

# Red Snapper Management for Federally Permitted Charter Vessels

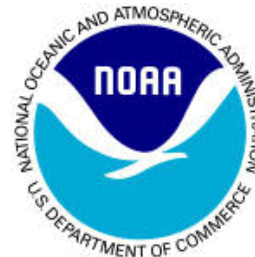


## **Draft Amendment 41 to the Fishery Management Plan for the Reef Fish Resources of the Gulf of Mexico**

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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
CSP	catch shares program
For-hire permit	Gulf Charter/Headboat permit for Reef Fish
GT-IFQ	grouper-tilefish individual fishing quota program
Gulf	Gulf of Mexico
HBC	headboat collaborative
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
PCC	potential catch contribution
PIMS	permit information management system
PFQ	permit fishing quota
RS-IFQ	red snapper individual fishing quota program
SERO	Southeast Regional Office
SRHS	Southeast Region Headboat Survey
TL	total length
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 through Amendment 40 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; recreational quota) between the recreational components (GMFMC 2014a), 42.3% for the federal for-hire component and 57.7% for the private angling component. 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 annual catch target (ACT), which is 20% less than the recreational ACL. All other management measures affecting the harvest of red snapper remain the same for both components, 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, 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>1</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.

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 some federally permitted for-hire vessels have landings histories and some 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

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<sup>1</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.

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 here 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. The Charter AP met in May 2015 and in March 2016. The summary report from the May 2015 meeting, including the AP's recommendations to the Council, is provided in Appendix B. The summary report from the March 2016 meeting will be presented to the Council at its April 2016 meeting. 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, 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)**

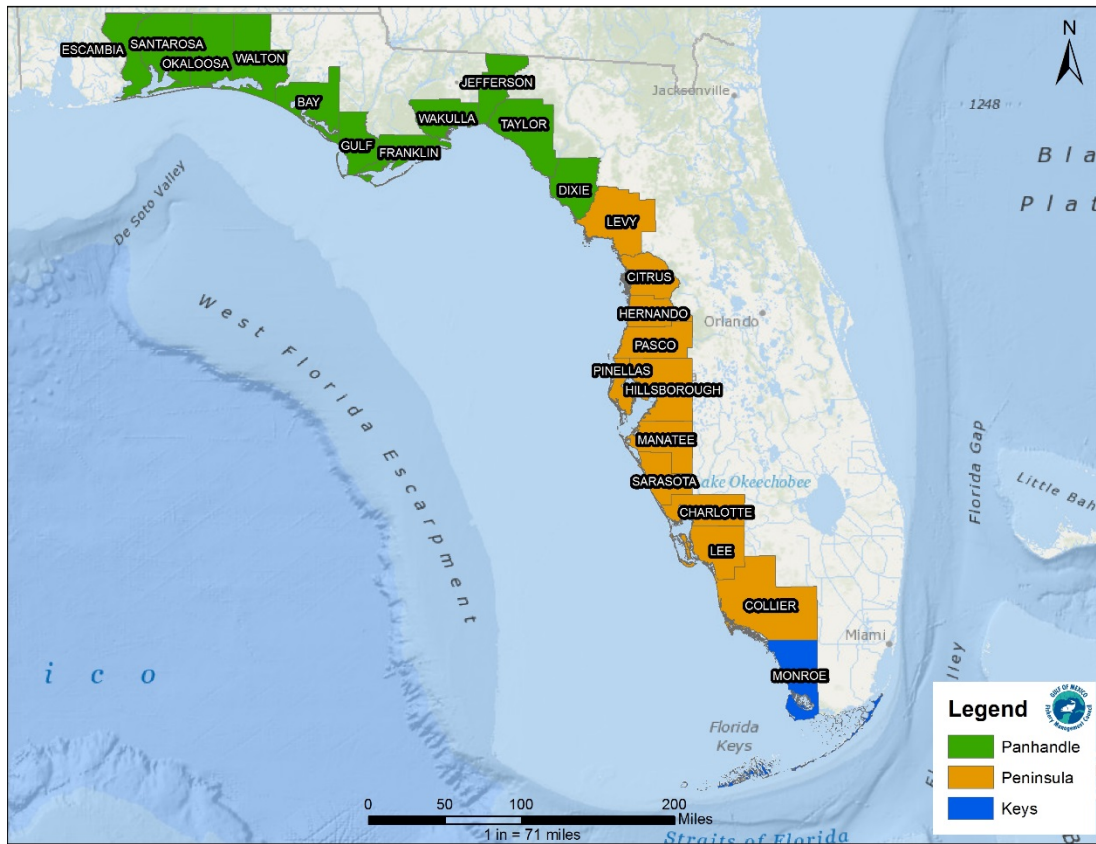
Charter vessels issued federal Gulf Charter/Headboat Permits for Reef Fish are distributed throughout the Gulf with a concentration of vessels along the west Florida coast. Based on the homeport listed on the permit application, approximately 51% of the for-hire permits are in west Florida (excluding 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 for-hire permits is unknown. The number of permitted charter 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 provides the regional distribution of charter vessels including the number of historical captain permits. The number of permits is provided for three regions of Florida, divided at the Dixie-Levy county line, and the Collier-Monroe County line. These regions and respective counties are identified in Figure 1.1.1.

**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 - Dixie)	290	9	299
Peninsula (Levy - Collier)	335	7	342
Keys (Monroe)	82	0	82
<b>Alabama</b>	128	4	132
<b>Mississippi</b>	30	2	32
<b>Louisiana</b>	113	6	119
<b>Texas</b>	215	4	219
<b>Non-Gulf States*</b>	22	0	22
<b>Total</b>	1,215	32	1,247

Source: NMFS-SERO permit office database accessed March 3, 2016. Non-Gulf states also include Florida counties of Palm Beach, Broward, Miami-Dade, Alachua, and Putnam. Historical captain permits may be renewed but are only transferable to another historical captain.



