divide the quota among participating vessels:**
  - **6 passenger vessels = 1 allocation/share**
  - **Multi passenger COI vessels with permit capacity of 7 to 24 = 2 allocations/shares**
  - **Multi passenger COI vessels with permit capacity of 25 or more = 3 allocations/shares**
- **To recommend to the Council that for apportioning the quota between charterboats and headboats, to use the time frame formula from Amendment 40 (50% 1986-2013 + 50% 2006-2013 excluding landings from 2010).**

AP members expressed their preference not to hold an AP meeting from June through August 20, due to the busy fishing season, and passed the following motion.

- **To recommend that the Council reconvene this panel to provide further advice on charter-for-hire program development as soon as possible.**

The AP returned to discuss other allocation-based management approaches including AMOs and cooperatives. One member liked AMOs because they would involve management at a more local level, while another expressed concern with having an individual manager of each AMO decide how quota should be divided up. AP members reiterated support for tags and PFQs, and passed the following motion:

- **To recommend to the Council to adopt as the preferred management plan the use of PFQs with tags.**

AP members discussed the issue of “stacking” or “marrying” reef fish permits as undesirable for the charter management program. They also discussed that not all charter operators who opt-in may want or be able to use the amount of quota that may be allocated to their vessel, especially if the vessel is homeported in an area without abundant red snapper. The AP passed the following motions:

- **To recommend the Council not allow stacking or consolidating of reef fish permits.**
  - **Stacking of charter permits is defined as putting multiple permits on one vessel**
  - **Consolidation of charter permits is defined as consolidating two or more permits to one permit which contains the catch history of both permits**
- **To recommend to the Council, to allow the participant in the program to opt-in at the level of allocation the participant chooses, up to the maximum amount of the participant’s allocation.**

Following review of their recommendations, the AP meeting was adjourned at 3:00 pm.

### **Failed motions:**

Motion: To recommend the Council consider using an independent body, such as the Harte Institute for administration of the chosen plan.

Motion failed with one in support.

## APPENDIX C. SCOPING WORKSHOP SUMMARIES

The summaries are provided as a stand-alone document in the January 2016 Council meeting briefing book.