

Reef Fish Amendment 42: Reef Fish Management for Headboat Survey Vessels



August 2016



Outline

- ❖ Vessel Definitions
- ❖ Purpose and Need for Action
- ❖ Management Actions and Alternatives
- ❖ Timeline

Vessel Definitions

The federal for-hire permit for reef fish does not distinguish between headboats and charter vessels. Currently, there are **1,314 federally permitted for-hire vessels**.

In Amendment 42, a vessel is a **Landings History Vessel (LHV)** if it:

- has a valid or renewable federal-for hire permit
- has landings in the Headboat Survey by 12/31/2015 *
- **67 landings history vessels**

In Amendment 41, a vessel is considered to be a **charter vessel** if it:

- has a valid or renewable federal-for hire permit
- does not have landings in the Headboat Survey by 12/31/2015
- **1,247 charter vessels**

❖ **The Council established a Control Date of December 31, 2015**

Purpose and Need

The purpose of this action is to reduce management uncertainty and improve economic conditions for Gulf reef fish headboat operators/owners, and provide flexibility by increasing fishing opportunities for their angler passengers through a management program for **vessels with a valid or renewable Gulf reef fish for-hire permit with individual landings history recorded by the SRHS as of December 31, 2015.**

The need for this action is to prevent overfishing while achieving, on a continuing basis, the optimum yield from the harvest of reef fish by headboats, and taking into account and allowing for variations among fishery resources and participants.

Action 1: Type of Management Program for Headboat Survey Vessels

Alternative 1. No Action. For landings history vessels, continue to manage the reef fish species chosen in Action 2 using current recreational seasons, size limits, and bag limits.

Alternative 2. For landings history vessels, manage the reef fish species chosen in Action 2 by establishing an **Individual Fishing Quota Program (IFQ)**. (**AP Preferred**)

Alternative 3. For landings history vessels, manage the reef species chosen in Action 2 by establishing a **Permit Fishing Quota Program (PFQ)**.

Action 2: Species to Include in the HBSV Management Program

Alternative 1. No Action. Do not define reef fish species to include in the management program.

Alternative 2. Include **red snapper** and **gag** in the management program.

Preferred Alternative 3. Include **red snapper**, **gray triggerfish**, **greater amberjack**, **gag**, and **red grouper** in the management program. **(AP Preferred)**

Action 3: Participation at the Onset of the HBSV Program

Alternative 1. No Action. All LHV as of December 31, 2015, must participate in the program selected in Action 1. **(AP Preferred)**

Alternative 2. Any LHV as of December 31, 2015, **may choose whether to participate** in the LHV program at the onset of the program. Vessels choosing not to participate must notify NMFS by October 1 of the year before implementation of the program. Vessels not in the program will be managed under the federal recreational regulations for the species selected in Action 2.

Alternative 2 gives the option to **opt out at the beginning** of the program.

Action 3: Participation at the Onset of the HBSV Program (revised)

Alternative 1. No Action. Any vessel that meets the control date, has a valid or renewable federal reef fish for-hire permit, and is still participating in the SRHS, **must participate** in the program selected in Action 1. **(AP Preferred)**

Alternative 2. Any vessel that meets the control date, has a federal reef fish for-hire permit, and is **still participating in the SRHS, may choose to opt out** of the LHV program at the onset of the program. Vessels choosing not to participate must notify NMFS by October 1 of the year before implementation of the program. Vessels not in the program will be managed under the federal recreational regulations for species selected in Action 2.

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Action 3: Participation at the Onset of the HBSV Program (revised)

Alternative 3. Any vessel that meets the control date and has a federal reef fish for-hire permit, **regardless of SRHS participation, may choose to opt out** of the program selected in Action 1 at the onset of the program. Vessels choosing not to participate must notify NMFS by October 1 of the year before implementation of the program. Vessels not in the program will be managed under the federal recreational regulations for species selected in Action 2.

Action 4: Headboat Survey Vessel Endorsement or Permit

Alternative 1. No Action. Landings History Vessel (LHV) program participants are required to have a Gulf reef fish for-hire permit.

Alternative 2. Establish an **endorsement** for LHV. LHV program participants are required to have an LHV endorsement to their Gulf reef fish for-hire permit. Endorsements will be issued to qualifying LHV program participants at the time of implementation of this action. With a PFQ, the shares would be attached to the endorsement. An LHV endorsement holder **may only fish off the LHV quotas** for the species selected in Action 2 throughout the year. LHV endorsements are transferrable to any vessel with a Gulf reef fish for-hire permit.