**Figure 1.1.1.** Map of west Florida coastal counties.

## 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 United States Coast Guard 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>2</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. 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 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>3</sup> a copy of the COI is no longer required to renew or transfer a for-hire permit.

In most cases, the permit and vessel passenger capacities are the same; the majority of charter vessels do not have a COI, thus limiting the number of paying passengers to six. However, there are cases where the permit's passenger capacity is greater than the vessel's passenger capacity, and vice versa. 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 passenger capacity is used as a metric for apportioning fishing privileges through this amendment (Action 3), the Council must decide whether to use the permit's passenger capacity, or the lower of the permit or vessel's passenger capacity.

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<sup>2</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.

<sup>3</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)

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

Passenger Capacity	Number of Charter Vessels	Number of Charter Vessels with Historical Captain permit
6	1,042	23
9-15	19	1
16-19	25	0
20-24	51	1
25-30	20	1
31-40	15	3
41-50	21	0
51-80	11	2
>80	11	1
Total	1,215	32

Source: NMFS-SERO permit office database accessed March 3, 2016. Vessels participating in the SRHS are not included.

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	AL	MS	LA	TX	Non-Gulf State	Total
6	78	319	212	102	26	114	196	18	1,065
9-15		2	15			1	2		20
16-19		2	19	1		1	1	1	25
20-24		7	26	15	2		2		52
25-30		2	12	3	1	1	2		21
31-40	1	1	4	6	3	1	1	1	18
41-50	1	3	6	3			8		21
51-80	1	2	3	2		1	4		13
>80	1	4	2				3	2	12
Total	82	342	299	132	32	119	219	22	1,247

Source: NMFS-SERO permit office database accessed March 3, 2016. Vessels participating in the SRHS are not included.

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.

Permits in the Southeast Region can be held by an individual or business or multiple individuals and/or businesses, which is considered a unique permit holder. A unique permit holder may hold more than one for-hire permit. Permit stacking, multiple permits on the same vessel, is not allowed for for-hire permits, therefore, if a unique permit holder holds more than one for-hire permit, these permits are associated with different vessels. The majority of unique for-hire permit holders hold only one permit (Table 1.1.6), but some unique permit holders hold in excess of four for-hire permits. The unique permit holders that hold more than one permit, hold a total of 183 permits (15% of all for-hire permits).

**Table 1.1.6.** Number of permits held by a unique permit holder.

Number of permits held	Unique permit holder	Total permits held
1	1042	1042
2	50	100
3	6	18
4+	6	65

Source: NMFS-SERO permit office database accessed March 11, 2016.

## 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.

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 a referendum among eligible permit holders. Specifically, Section 303A(c)(6)(D) states in part that the Gulf Council “may not submit ... a fishery management plan or amendment that creates an individual fishing quota program ... unless such as system, as ultimately developed, has been approved ... by a majority of those voting in the referendum among eligible permit holders ... For multi-species permits in the Gulf of Mexico, only those participants who have substantially fished the species proposed to be included in the individual fishing quota program shall be eligible to vote in such a referendum.” The Magnuson-Stevens Act defines ‘**individual fishing quota**’ as “a Federal permit under a limited access system to harvest a quantity of fish, expressed by a unit or units representing a percentage of the total allowable catch of a fishery that may be received or held for exclusive use by a person.” Depending on the management approach selected by the Council, the National Marine Fisheries Service (NMFS) will determine whether a referendum is required.

Section 2.5 addresses additional actions that may be added for the design of an allocation-based program. These include 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 to harvest red snapper 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 to harvest red snapper that would 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 Headboat Collaborative pilot study 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>4</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.

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 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

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<sup>4</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.

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 federal 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. **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>5</sup> and a history of red snapper management through 2006 is presented in Hood et al. (2007).

An additional action pertaining to red snapper management for the recreational sector was explored in **Amendment 39**. **Amendment 39** considered establishing regional management for the recreational harvest of red snapper, and included an action that could remove the separation of the recreational components and manage all federal for-hire vessels under the regional management measures. At its January 2016 meeting, the Council decided to postpone further work on **Amendment 39**, indefinitely. At the same meeting, the Council initiated development of an action to address modifying or eliminating the sunset which would end the separate management of the federal for-hire and private angling components of the recreational sector.

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

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<sup>5</sup> [http://www.gulfcouncil.org/fishery\\_management\\_plans/reef\\_fish\\_management.php](http://www.gulfcouncil.org/fishery_management_plans/reef_fish_management.php)

