

Ad Hoc Red Snapper Charter For-Hire Advisory Panel Summary
March 8-9, 2016
Gulf Council Conference Room
Tampa, Florida

AP members present:

Jim Green, Chair	Troy Frady	Scott Robson
Tom Steber, Jr., V Chair	Gary Jarvis	Sonny Schindler
Gary Bryant	Mark Kelley	Frank (Skipper) Thierry, Jr
Shane Cantrell	Mike Nugent	Ed Walker
Mike Eller	Rene Rice	

Council & Staff:

Pam Dana
Ava Lasseter
Karen Hoak
Carrie Simmons

Others:

Steve Branstetter
Andy Strelcheck
Sue Gerhart
Jessica Stephen
Cynthia Meyer
Sean Meehan
Robert Jones
Sharon McBreen
Brad Gorst
Martin Fisher

The Ad Hoc Red Snapper Charter For-Hire Advisory Panel (AP) meeting was convened at 8:30 a.m. on Tuesday, March 8, 2016. Staff provided an overview of draft Amendment 41 and discussed how the identification of program goals and objectives should lead to the design features of a management program for charter vessels.

Following the presentation, AP members began discussion on the sunset provision on sector separation. AP members expressed their interest to continue development of a red snapper management plan for charter vessels through Amendment 41 and passed the following motion:

- **To support the initiation and approval of a Plan Amendment to remove the sunset provision for sector separation that is approved in Reef Fish Amendment 40.**

Motion carried 11 to 1 with one abstention.

Next, AP members discussed the purpose and need. One AP member suggested a modification to the wording of the purpose and need and the AP accepted the following motion that recommended modifications to the current purpose:

- **To modify the existing purpose statement in Amendment 41 to read: (From Section 1.3 Purpose and Need pg. 8 with proposed revisions underlined.) The purpose of this action is to develop a management approach for federally permitted charter vessels that provides increased flexibility; reduces management uncertainty; improves economic**

- **stability; enhances sustainability of the red snapper population; and maximizes fishing opportunities for anglers fishing on federally permitted charter vessels.**

Motion carried unanimously.

AP members began discussing goals for a red snapper management program for charter vessels, followed by supporting objectives for each goal. It was noted that parts of the goals and objectives overlap with the benefits that may be realized from adopting electronic reporting. AP members passed the following motions:

- **The overall goals for Amendment 41:**
 1. **To increase fishing opportunities for anglers who use the federally managed charter for-hire fishing fleet**
 2. **Reduce management uncertainty through improved catch and discard accounting**
 3. **Fair and equitable allocation for all participating permit holders**
 4. **The program should promote fleet stability**
 5. **Enhances sustainability by improving catch monitoring, adhering to quotas, and reducing dead discards.**

Motion carried unanimously.

- **For the goal -To increase fishing opportunities for anglers who use the federally managed charter for-hire fishing fleet, have the objective(s) be one or more of the following:**
 - **To provide year round angling fishing opportunities for using the red snapper charter for-hire fishery;**
 - **Increase number of fishing days or trips, ability to select fishing days within a specified season, to eliminate overages and extend fishing opportunities, while staying within the ACL.**

Motion passed unanimously.

- **For the goal-Reduce management uncertainty through improved catch and discard accounting, decrease management uncertainty by one or more of the following:**
 - **Landings by the charter for-hire fleet remain under its prescribed ACL and not exceed ACT**
 - **The ability to decrease the management buffer (ACT) from ACL through improved accountability and decreased management uncertainty**
 - **The ability to readily identify active permit holders (participants) in the red snapper for-hire fishery**
 - **For the for-hire industry to become fully accountable by use of ELBs, tags and/or other management tools.**

Motion carried with no opposition.

In discussing the following motion, AP members expressed different opinions concerning the meaning of a fair and equitable allocation. Some felt that all charter operators should start off on equal terms as far as allocation and be provided access, while others felt that not all charter vessels are currently landing red snapper and questioned whether such vessels should receive allocation.