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Action 4: Headboat Survey Vessel Endorsement or Permit

Alternative 1. No Action. Gulf reef fish for-hire permit.

Alternative 2. Endorsement for Landings History Vessels

Alternative 3. Establish a **Gulf reef fish LHV permit**. LHV program participants are required to have a Gulf reef fish LHV permit. Gulf reef fish for-hire permits held by qualifying LHV program participants at the time of implementation of this action will be converted to Gulf reef fish LHV permits. A Gulf reef fish LHV permit holder **may only fish off the LHV quotas** for the species selected in Action 2 throughout the year. Gulf reef fish LHV permits are fully transferrable.

Action 5: Allocation of Annual Catch Limit to the Headboat Survey Vessel Program

Alternative 1. No Action.

Alternative 2. Allocate a portion of the recreational ACL for each species to the Landings History Vessels Program based on landings from **the most recent five years (2011-2015)**

Alternative 3. Allocate based on **the longest time series (2004-2015);**

Alternative 4. Allocate based on **50%** from the most recent five years **(2011-2015)** and **50%** from the longest time series **(2004-2015)**
(AP Preferred)

Options for Alternatives 3 and 4

Option a. Use all years

Option b. Exclude 2010

continued

Action 5: Allocation of Annual Catch Limit to the Headboat Survey Vessel Program

Alternative 5. For red snapper only, allocate a portion of the recreational ACL to the LHV Program based on **50% average from 1986-2013 (2010 excluded)** and **50% average landings from 2006-2013 (2010 excluded)**. **(Preferred Alternative in Amendment 40)**

Alternative 6. Landings associated with **vessels opting out of the program** (Action 3) will be **subtracted from the LHV allocation**. These landings will be calculated according to the formula chosen for initial distribution in Action 7.

Percentage of Recreational Landings Harvested by Headboat Survey Vessels

Alternative	Red Snapper	Greater Amberjack	Gray Triggerfish	Gag Grouper	Red Grouper
Alternative 2 2004-2015 Average	11%	6%	6%	5%	4%
Alternative 3 2011-2015 Average	13%	5%	9%	4%	4%
Alternative 4 50/50	12%	5%	8%	4%	4%

Action 6: Units of Measure for Quota Distribution and Reporting

Alternative 1. No Action. LHV quotas are distributed and reported in **pounds**.

Alternative 2. LHV quotas are distributed and reported in **numbers of fish**.

Alternative 3. LHV quotas are distributed in **pounds** and reported in **numbers of fish. (AP Preferred)**

Action 7.1: Time Period Used in the Initial Apportionment of Shares

Alternative 1. No Action.

Alternative 2. For each species, the apportionment is based on average landings during the **most recent five years (2011-2015)**.

Alternative 3. For each species, the apportionment is based on the most recent five years **(2011-2015) omitting the year with the lowest landings**.

Alternative 4. For each species, the apportionment is based on the year with the **highest landings** during the **most recent five years (2011-2015)**.

Action 7.2: Distribution of Initial Shares

Alternative 1. No Action.

Alternative 2. Distribute **a percentage** of initial shares for each species **equally** among participants in the LHV program and distribute the **remaining percentage** of the initial shares **proportionally**.

Alternative 3. Distribute a **percentage** of initial shares through an **auction system**. All LHV program participants are allowed to place bids.

Alternative 2

Option	Distribution of Initial Shares	
	Equal	Proportional
2a	0	100
2b	25	75
2c	50	50
2d	75	25
2e	100	0

Alternative 3

Option	Distribution of Initial Shares	
	By Alternative 2	By Auction
3a	0	100
3b	25	75
3c	50	50
3d	75	25

Action 8: Transferability of IFQ Shares

Alternative 1. No Action. Do not allow transfer of shares.

Alternative 2. Require a **valid reef fish for-hire permit with LHV endorsement, or a reef fish LHV permit** (whichever is established in Action 4) to receive shares through transfer. Shares can only be transferred to US citizens or permanent resident aliens. **(AP Preferred)**

Alternative 3. Shares can be transferred to any US citizen or permanent resident alien.

A Permit Fishing Quota (**PFQ**) program **ties shares to a permit**. If a permit is transferred, the shares automatically move with the permit

Action 9: Maintenance of Shares

Alternative 1. No Action. Shares can be held by any US citizen or permanent resident alien.

Alternative 2. To hold shares, require a **reef fish for-hire permit with LHV endorsement, or** a reef fish **LHV permit** (whichever is established). **(AP Preferred)**

Alternative 3. Require **either** a reef fish for-hire permit (with or without endorsement) **or** a reef fish LHV permit to hold shares.