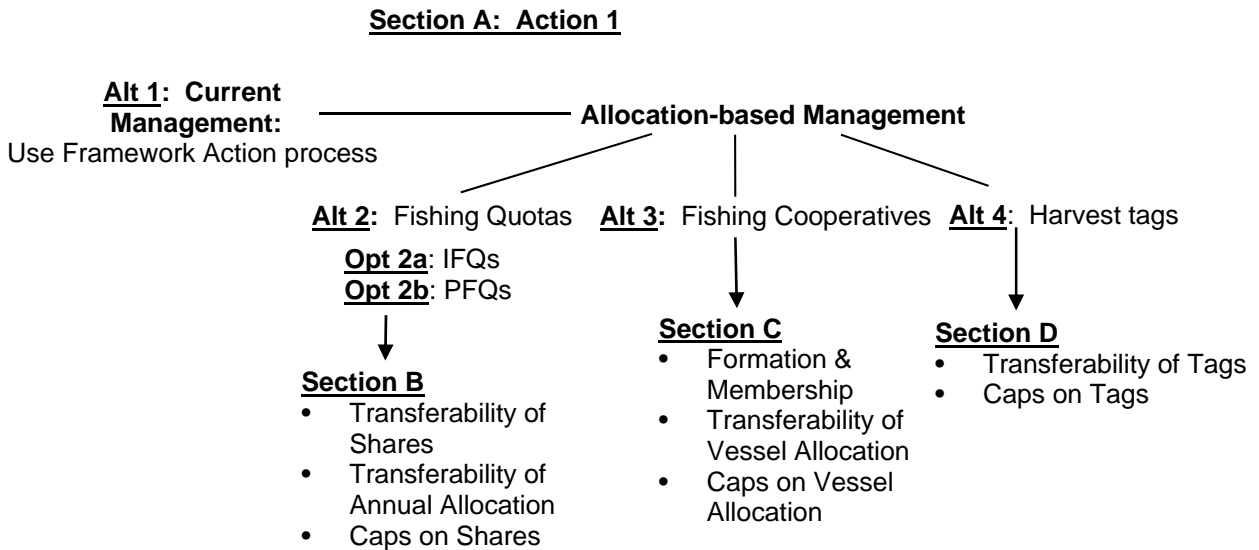
charter vessel landings, thereby reducing the likelihood of exceeding the recreational sector ACL.

# 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 alternate 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) assume that an allocation-based management program will be developed and are worded accordingly. 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 vessels possessing a federal Gulf charter/headboat permit for reef fish (for-hire permit) 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.

**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 red snapper 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 may no longer retain red snapper or must 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 that are permanently assigned to an entity or permit for the duration of the program. Shares sum to 100% and individual assignments cannot change unless transferability is allowed in the program. 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 3).

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 3) 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 greater flexibility to charter operators and their angler customers 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 (Action 4).

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 – Voluntary Program Participation

**Alternative 1:** No Action. Do not establish a voluntary red snapper management program for charter vessels. The red snapper management program applies to all charter vessels with a valid or renewable federal for-hire permit for reef fish.

**Alternative 2:** 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 once, at the implementation of the program.

**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.

**Alternative 4:** 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 3 years.

### **Discussion:**

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.

**Alternative 1** would apply the red snapper management program developed in this amendment to all charter vessels, essentially requiring all permitted charter vessels to participate.

**Alternatives 2 – 4** would allow participation in the red snapper management program to be voluntary. Under a voluntary program, NMFS would distribute an endorsement to the federal charter/headboat permit for those charter operators electing to participate in the program, thereby identifying participants in the red snapper management program for charter vessels. For those charter operators opting not to participate in the program, NMFS would aggregate the quota represented by the non-participating vessels based on the allocation approach selected in Action

3, and establish a red snapper fishing season in federal waters for non-participating charter vessels.

**Alternatives 2 – 4** differ based on the opportunity charter operators would have to join or leave the red snapper management program for charter vessels. Under **Alternative 2**, charter operators would have a single opportunity to decide whether to participate in the red snapper management program for charter vessels or to opt out at the time the program is implemented. **Alternative 3** would allow charter vessel permit holders to change their participation in the program each year, including opting-in or opting-out. **Alternative 4** would allow charter vessel permit holders to change their participation in the program by joining or leaving every three years.

Allowing charter operators to join or leave the program every year (**Alternative 3**) or every three years (**Alternative 4**) would have greater implications for a share-based program such as IFQs or PFQs, as the shares are durable and would not be redistributed as program participation changes. Thus, a voluntary program structure would be more complicated and require additional considerations should an IFQ or PFQ program be selected.

### 2.1.3 Action 3 – 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 equally among charter permit holders.

**Alternative 3:** Distribute quota based on the passenger capacity of charter vessels.

**Alternative 4:** Distribute quota based on tiers of the passenger capacity of charter vessels. Tiers are defined such that each:

**Option 4a:** Vessel with a passenger capacity of 6 receives 1 unit;  
Vessel with a passenger capacity of 7 or greater receives 2 units.

**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.

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

**Option 5a:** Average landings for 2004-2012.

**Option 5b:** Average landings for 2004-2012, excluding landings from 2010.

**Option 5c:** Average landings for 2011-2012.

**Alternative 6:** Distribute the quota by auction. All eligible participants are allowed to place bids.

**Alternative 7:** Distribute a portion of the quota by auction and the remainder by the distribution method selected among Alternatives 3-5, if selected as preferred(s).

Option	Initial Distribution of Quota	
	Auction	Preferred Alternatives among 3-5
<b>7a</b>	25%	75%
<b>7b</b>	50%	50%
<b>7c</b>	75%	25%

Note: If cooperatives are established, the contribution from member vessels is combined. Either **Alternative 3** or **Alternative 4** may be selected as preferred in combination with **Alternative 5**. If **Alternative 5** 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. For IFQ and PFQ programs, the units would be converted into shares, which are a percentage of the quota.

## **Discussion:**

This action addresses how to divide the red snapper charter quota among vessels, given the selected approach in Action 1. As noted in Section 1.1, a separate action will be needed to determine the charter quota; that is, the portion of the federal for-hire component quota that will be assigned to the red snapper management program for charter vessels. This additional action may be placed in Amendment 41 or 42, depending on the progress of each amendment. Action 3 addresses the distribution of the to-be-determined charter quota among charter vessels.

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 (HBC) pilot study used a quota set-aside to account for discrepancies between the estimated average weight of red snapper, and fish weights were monitored in-season and compared every 2-4 weeks to the pre-season weights. The HBC also distributed and used harvest tags for validation, but this was done within the HBC and outside of any NMFS oversight.

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, by distributing the quota equally among all permit holders (**Alternative 2**), using passenger capacity (**Alternatives 3 and 4**), geographical region (**Alternative 5**), an auction (**Alternative 6**), or a combination of these approaches (**Alternative 7**).