- **For the goal-Fair and equitable allocation for all participating permit holders**
- **Utilize the annual charter for-hire allocation for red snapper by the participants.**

Motion carried 11 to 2

- **Improve fleet stability for the for-hire fishery as determined by socio-economic analysis by:**
 - a. Ability to select fishing days**
 - b. Increasing angling opportunity through an allocation based system**
 - c. Maximizing marketing opportunities**
 - d. Surveying fishery participants.**

Motion carried 8 to 5.

The AP referenced electronic logbooks in their goals and objectives. Electronic reporting for charter vessels is currently being evaluated in a separate document and is outside the scope of Amendment 41. An AP member felt that electronic reporting would be in place before Amendment 41 goes final, while another expressed concern to not lose momentum in developing Amendment 41 by waiting for electronic reporting. Another AP member contributed that they did not want to use electronic logbooks to develop a catch history for use in Amendment 41. No motions were proposed or passed regarding electronic logbooks.

Next, the AP discussed the allocation-based management approaches. AP members noted concerns with fishing cooperatives, including that there was too much room for misuse and that too much power could potentially be held in one person's hands. Also, in contrast to the Headboat Collaborative which had less than 20 participants, AP members felt it may be difficult to organize the much larger number of charter operators into cooperatives. The AP passed the following motion:

- **To eliminate cooperatives from Amendment 41.**

Motion carried with no opposition.

AP members discussed their preferred management approach. A member said that permit fishing quotas (PFQs) are preferable to individual fishing quotas (IFQs) because allocation is tied to the permit, and if his boat is bought, the allocation goes with it; PFQs will add value to the permit. Some AP members said they did not want allocation to be transferable among vessels, as this creates financial winners and losers. Other AP members expressed concerns to avoid the criticisms of the commercial program in terms of "leasing" IFQs. Avoiding fleet consolidation was also noted as an important goal as this program is developed.

- **In action 1, to select alternative 2(b) as the panel's preferred alternative.**

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

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

Motion passed with no opposition.

AP members discussed harvest tags and their usefulness for program enforcement. AP members who participated in the Headboat Collaborative noted they did not like the tags at first, but soon

found them extremely useful for helping to keep the amount of fish straight on the headboat for their customers. Whereas, another member felt that a harvest tag program would leave fish unused, but that this would not happen under a PFQ program. The AP passed the following motions.

- **As part of implementing PFQs, use fish harvest tags solely as an enforcement and validation tool for the PFQ program, not as an allocation tool as part of Alternative 4 in Action 1.**

Motion carried with no opposition.

- **In Action 1, to move Alternative 4 to the considered but rejected appendix.**

Motion carried with no opposition.

AP members discussed the alternatives under *Action 3, Distribution of Quota to Charter Vessels*. AP members did not support the use of an auction to distribute quota, and passed the following motion pertaining to the two alternatives that include auctioning quota.

- **In Action 3, to recommend to the Council that the Advisory Panel does not support consideration of Alternatives 6 and 7 because it does not coincide with the fair and equitable goal of Amendment 41.**

Motion carried with no opposition.

Some AP members did not support the regional approach to allocation, while other AP members did, noting that regional landings identify where red snapper are landed by charter vessels. The AP discussed the proposed new Action 2, which was requested by the Council at its January 2016 meeting to address voluntary participation in an allocation-based charter vessel management program. The proposed action would allow charter operators to opt-in and participate in an allocation-based program, or to opt-out and continue to fish for red snapper under a red snapper fishing season in federal waters for non-participating charter vessels. However, AP members did not support the option for some charter operators to continue to fish for red snapper if they did not participate in the allocation-based program. That is, if charter vessels opt-out of participating in the management program developed under Amendment 41, they should not be able to red snapper fish at all. To express this intent, the AP passed the following motions.

- **To recommend to the Council that the permit fishing quota (PFQ) program be the only access to red snapper by federally permitted charter for-hire vessels, and do not allow non-participating vessels to use allocation to harvest red snapper in an alternative federal waters season.**

Motion carried 12 to 1.

