

Allocation Review Guidelines

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I. Background

In conjunction with the Council Coordination Committee (CCC), the National Marine Fisheries Services (NMFS) developed a Fisheries Allocation Review Policy (NMFS Policy Directive 01-119)¹ and an associated procedural directive addressing criteria for initiating allocation reviews (NMFS Procedural Directive 01-119-01)². In a subsequent policy directive, NMFS recommended practices and factors to consider when reviewing and making allocation decisions (NMFS Procedural Directive 01-119-02)³. These allocation review policies and procedural directives required regional fisheries management develop allocation review triggers that would be considered to initiate allocation reviews. The Gulf Council's selected review triggers are included in its allocation review policy (Appendix A).

In NMFS Allocation Review Policy, a fishery allocation (or "allocation" or "assignment" of fishing privileges) is defined by NMFS as a "direct and deliberate distribution of the opportunity to participate in a fishery among identifiable, discrete user groups or individuals." 50 CFR 600.10. The Allocation Review Policy makes a clear distinction between an allocation review and an evaluation of fisheries allocation options for an FMP amendment. A fisheries allocation review is the evaluation that leads to the decision of whether or not the development and evaluation of allocation options is warranted, but is not, in and of itself, an implicit trigger to consider alternative allocations. An evaluation of fisheries allocation options for an FMP amendment is the full analysis and evaluation of allocation options that is initiated if the allocation review determines a reallocation may be warranted. The goal will be an FMP amendment (or framework adjustment if applicable) that either updates the allocation or retains the status quo.

Allocation review guidelines in this document detail the process that the Gulf Council would follow to conduct its allocation reviews mandated by NMFS Allocation Review Policy. In some instances, e.g., following a stock assessment, the Council may elect to skip a formal allocation review and directly proceed with the development of an FMP amendment. In these cases, these guidelines would not apply.

II. Terms of Reference

Prior to each allocation review, the Council will formally adopt terms of reference (TORs) for the review. TORs will either be developed by the SEFSC or by Council staff in conjunction with the SEFSC and SERO. The SSC will review draft TORs and provide recommendations to the Council. Draft TORs have to be reviewed and possibly amended by the Council prior to approval. A Council motion would be required to formally approve the TORs.

¹ [NMFS Policy Directive 01-119](#)

² [NMFS Procedural Directive 01-119-01](#)

³ <https://media.fisheries.noaa.gov/dam-migration/01-119-02.pdf>

III. Membership of the Review Panel

Prior to each allocation review, the Council will appoint an allocation review panel or specify the method by which the panel will be appointed. During the selection of a review panel, the Council will pay special attention to potential conflicts of interest by avoiding the appointment of individuals with affiliation to a particular sector. For example, individuals who belong to (or represent) a particular sector should not be appointed to serve on allocation review panels. To determine the composition of the review panel the Council could:

- Allow the Council staff, SERO and the SEFSC to select members of an Interdisciplinary Planning Team (IPT) to conduct the review. The IPT typically includes SERO, SEFSC and, Council staff. Members would be selected by the Council Office, SERO, and the SEFSC following the usual IPT selection process.
- Select SSC members (with NMFS and Council staff support).
- Appoint independent experts.

If deemed necessary, the Council may select members of the review panel by relying on a combination between the alternative approaches listed. The Council will determine the size of the review panel based on the specificities of the species or species group allocation to be reviewed.

IV. Review Notice

A *Federal Register* notice (FRN) must be published prior to the initiation of each allocation review. At a minimum, the FRN notice will indicate the species and allocation(s) to be reviewed, list the membership of the review panel, and provide the starting date of the review and anticipated locations and dates of the review panel meetings as applicable. However, allocation reviews that would be entirely conducted by an IPT are exempt from meeting notice requirements.

V. Allocation Review Criteria

Allocation reviews will typically be conducted based on information and data that are routinely available. Reviews are expected to utilize existing ecological, biological, and socio-economic studies relevant to the species (or group of species) and user groups under consideration. Prior to each allocation review, the Council will determine the suite of ecological, biological, economic, and social factors consistent with the NMFS Allocation Review Policy to be included in the review. It is expected that a subset of the list provided in this section would be used for a particular allocation review, depending on their relevance to the species under review, sectors, user groups, or states concerned, and data availability.

FMP Objectives

Re-evaluate goals and objectives to determine whether they are current, clear and, measurable. As directed by NMFS Allocation Review Policy, allocation reviews must include an evaluation of the relevant FMP objectives. Specifically, the review should assess whether the allocation is consistent with the FMP objectives.