**Alternative 2** would distribute the quota equally among all charter vessel permit holders. **Alternatives 3 and 4** 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 six; the vessel does not have a COI, thus limiting the number of paying passengers to six. 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 six and a vessel passenger capacity of ten, the charter operator may take a maximum of six paying passengers fishing for reef fish, and may take ten 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 six paying passengers fishing for reef fish. In the case of a vessel with a permit passenger capacity of ten and a vessel passenger capacity of six, the charter operator may take six 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 ten persons, the permit could be used to carry ten 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.

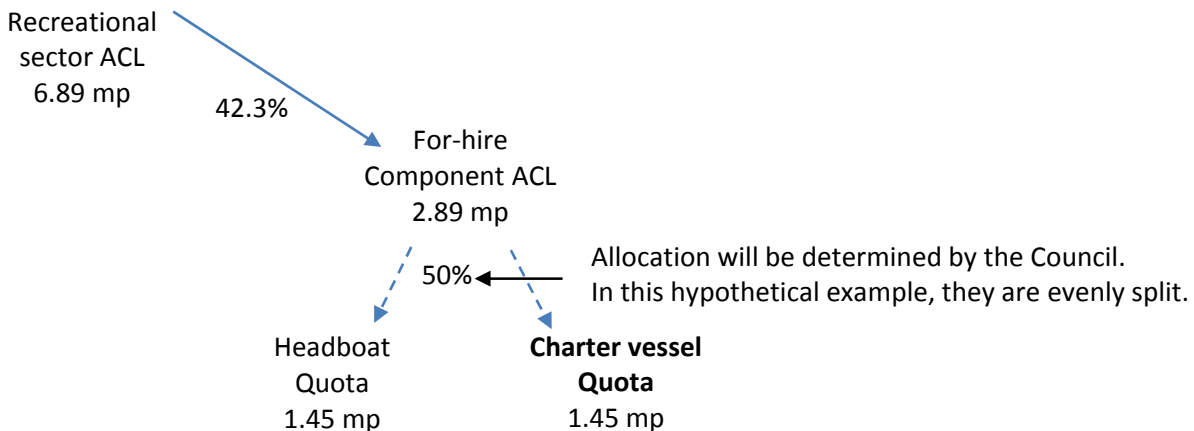
**Alternative 5** provides a method to distribute quota based on geographic region. Tables 1.1.4 and 1.1.5 provide the estimated proportion of red snapper landings by charter vessels around the Gulf. The landings are provided for Alabama, Mississippi, Louisiana, and Texas, and for three regions of Florida: 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. The Council may wish to modify the years to be used for the time series options, currently proposed as the average landings from 2004-2012 (**Option 5a**), 2004-2012 excluding 2010 (**Option 5b**), and 2011-2012 (**Option 5c**).

**Alternative 6** 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)).

**Alternative 7** provides options to combine an auction with other selected approaches to the initial allocation of quota among charter vessels. **Option 7a** would distribute 25% of the quota by auction and 75% of the quota by the method selected among **Alternatives 3-5**, including respective options. **Option 7b** would distribute half of the quota by auction and the other half by the method selected among **Alternatives 3-5**; **Option 7c** would distribute 75% of the quota by auction and 25% by the method selected among **Alternatives 3-5**. If the Council were to pursue this approach, it would select as preferred both **Alternative 7** with an option, plus any combination from **Alternatives 3-5**.

### Hypothetical example of distributing quota among charter vessels

The 2016 recreational quota for red snapper is 6.89 million pounds (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 3**, 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 4** apportions the quota using “tiers” of passenger capacity. Under **Option 4a**, 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 4b** 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 3, 4a, and 4b using a hypothetical charter fleet.

Hypothetical charter fleet	Alternative 3	Alternative 4 Option 4a	Alternative 4 Option 4b
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 5** 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 5** 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 5a**, 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 3** 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 unique entities (e.g., individual(s), and/business(es), or combinations of individual(s) and business(es)) in this case, charter vessel permit holders. Permits in the Southeast Region can be held by an individual or business or multiple individuals and/or businesses. 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, NMFS would distribute allocation to the entities holding shares; 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 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 3. 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.

**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 (SERO)'s online Catch Shares Program (CSP) system contains the Gulf of Mexico commercial Red Snapper (RS-IFQ) and Grouper-Tilefish (GT-IFQ) IFQ programs, the Highly Migratory Species (HMS) Bluefin Tuna Individual Bycatch Quota (BFT) program, and the Headboat Collaborative Pilot Program (2014-2015). These programs are managed and access through an online accounting system, where all transactions are completed through the SERO Catch Share Programs website (<https://portal.southeast.fisheries.noaa.gov/cs/>), and are accessed using User IDs, passwords, and roles. An HBSV IFQ or PFQ program could be incorporated into the current system, which is explained in detail below.



Bycatch Quota (BFT) program, and the Headboat Collaborative Pilot (HBC) program (2014-2015). These programs are managed and access through an online accounting system, where all transactions are completed through the SERO CSP website (<https://portal.southeast.fisheries.noaa.gov>), and are accessed through user-ids, passwords, and program roles. A charter IFQ, PFQ, or Cooperative styled program could be incorporated in the current system, which is explained in detail below. Entities 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.

### **IFQ/PFQ System Structure**

Information for the permit information management system (PIMS) and the IFQ/PFQ system are maintained in the Neptune database system at SERO and both systems access many of the same database files. The two systems are intricately intertwined, and information from the PIMS system informs the IFQ/PFQ system with respect to permit holder(s) and permit status and this in turn may place restrictions on activity within the charter program.

