



Tab B, No. 9
April 2022

IFQ Programs: Focus Group Formation and Next Steps



Charge to IFQ Focus Group

The charge to the IFQ Focus Group to provide a detailed plan for the following:

- Review the current IFQ programs' goals and objectives and recommend their replacement/retention. These revised goals and objectives shall serve as the basis for the Focus Group recommendations.
- Define the changes needed for an improved IFQ program for RS, G-TF to specifically address minimizing discards, fairness and equity, and new entrants issues.



Revised Timeline

Closed Session at April Council meeting (Monday):

- Select participants; fishing violation check completed

After April Council meeting:

- Notify applicants of appointments and select meeting dates.
- Facilitators meet virtually with each focus group member.
- Provide background materials to focus group members.
- Plan the meeting.

Week of June 13: Earliest dates to convene IFQ Focus Group. Report will be provided to Council at its following meeting.



How it will work

- Initial meeting: 2 days in Tampa
- Ideal to hold in-person meeting. If not possible, meeting will be held by webinar.
- Open to public, like an AP meeting.
- 2 meetings in total.
- Results from each meeting presented to Council, which will decide the next steps.



Questions?

The remaining slides were presented at the Council's January 2022 and are provided as background.



Background: Member Positions

- Dealer
- Crew with no shares
- Permit holder who leases allocation
- Eastern Gulf longliner who leases red snapper allocation
- 3 Shareholder positions (small, medium, large)
- Public participant
- New entrant
- Knowledgeable person, not financially invested (non-participant)



Position Descriptions

Dealer – Must have a Gulf and South Atlantic Dealer Permit and have received IFQ landings through their account.

Crew with no shares – Not required to have shares or a permit, but serves as captain or crew of a vessel that participates in the IFQ program.

Permit holder who leases allocation – Must have a commercial reef fish permit associated with the same account used to transfer and land allocation. Does not have shares.

Eastern Gulf longliner who leases red snapper allocation – Must have an Eastern Gulf Reef Fish Bottom Longline Endorsement and a Commercial Reef Fish Permit associated with the same account used to transfer and land red snapper allocation. Does not have red snapper shares.



Position Descriptions

Small shareholder – Holds a small amount of shares of red snapper and/or red grouper and a commercial reef fish permit. Among shareholder accounts that hold shares in these two categories, applicant is approximately among the bottom third of shareholders by shareholding volume for one or both share categories. Applicant's shareholdings are approximately within the bottom third across all share categories.

Medium shareholder – Holds an intermediate amount of shares of red snapper and/or red grouper and a commercial reef fish permit. Among shareholder accounts that hold shares in these two categories, applicant is approximately among the middle third of shareholders by shareholding volume for one or both share categories.

Large shareholder – Holds a large amount of shares of red snapper and/or red grouper and a commercial reef fish permit. Among shareholder accounts that hold shares in these two categories, shareholdings place applicant approximately among the top third of shareholdings by volume in one or both share categories.



Position Descriptions

Public participant – Holds red snapper and/or red grouper shares, but does not have a commercial reef fish permit.

New entrant – Holds a commercial reef fish permit and purchased shares and/or allocation for the first time within the last 3-5 years.

Knowledgeable person, not financially invested (i.e., non-participant) – Has a solid understanding of the Gulf IFQ programs, or catch shares more broadly, but is not a permit holder or shareholder.



Application Process

- Noticed on Council website and press release.
- Open from November 19 - December 17, 2021.
- 57 applicants for 10 positions.



What does a successful Focus Group look like?

- Diverse membership
- Members are able to listen to others and consider perspectives different from their own
- Comfort to speak freely
- May produce Consensus-like Statements rather than Motions.



IFQ Focus Group is an Advisory Panel (AP)

- Members selected to provide broad geographic representation.
- Open to the public, so non-members have a role.
- Unlike AP meetings around a U-shaped table, members may be broken into small groups for discussions, which then report back to the group.
- In AP meetings, members elect a Chair who then runs the meeting; a focus group is run by one or more facilitators.



Background: Amendment 36B

The purpose is to limit IFQ share ownership in shareholder accounts without a valid or renewable commercial reef fish permit, thereby promoting share ownership by fishermen who have the ability to land reef fish within the IFQ programs.

Action 1 – Require [some or all] shareholder accounts to have a commercial reef fish permit.

Action 2 – Share Divestment for Permit-Required accounts that do not have a permit.

Action 3 – Permit-Exempt Accounts



NAS LAPPs report recommendation

“Because of perceptions that “investors” or “armchair captains” should not control quota shares, the Councils ... should address this question up front ... and research whether and how such shareholding would affect the market for quota and its availability to active fishers. To assist the Councils in addressing this question, the NMFS should sponsor a study of the direct and indirect consequences of moving from LAPPs that require holding active fishing permits or other measures of active participation in fishing, to the “public” scope of eligibility to own quota shares. Such a study, likely focused on the experience of the two Gulf of Mexico LAPPs but informed by other programs, should offer a stronger basis for decision making about eligibility.”



Action 1: Effect on Account Structure

Alternative 1: Shareholder Accounts

- Shares and Permit
- Shares and No Permit
- No Shares and Permit
- No Shares and No Permit

Alternative 2: Shareholder Accounts

- Shares and Permit
- ~~-Shares and No Permit~~
- No Shares and Permit
- No Shares and No Permit

Alternatives 3-5:

Permit-Exempt Shareholder Accounts

- Shares and Permit
- Shares and No Permit
- No Shares and Permit
- No Shares and No Permit

Permit-Required Shareholder Accounts

- Shares and Permit
- ~~-Shares and No Permit~~
- No Shares and Permit
- No Shares and No Permit

Structure of Actions

| Action 1: Permit Requirement for Shareholder Accounts | | |
|---------------------------------------------------------|--|------------------------------------------------------------------------|
| Alternative 2 All Accounts Permit-Required | | Alternatives 3-5 Permit-Exempt Accounts Permit-Required Accounts |
| Action 2: Share Divestment for Permit-Required Accounts | | |
| Applies to all accounts | | Only applies to Permit-Required Accounts |
| Action 3: Permit-Exempt Shareholder Accounts | | |
| N/A | | Only applies to Permit-Exempt Accounts |