Regulatory Structure

- Mainly discuss relevant current management measures
- However, if warranted consider changes over time (for ex. bag limit changes)
- Several elements could be gathered from history of management sections included in Council's regulatory actions

Status of the Stock(s)

- Discuss findings of the latest stock assessment

Acceptable Biological Catch (ABCs), Quotas, Annual Catch Limits and Targets (ACLs and ACTs)

- List allowable biological catch (ABC), annual catch limits and targets (ACLs and ACTs); Discuss buffers between the catch limits and targets.
- If warranted, include changes to these variables over time and to the metrics used (e.g., MRIP-CHTS to FES)

Accountability Measures

- Season closures and quota paybacks
- Include comparison across user groups

Landings history

- Provide detailed landings history by sector, within sector (gear, components of a particular sector), by region or by state. Discuss relevant changes in units of measurement used (e.g., conversion of recreational landings from MRIP-CHTS to MRIP-FES)
- Provide aggregate landings including other species in the FMP. Discuss the relative dependence of a given user group on the species under review (for example, include red snapper landings and total reef fish landings)

ACL/Quota Utilization Rates

- Trends for each user group
- Include comparison across user groups

Participation and Effort Measures

- Provide numbers of participants, as measured by permits or licenses, vessels, and anglers where available. Include total numbers as well as active (non-latent) participation based on the allocation(s) being reviewed

- Provide effort measures including number of trips (e.g., catch and target trips for private recreational anglers and for-hire operators)
- Include evaluation of participation and effort trends

Discards and Discard Mortality Rates

- Include comparison across user groups

Protected Species Bycatch Numbers and Rates

- Include comparison across user groups

Habitat Impacts

- Include comparison across user groups
- Discuss impacts of relevant environmental events. For example, discuss spatial considerations in allocation between Gulf states such as red tide, oil spills, etc.

Economic Factors

An allocation review should provide, to the extent practicable, metrics to evaluate economic factors relevant to the species and allocation under review.

- Consumer surplus commercial
- Consumer surplus rec anglers
- Producer surplus for-hire vessels (revenues, variable costs, fixed costs)
- Producer surplus commercial vessels (revenues, variable costs, fixed costs)
- Allocation transfer price (catch share managed species only)
- Economic impacts by sector

Social Factors

Allocation reviews should include, to the extent practicable, metrics to evaluate social considerations of allocation. However, available human dimensions data are limited and data are typically not available to make comparisons across sectors or for recreational fishing among states.

- Demographics (e.g., race/ethnicity, age) – These data are not currently available, but have recently been collected among federal permit holders, only, and are expected to become available in the future.
- Community Regional and Local Quotients – These analyses are available for the commercial sector, only.
- Community engagement and reliance indicators – Measurements of fishing activity specific to a particular stock (commercial sector) or for fishing in general (recreational fishing).
- Community social vulnerability indicators – Measure of social vulnerability for the community in general and not specific to the fishing aspects of a community, not distinguished by sector.

VI. Allocation Review Stages

Allocation reviews will include a minimum of three steps:

- **Stage One** will be the data review phase. During this phase, potential data sources are identified and available data are gathered. Data collected should be consistent with the evaluations/requirements detailed in the TORs.
- **Stage Two** will include the core of the allocation review. During this phase, data collected are interpreted, trends are identified and discussed. The evaluation of trends performed should be consistent with the requirements detailed in the TORs.
- **Stage Three** will focus on producing the allocation review report. A preliminary report is drafted during this phase. The draft report will include the deliverables specified in the TORs. The report should include: a section discussing historical allocations and how they were established; a discussion of the types of data collected and sources, data trends, and data gaps. If requested by the Council, the report would include potential re-allocation scenarios. The draft report should also discuss research that could improve future allocation reviews and present recommendations provided by the review panel. In addition, all datasets used during the review must be attached to the report.

VII. Advisory Panels and SSC Recommendations

A draft allocation review prepared by the review panel must be discussed by the Standing and Socioeconomic SSCs and relevant advisory panel(s) (APs) to garner their recommendations. The draft report, along with recommendations provided by the SSCs and APs will be presented to the Council. Stakeholder engagement throughout the allocation review process is a key component of reviews. In addition to the formal presentation of the draft allocation review report to the relevant APs, stakeholders will have several opportunities to provide input and discuss the different phases of an allocation review by either attending review proceedings or by providing public comments. Electronic comments pertaining to an ongoing allocation review can be submitted to the Council's website at any time. Furthermore, stakeholders may provide comments during public testimony sessions scheduled during each Council meeting.