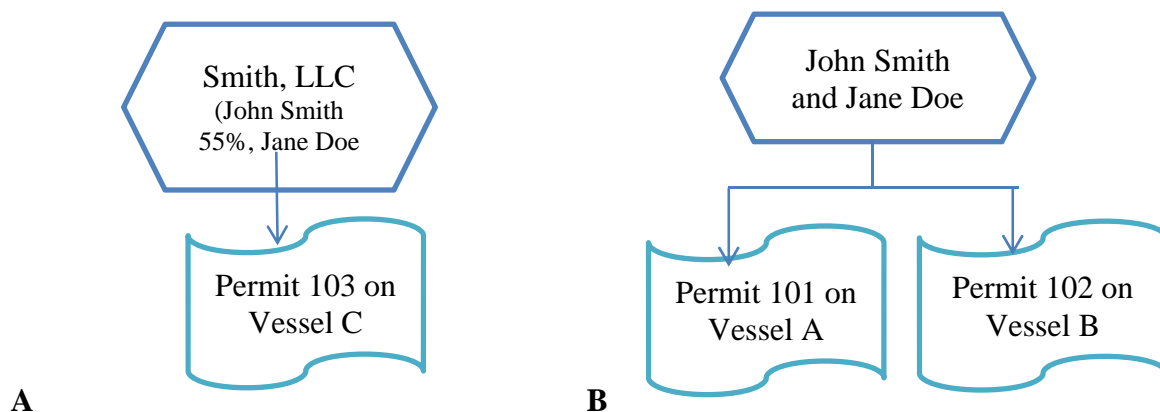
The charter IFQ/PFQ system would be a two-tiered system, with each permit holder(s) having a shareholder account and at least one vessel account. Shareholder accounts will be created for each *unique* permit holder(s) allowed to participate in the program and be assigned unique UserID and passwords. Permits in the Southeast Region can be held by an individual or business or multiple individuals and/or businesses. If any entity on a permit is not an individual (e.g. business, trust), then the Permits office would collect additional information to get to the individual-level

**PIMS:** Permit information management system

Permit holder(s): The unique set of entities listed on the permit; may include one or more individuals and/or organizations that include, but are not limited to, businesses, partnerships, companies, trusts, and non-profit groups

ownership (e.g. shareholders, trustees, beneficiaries and percentage ownership). Any change to the permit holder(s), including adding or removing names to the existing permit holder(s), is considered a transfer of ownership for the permit, and therefore disconnect the permit from the IFQ account.

Vessel accounts are directly linked to shareholder accounts. A vessel account would be created for each vessel that is associated with a valid permit to harvest red snapper. There may be multiple vessels associated with one shareholder account, if the permit holder(s) is the same for each vessel. For example, John Smith and Jane Doe are the permit holders for two charter permits 101 and 102, associated with vessels A and B, respectively. John Smith and Jane Doe will have one shareholder account that would be linked with both permits 101 and 102, and the associated vessels. The company Smith, LLC is owned by John Smith and Jane Doe and the company holds permit 103 associated with vessel C. While the individual-level on both Smith LLC and John Smith/Jane Doe are the same, the permit holder(s) listed are different, so there are two separate shareholder accounts created (Figure 2.2.1). While individual-level information is not used in the creation of accounts, it is used in the calculation of caps.



**Figure 2.2.1.** Example of a shareholder and vessel accounts. A) Permit-holder(s) is a company with one permit/vessel. Individual-level ownership information is shown below the company name. B) The permit-holder(s) are two individuals jointly owning multiple permit/vessels.

Shareholder and vessel accounts have different functions. The shareholder account's main function is to hold, view, or transfer shares and allocation in *both* the shareholder and vessel(s) accounts. Shares will be associated with the shareholder accounts. For an IFQ system, the shares will be directly associated with the names listed on the shareholder account. For a PFQ system, the shares will be associated with the permit, which in turn is associated with the shareholder account. Under a PFQ, if the permit is transferred, then the shares will also transfer to the new permit holder(s) and associated shareholder account. Allocation is distributed to the shareholder account at the start of the year. The shareholder can then distribute allocation to the vessel(s) associated with the account or transfer allocation to another shareholder account or another shareholder's vessel account.

Vessel accounts, which require separate UserIDs and passwords, are more restricted and can only view allocation, report landing notifications, and submit landing transactions for that vessel.

The vessel account structure is purposefully limited in order to allow the captain, who may be different than the permit holder(s), to have the ability to complete trips without having full access to the shareholder account.

### 2.2.1 Action 4 – IFQs/PFQs: Transferability and Maintenance of Shares

**Alternative 1:** No Action. Do not allow the transfer of shares.

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

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

**Alternative 4:** There are no restrictions on transferring or the maintenance of shares.

#### Discussion

This action determines how the IFQ/PFQ shares can be transferred after the initial distribution of the shares. Transfer of shares would be permanent and the transferee would receive the allocation in subsequent years. In an IFQ, the shares are not attached to a permit and belong to the entities associated with the account; whereas, in a PFQ the shares are attached to the permit. For both the IFQ and PFQ, the associated allocation would be distributed to the account. The commercial IFQ programs do not currently have permit or participation requirements for holding shares. During the first five years of each commercial program, shares and allocation could only be transferred to permit holders, but could be maintained without a permit. As of 2012 for RS-IFQ program and 2015 for GT-IFQ program, anyone meeting the citizenship requirement can open an IFQ account and receive transferred shares or allocation. This provision could be added as an option under **Alternatives 2 and 3**.

**Alternative 1** would be the most restrictive of the alternatives and not allow the transfer of shares. In this case, the initial distribution of IFQ/PFQ shares would be permanently assigned to the permit or account entity, and remain unchanged while the permit is valid. If the permit is transferred, then the shares would remain with the permit for a PFQ program. Prohibiting the transfer of shares may prevent an entity obtaining an excessive amount of shares, although share caps would ultimately also constrain the amount of shares held by an entity. Share caps would be necessary because an individual may be involved with more than one permit that has shares assigned to it. All alternatives would require the Council to determine a cap on shares to meet the requirements of the Magnuson-Stevens Act, as some individuals may hold a portion or all of multiple permits.