In discussion on the following motion, one member felt this would allow for identification of participants in the fishery. Another member noted that no one would opt-out, and without transferability, the rest of the fleet would not get those fish.

- **In Action 2, to create a new Alternative 5, and make it the Panel's preferred.**

Alternative 5: Establish a red snapper management program for charter vessels. The program would include only charter vessels with a valid or renewable federal for-hire permit for reef fish who elected to join the red snapper management program for charter vessels. An endorsement to the federal for-hire permit for reef fish would be issued to those charter operators who elected to join the red snapper management program for charter vessels. Opportunities to opt in to the red snapper management program for charter vessels are offered every year.

Motion carried 12 to 0 with one abstention

Additional discussion pertained to the distinction between opting-in (requiring operators to take action to participate) versus opting-out (assumes full participation unless operators take action to remove themselves). Some AP members felt charter operators should be required to opt-in to participate, which could be used to ensure that other program requirements are met by the participant, such as VMS, if required. On the other hand, NMFS staff expressed concerns with requiring operators to take action within a specified timeframe, and expressed a preference that charter operators opt-out if they did not intend to participate, instead.

AP members continued discussing the distribution of quota. A member noted that after shares are distributed, vessels could opt-in each year if they wanted to fish the allocation associated with their shares. He added that after a baseline of shares is established one time, each permit would get that much fish. After three years, the baseline could be reestablished among vessels for another period of time. Another member said that allocation should be calculated and distributed each year, and that charter operators should not hold shares. The comments then focused on support for charter vessels receiving annual allocation only, and reasons shares should not be held by charter operators including that shares were seen as a management tool that leads to reduced capacity in the fishery. There was concern that the distribution of quota among charter vessels should be able to reflect changes in the composition and characteristics of the fleet, such as a vessel changing homeport. A one-time distribution of (permanent) shares would not be flexible to changes in the fleet, and was contrary to the AP's goals for the program. The AP's intent for keeping shares with the permit (i.e., PFQs), is to avoid problems that may arise with transferability, if used in the program.

Next, AP members discussed passenger capacity as a metric for determining vessel allocation, addressing the pros and cons of using the passenger capacity according to the federal permit or that of the vessel's COI (or lack thereof) to determine how to distribute the quota among charter vessels. The AP passed a final recommendation before recessing for the meeting's first day.

- **The AP requests that the Council consider that we reconvene the charter for hire AP panel after the April meeting in Austin to continue to work on preferred alternatives on Amendment 41, and prior to the June meeting.**

Motion carried with no opposition

AP discussion returned to the issue of distributing quota among charter vessels, and specifically the alternatives concerning passenger capacity. AP members proposed new approaches for the distribution of quota among charter vessels, combining the existing alternatives into options that

use mixed approaches to the distribution of quota. The proposals included support for using the lower of the permit or vessel's passenger capacity. The AP passed the following motions.

- **In Action 3, to recommend a new alternative that would distribute quota using these 3 components:**

- **Distribute quota equally among charter permit holders (Alt 2)**
- **Based on the lesser of the COI of the vessel or permit capacity (Alt 3)**
- **Distribute quota based on historical/regional landings (Alt 5)**

Motion carried 11 to 0 with 2 abstentions.

- **To create options for the previous motion's new alternative:**

Option A

25% for everyone (Alt 2)
50% regional history (Alt 5)
25% COI/permit capacity (Alt 3)

Option C

30% for everyone
40% regional history
30% COI/permit capacity

Option B

20% for everyone
50% regional history
30% COI/permit capacity

Option D

40% for everyone
30% regional history
30% COI/permit capacity

Option E

75% for everyone
12.5% regional history
12.5% COI/permit capacity

Motion carried with no opposition.