VIII. Council Decisions

Upon completion, designated members of the allocation review will present the draft report to the Council. Council staff will present recommendations provided by the SSCs and relevant APs. Council staff will also provide a summary of public comments received. The Council may ask the allocation review panel to amend the report and provide additional information as needed. Following the submission of a final allocation review report including revisions suggested by the Council, the Council will formally approve the report and make recommendations to either direct staff to initiate an amendment to the relevant FMP to consider

alternative reallocations or elect to conclude the review without considering revisions to the existing allocation.

IX. Resetting the Allocation Review Clock

Following the completion of an allocation review, the Council may maintain the existing allocation until its future review or elect to initiate an allocation FMP amendment. If the Council determines that an amendment to the relevant FMP to consider alternative reallocation scenarios is not warranted, then the clock resets immediately and the next allocation review will be scheduled based on the time interval set by the corresponding time-based trigger. If the Council determines that a reallocation amendment to the relevant FMP is warranted, then the clock resets on the effective date of the final rule that implements the allocation FMP amendment.

Appendix A – Gulf Council’s Allocation Review Policy

The Fisheries Allocation Review Policy (NMFS Policy Directive 01-119) and the associated Procedural Directive on allocation review triggers (NMFS Procedural Directive 01-119-01) present three types of triggers (indicator-based, public interest-based, and time-based criteria) and request that Regional Fishery Management Councils establish review triggers.

The Gulf Council initially reviewed a discussion paper introducing the allocation review policy and procedural directive during its August 2018 meeting. Follow-up discussions during the October 2018 meeting included an evaluation of the types of triggers considered in the policy and procedural directives and a preliminary identification of Gulf allocations that would be subject to the policy. Additional discussions, including the formal selection of triggers for relevant Gulf of Mexico allocations and the adoption of the policy on allocation reviews detailed below were held in January 2019 and finalized during the April 2019 Council meeting. The Gulf Council adopted the following policy on allocation reviews:

The Council selects time-based criteria as primary allocation review triggers bolstered by general monitoring of indicators for reallocation justification through the Council’s general deliberative process including public input channels as a secondary trigger. Consistent with the adaptive management process suggested in the Allocation Review Policy (referenced above), the incorporation of the Council’s public input process as secondary public interest-based review triggers will include the consideration of relevant social, economic, and ecological indicators as an intermediate step before determining whether an allocation review is triggered. For example, economic tools that might contribute to the development of indicator-based review triggers could include cost-benefit analysis, economic impact analysis, economic efficiency, and others. Social indicators could include a range of social metrics such as community resilience, vulnerability and well-being. Examples of ecological criteria include changes in fishery status resulting from a stock assessment, undocumented sources of mortality, increases in discards, or changes in species distribution and food web dynamics. Allocations included are:

- red snapper allocations within the recreational sector, i.e., between the federal for-hire and private angling components (with a 4-year timeframe);
- red snapper allocations between the five Gulf states (with a 5-year timeframe);
- gray triggerfish and greater amberjack allocations between the commercial and recreational sectors (with a 6-year timeframe);
- Gulf of Mexico group king mackerel allocations between the recreational and commercial sectors, zones, and gear types (with a 6-year timeframe);
- recreational and commercial allocations of red snapper, gag, red grouper, shallow water grouper IFQ aggregate, deep water grouper IFQ aggregate, and tilefish IFQ aggregate (with a 7-year timeframe);
- black grouper, mutton snapper, yellowtail snapper allocations between the Gulf and South Atlantic Councils (with a 7-year timeframe).

The table below lists the time intervals to be used with the time-based allocation review triggers and provides anticipated start dates for the initial allocation reviews. In addition to the allocation reviews scheduled based on the review triggers selected above, the Council may initiate supplementary allocation reviews at any time. For example, the Council could initiate an allocation review should relevant new information, e.g., data recalibration, be made available.

Timeframes for the time-based allocation review triggers and expected starts of initial reviews

Allocations	Time Intervals	Expected start of the first review
Recreational red snapper ACL allocation between the private angling and federal for-hire components	4 years	April 2023
Red snapper allocations between the Gulf states	5 years	April 2024
Gray triggerfish and greater amberjack allocations between the recreational and commercial sectors	6 years	April 2025
Gulf of Mexico group king mackerel allocations between the recreational and commercial sectors, zones, and gear types	6 years	April 2025
Recreational and commercial allocations of red snapper, gag, red grouper, shallow water grouper IFQ aggregate, deep water grouper IFQ aggregate, and tilefish IFQ aggregate	7 years	April 2026
Black grouper, mutton snapper, yellowtail snapper allocations between the Gulf and South Atlantic Councils	7 years	April 2026