Both **Alternative 2** and **Alternative 3** would only allow the transfer of shares between accounts who hold a valid Charter/Headboat Permit for Reef Fish. In Amendment 42 the Council is currently considering whether to separate the Charter/Headboat Permits or add an endorsement to the permit for Headboat operation. This decision could impact the transferability of the

shares. If the permits are separated, then the shares under these alternatives would likely be transferable to only the Charter Permit. However, if an endorsement is added to the permit for headboats or the permit is not split by the programs, then anyone with a Charter/Headboat permit could receive or maintain shares.

**Alternatives 2 - 4** would require a system and protocol to be developed and implemented to handle the transfer of shares. **Alternative 2** would require the account holder to maintain a valid Charter/Headboat Permit to keep the shares. This restriction would contribute to maintaining IFQ/PFQ shares in the hands of for-hire fishermen. The moratorium restricts the number of Charter/Headboat Permits in the Gulf of Mexico, and these permits can only be obtained from current participants. Thus the number of potential IFQ/PFQ accounts would be limited to the number of permits if **Alternative 2** is selected, but may increase if **Alternatives 3** or **4** are selected, as past accounts could maintain their shares without holding a permit..

**Alternative 3**, under an IFQ program does not require the account holder to keep the Charter/Headboat Permit after receiving transferred shares or the initial distribution of shares to maintain the shares. But, the participant would not be able to harvest the allocation received from the shares unless they procured another Charter/Headboat Permit. The individual would be able to transfer these shares to another participant with a valid Charter/Headboat Permit.

**Alternative 4** would be the least restrictive and allow any U.S. citizen or permanent resident alien to purchase and maintain shares. While shares of red snapper could be transferred to a person or entity without a Charter/Headboat Permit, the fish could not be legally harvested without procuring a Charter/Headboat Permit, or transferring the shares to a permit holder. Transfer of shares allows consolidation and effort reduction in the fishery; on the other hand, anyone could enter the fishery as a shareholder, including new fishermen, investors, or fishermen in other fisheries. However, fishing communities may react negatively to any increase in absentee ownership. Fully public participation would also allow transfer to individuals who may not intend to use IFQ/PFQ allocation in support of the fishing industry or they may use the associated allocation for their own personal gain. For example, a private angler could buy shares and then transfer allocation to a person with the Charter/Headboat Permit to take them out fishing to harvest the associated red snapper.

## 2.2.2 Action 5 – IFQs/PFQs: Transferability of Allocation

**Alternative 1:** No Action. Do not allow the transfer of allocation among participants.

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

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

**Alternative 4:** There are no restrictions on the transfer of allocation.

Note: A Gulf for-hire reef fish permit would still be required for landings red snapper from the charter quotas.

### **Discussion**

This action determines how the IFQ/PFQ allocation can be transferred. Transferring allocation refers to the buying, selling, or trading of the fish associated with the shares. Allocation would be distributed to the account at the beginning of the fishing year for either an IFQ or PFQ system based on the shares held by that account/permit. This action does not require provisions for divestment of allocation due to a transferred or expired permit as allocation expires at the end of each year.

**Alternative 1** would be the most restrictive of the alternatives. Allocation would be distributed at the beginning of the year accounts and no transfers of allocation would be allowed. Therefore, no account could obtain any additional allocation. Obtaining extra allocation during the year is often desirable if a participant uses all of their allocation before the end of the year. If red snapper were caught incidental to fishing for other species, allocation could not be obtained and those red snapper would need to be discarded. Restricting the transfer of allocation would also inhibit the achievement of optimum yield, as those pounds that may have been harvested by a different account holder would go unused. For example, allocation belonging to an account holder whose permit expires mid-year would remain unused for the year.

**Alternatives 2 - 4** would require a system and protocol to be developed and implemented to handle the transfer of allocation. Allowing the transfer of allocation would be beneficial for participants who use all of their allocation before the end of the year to enable them to accommodate additional trips to harvest red snapper. **Alternative 2** would require a participant receiving allocation to have a Charter/Headboat Permit for Reef Fish. This restriction would contribute to maintaining IFQ/PFQ shares in the hands of charter vessel operators. The moratorium restricts the number of Charter/Headboat Permits in the Gulf of Mexico, and these permits can only be obtained from current permit holders.

With **Alternative 3**, any account could receive allocation even without Charter/Headboat Permit for Reef Fish. However, accounts holding allocation without an associated permit cannot harvest the associated fish. Program requirements would need to be set to determine who could open an

IFQ account. The commercial IFQ programs do not currently have permit or participation requirements for holding or receiving allocation. During the first five years of each commercial program, allocation could only be transferred to accounts with associated permits, but now anyone meeting the citizenship requirement can open an IFQ account and receive transferred allocation. A permit is still required to harvest for-hire red snapper.

**Alternative 4** would be the least restrictive and allow any U.S. citizen or permanent resident alien to obtain an account and receive allocation. While allocation of red snapper could be transferred to an account without a Charter/Headboat Permit, the fish could not be legally harvested without procuring a Charter/Headboat Permit.

In addition, if red snapper were caught incidental to fishing for other species, allocation could be obtained to keep those fish and possibly decrease dead discards. Fully public participation would also allow transfer to individuals who may not intend to use IFQ/PFQ allocation in support of the fishing industry or they may use the associated allocation for their own personal gain. For example, an avid private angler could buy shares or allocation and then transfer allocation to a person with the Charter/Headboat Permit to take them out fishing to harvest the associated red snapper.