AP members discussed defining qualifiers which must be met for charter operators to participate in the allocation-based management program. AP members felt that the qualifiers would help identify the active permits and those who would participate in the program. Other members expressed concern that the qualifiers would cause fleet consolidation, or restrict participation. AP members held conflicting views on the use of VMS, with some in support and others opposed. After specifying the qualifiers, the AP passed the following motion:

- **To recommend to the Council to include, as a pre-qualifier for opt-in vessels, a VMS unit or another acceptable electronic validation tool, a federal charter for-hire reef fish permit and a state charter fishing license, and payment of the cost recovery fee associated with the allocation based system.**

Motion carried with no opposition.

In discussing the alternative to distribute quota based on regional landings, the AP recommended two additional options to the provided time series, and recommended their preference among the time series options. The AP passed the following motions.

- **In Action 3, Alternative 5, to create a new option using average landings for years 2003 to 2012, excluding landings in 2010.**

Motion carried 9 to 3 with one abstention.

- **To establish a new option under Action 3, Alternative 5 (Option 5e), to establish a timeline as found in Amendment 40.**

Motion passed 12 to 1.

- **To recommend to the Council that in Action 3, that the Panel's preferred allocation timeline to be used is (Option 5e):**

50% 1986-2013

50% 2006-2013 excluding landings from 2010.

Motion carried without opposition.

The AP returned to discuss PFQs as their preferred allocation-based management approach. A previous motion expressed the AP's preference for a PFQ program that uses shares and allocation. However, following additional discussion, AP members said they did not want a system that uses shares and allocation, but instead, want to use annual estimated and distributed allocation based on the number of participants that opt-in to the program for that year. Currently, PFQs and IFQs are structured to use both shares and allocation, while cooperatives and harvest tags use annual allocation, only. An AP member noted that with PFQs, transferability could be added in the future, but he believes that would not be possible under a harvest tag program. Another member supported PFQs rather than harvest tags, as he believes PFQs would require a referendum, while harvest tags would not; he felt a referendum was important to ensure the industry supports the resulting program design. The AP passed the following motion.

- **To recommend to the Council that a PFQ program be developed without shares, but to use annual allocation.**

Motion carried 11 to 0 with one abstention and one absent.

The meeting adjourned at noon on March 9.

The following is a list of failed and withdrawn motions.

Action 3: Distribution of Quota to Charter Vessels

Alternative 5: Distribute quota based on average landings of charter vessels in each geographic region...

Motion: In Action 3, to recommend to the Council that the Advisory Panel does not support Alternative 5 because it does not coincide with the fair and equitable goal of Amendment 41.

Motion failed 2 to 8 with 3 abstentions.

Proposed New Action 2: Charter Vessel Program Participation

Motion: In Action 2, the Panel's preferred alternative is Alternative 3

Alternative 3: Establish a voluntary red snapper management program for charter vessels. The program would include only charter vessels with a valid or renewable federal for-hire permit for reef fish who elected to join the red snapper management program for charter vessels. An endorsement to the federal for-hire permit for reef fish

would be issued to those charter operators who elected to join the red snapper management program for charter vessels.

Opportunities to join or to opt out from the red snapper management program for charter vessels are offered every year.

Motion withdrawn.

Motion: In Action 3, to make alternative 4, option (b) the Panel's preferred

Alternative 4: Distribute quota based on tiers of the passenger capacity of charter vessels.

Tiers are defined such that each:

Option 4b: 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.

Motion failed 3 to 8 with 3 abstentions.

Motion: To establish a bycatch and discard/bycatch allocation pool, based on staff recommendation, to account for opt-out vessels and vessels without allocation.

Motion withdrawn.

Motion: Among the options in Alternative 5, the Panel's preferred option is this new option. In Action 3, Alternative 5, to create a new option (5d) using average landings for years 2003 to 2012, excluding landings in 2010.

Motion withdrawn.

Motion to Reconsider: That the Panel bring back for reconsideration this prior motion:

Motion: In Action 1, to move Alternative 4 to the considered but rejected appendix.

Motion failed 2 to 9 with one absent.