Shares can only be held by US citizens or permanent resident aliens.

IFQ: If a participant transfers their permit or the permit expires, the owner must divest of their shares. **PFQ:** If a permit is transferred, the shares automatically transfer with it; if a permit terminates, NMFS will redistribute the shares proportionally to the current participants.

Action 10: Transferability of Annual Allocation

Alternative 1. No Action. Do not allow transfer of annual allocation.

Alternative 2. Require a **valid reef fish for-hire permit with LHV endorsement or a valid reef fish LHV permit** (whichever is established) to receive annual allocation through transfer. Transfers to US citizens or permanent resident aliens. **(AP Preferred)**

Alternative 4. Transfers to **any** US citizen or permanent resident alien.

Action 11: Share Caps

Alternative 1. Do not constrain the amount of shares one person can hold.

Alternative 2. **In each species category**, no person shall hold more shares than the maximum percentage issued to the recipient of the largest shares at the time of the initial apportionment of shares. **(AP Preferred)**

Alternative 3. **Across all share categories**, no person shall hold more shares than the maximum percentage issued to the recipient of the largest aggregate share at the time of the initial apportionment of shares.

Maximum landings per share category for a permit (percentage) in 2015

Share Category	Permit
Red Snapper	7.05%
Greater Amberjack	19.83%
Gray triggerfish	17.30%
Gag	16.17%
Red Grouper	18.36%

Source: SRHS and Permits databases

Action 12: Allocation Caps

Alternative 1. No Action. Do not constrain the amount of allocation that one person can hold.

Alternative 2. At any point in time, a person's total holdings (from all accounts) cannot be more than the maximum holdings attributed to a person (as determined in Action 11) **in each species category.**
(AP Preferred)

Alternative 3. At any point in time, a person's total holdings (from all accounts) cannot be more than the aggregate maximum holdings attributed to a person (as determined in Action 11) **across all species categories.**

Action 13.1: Distribution of Quota Increases

Alternative 1. No Action. If the quota for a species increases, distribute the increased allocation proportionally to all participants holding shares for that species.

Alternative 2. If the quota for a species increases, distribute the increased allocation equally to all participants **holding shares for that species**.

Alternative 3. Distribute the increased allocation equally to participants **who do not hold shares for that species but hold a LHV endorsement or a reef fish LHV permit** (whichever is established in Action 4).

Alternative 4. Distribute the increased allocation equally to all participants that **hold a LHV endorsement or a reef fish LHV permit** (whichever is established in Action 4).

Action 13.2: Retaining Annual Allocation before a Quota Reduction

Alternative 1. No Action. Distribute 100% of annual allocation to shareholders on January 1 of each year.

Alternative 2. If the quota for a species is anticipated to decrease after January 1, the RA has the authority to **retain the anticipated amount of decrease** during distribution of allocation for that species at the beginning of the year.

Action 14: Cost Recovery Fees

Alternative 1. No Action. Cost recovery fees will not be collected.

Alternative 2. For each participant, cost recovery fees will be based on a **standard price** per pound (or per fish) of a given species multiplied by the number of pounds (or fish) harvested by the participant during the specified time period. The **standard price** will be equal to:

Option a: the commercial ex-vessel price

Option b: the average price of annual allocation

Alternative 3. Cost recovery fees calculated as follows: Total fees paid per trip and total pounds (fish) of all species harvested must be reported. The total fees will be divided by the total pounds of species harvested to achieve a **price per pound (fish)**. The price will be multiplied by the **pounds (fish) of covered species** (species in the program) to achieve the total value. Cost recovery fees will be up to 3% of total value

Action 15: New Entrants

Alternative 1. No Action. No additional LHV endorsements or reef fish LHV permits (whichever is established in Action 4) will be issued.

Alternative 2. **At the beginning of each calendar year**, vessels with valid federal for-hire reef fish permits that are not participating in the LHV program may be issued a LHV endorsement or a reef fish LHV permit.

Alternative 3. At any time of the year, vessels with valid federal Gulf for-hire reef fish permits that are not participating in the LHV program may be issued a LHV endorsement or a reef fish LHV permit. The endorsement or LHV permit will **not be effective until the beginning of the next year**.

- ❖ Receiving an endorsement or a reef fish LHV permit **does not grant shares or annual allocation** to the recipient

Timeline

- ❖ Expected date of implementation
- ❖ Time required to conduct the referendum
- ❖ Council's final action

Thank you