### 2.2.3 Action 6 – 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.

#### **Discussion**

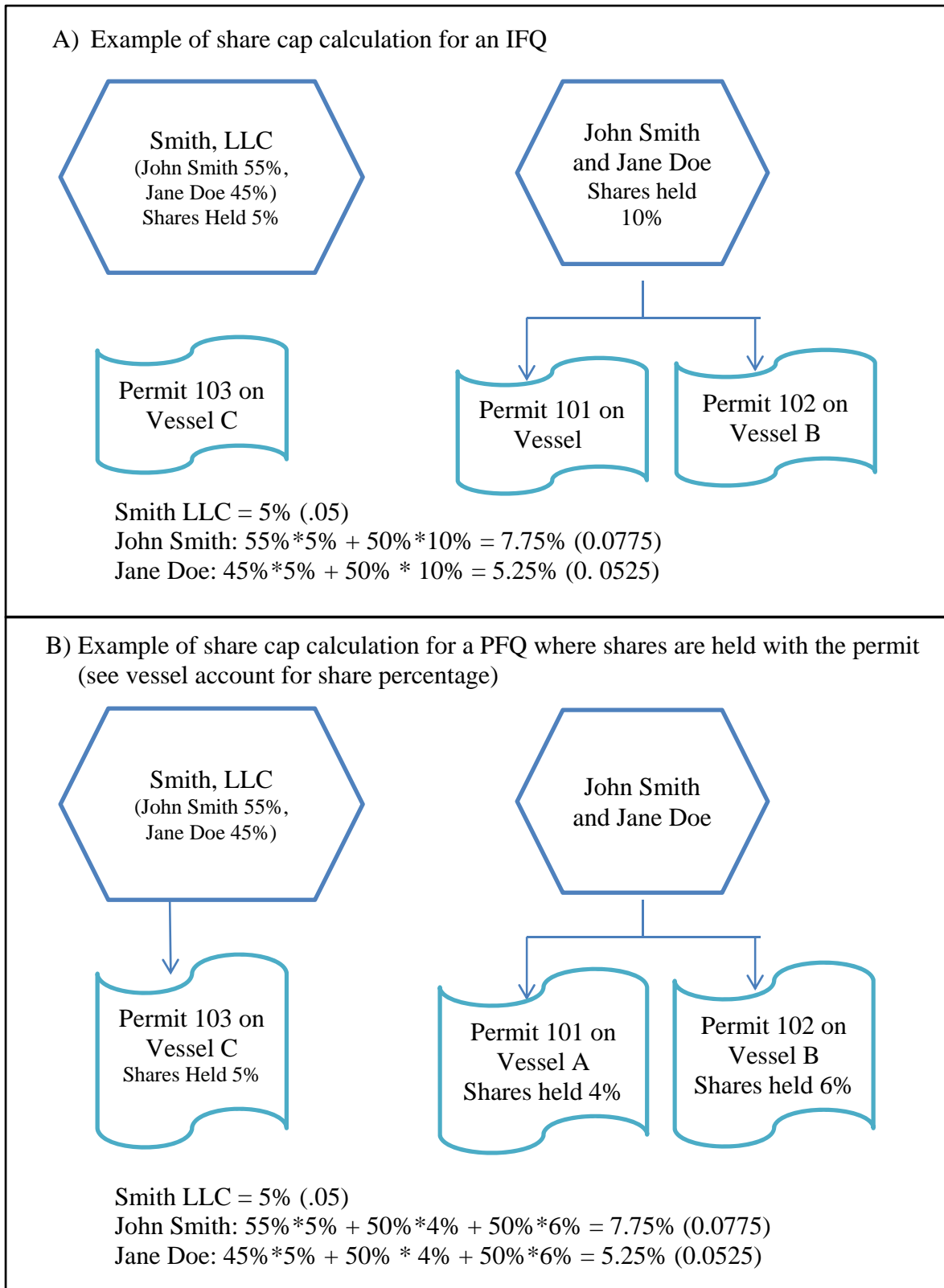
The Magnuson-Stevens Act, in Section 303A(c)(5)(D), indicates LAPPs such as IFQs must include provisions to prevent an individual or entity from holding an excess amount of shares, to prevent monopolies from developing. In other terms, an IFQ or PFQ program must set a cap on share ownership. No person, including a business or other entity (e.g. trust), may individually or collectively hold shares in excess of the amount determined in **Alternatives 2** or **3**. For the purposes of considering the share cap, an entity's share is determined by adding the applicable shares held by the entity for all accounts associated with that entity. If an entity is involved with a business, the percentage of ownership in that business is applied to that entity's share cap. The lower the cap is set, the more likely the current makeup of the participants by size of operation

will be maintained and community structure will be supported. However, if the cap is too low, efficiency will be impaired and may as the fleet decreases over time, due to the limited access permit, restrict the fleet's ability to harvest the full quota. Share caps would also be needed with a PFQ program and may prevent the transferability of a permit to a permit holder if the combined shares/allocation of the permits exceeds the share cap.

Based on the provisions, **Alternative 1** would not meet the requirements of the Magnuson-Stevens Act as it would not constrain a participant from acquiring an excessive amount of shares. National Standard 4 states that management measures should be "carried out in such a manner that no particular individual, corporation, or other entity acquires an excessive share" of fishing privileges. Without a share cap, accumulation of excessive shares could not be prevented, shares could become concentrated among only a few participants, and those participants could gain excessive market power. National Standard 8 requires management measures take into account sustained participation of fishing communities. If IFQ/PFQ shares accumulate with only a few participants, the structure of the fleet and its relationship to communities will be disrupted. Conversely, consolidation of shares would increase the efficiency of the fishery, consistent with National Standard 5. Fewer vessels in the fishery would result in lower overall operational costs.

**Alternative 2** would cap the shares of a participant to the maximum amount initially distributed to an entity, individually and collectively. For example, in terms of the resulting hypothetical distribution of quota in Table 2.1.2.1, the maximum cap based on the highest passenger capacity would vary from 1,933 lbs/vessel (Alternative 3, Option 3a), to 2,484 lbs/vessel (Alternative 3, Option 3b), and the greatest amount of 3,075 lbs/vessel (Alternative 2). However, the maximum cap would also need to account for entities with multiple permits. If the Council selects an Alternative 3 in Action 2.1.2, then this **Alternative 2** regarding caps could be modified to account for the tiers and restrict a participant to the share cap for their respective tier. Under Action 2.1.2, Alternative 4, the cap on shares would be relative to the greatest average landings history for the selected time period by geographic region. Or, the greatest overall average landings could be used as the cap. Based on the average regional red snapper landing in Table 1.1.5, the FLW- Panhandle landings would establish the highest cap. For reference, the red snapper commercial IFQ program has a cap of 6.0203% based on the maximum share holdings at the initial distribution of shares.

**Alternative 3** would set an appropriate maximum percentage for the cap share. Figure 2.2.3.1 provides an example for calculating the cap on shares for an IFQ and PFQ program. These examples include partial ownership of permits for the calculation. The appropriate percentage and subsequent options can be determined after further decisions and data analysis are available regarding the landings and distribution methods, and transferability of shares or allocation.



**Figure 2.2.3.1.** Examples of share cap calculations.



## 2.3 Section C – Fishing Cooperative Program

Actions in this 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 area.

An example of a recreational fishing cooperative is the 2014-2015 HBC pilot study, 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 component of the recreational sector. The HBC had one manager responsible for distributing allocation to the vessels home-ported throughout the Gulf. If cooperatives are selected, the cooperative could be managed by an individual, multiple individuals, or 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 is the sector management program 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 3 would be combined and called the **potential catch contribution** (PCC). 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.

In contrast with Action 2, cooperatives could provide the vehicle for a voluntary red snapper management program for charter vessels. For example, charter operators wanting to participate in an allocation-based management program could join a cooperative, while those not wishing to participate would not join a cooperative. NMFS would aggregate the PCC from non-participating charter vessels and establish a fishing season in federal waters for those charter

vessels. As discussed in Action 2, an endorsement or new type of permit would be needed to distinguish between cooperative members and those not participating in the charter vessel management program.

### 2.3.1 Action 7 – 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, none of which are owned by the other two persons in the cooperative.

**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.

#### **Discussion:**

This action addresses the formation and population of cooperatives. **Alternative 1** would not specify how cooperatives are established. Without provisions on how cooperatives could be formed and who may join, **Alternative 1** would allow charter operators to determine for themselves how to form cooperatives and who may participate as members.

Under **Alternative 2**, all charter vessels would be members of a single cooperative. Due to the large number of charter vessels, this might not be a feasible option if all charter vessels were members. Depending on the selected alternative in Action 2 and subsequent number of voluntary program participants, a single voluntary cooperative may be appropriate.

Like **Alternative 2**, **Alternative 3** would initially place all charter vessels into one cooperative at the time the program is implemented. Thus, the structure of a cooperative with member vessels that use quota is established. **Alternative 3** would allow charter operators to organize themselves in groups of at least three charter vessels and form their own cooperative. Structuring cooperatives this way would allow those groups of charter operators who are further along in the process of establishing a cooperative (e.g., writing and approving bylaws) to move forward while others take longer. Those operators who do not choose to join a cooperative could remain in the original NMFS administered cooperative.

Subsequent to the establishment of a number of cooperatives, charter operators may wish to leave a cooperative, accepting membership in another, forming a new cooperative, or returning to the NMFS-administered cooperative. Because red snapper quota will be distributed to cooperatives at the beginning of each year, changing one's cooperative membership mid-year could complicate the program, such as quota monitoring. **Option 3a** would allow charter operators to change membership each year. **Option 3b** would allow charter operators to change membership every other year, so every second fishing season. For both Options, NMFS will designate a period of time before the next fishing season, respectively, during which membership may be changed. This declaration period would need to occur several months before the next fishing season to allow time for calculating and distributing allocation across cooperatives.

### 2.3.2 Action 8 – Cooperatives: Transferability of Vessel Allocation

**Alternative 1:** No Action. Do not allow vessel allocation to be transferred.

**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 establish restrictions on transferring vessel allocation.

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

#### **Discussion:**

In a cooperative management program, shares will not be used. Rather, allocation will be distributed at the beginning of each year. At the end of the year, any unused allocation (quota) is forfeit, and the next year's allocation is distributed. Once this allocation is distributed, **Alternative 1** would not allow program participants to transfer red snapper allocation to another person. For example, if allocation is distributed through harvest tags to charter vessels, **Alternative 1** would not allow charter vessels to transfer (buy, sell, lease, or trade) the tags for use on other charter vessels or by any other entity. Transferring allocation refers to buying, selling, leasing, or trading of the harvest privileges.

**Alternatives 2 – 4** would allow red snapper allocation to be transferred for use on other charter vessels. **Alternative 2** would allow members of a cooperative to transfer allocation with other members of the same cooperative; allocation could not be transferred for use by charter vessels or any other entity that is not a member of the same cooperative. **Alternative 3** would allow cooperative members of any cooperative to transfer allocation to any member of any cooperative. By not establishing restrictions on transferring vessel allocation, **Alternative 4** would allow cooperative members to transfer the red snapper allocation they receive to any other entity to be harvested by that entity. This would allow charter operators of vessels that are not participating in the cooperative program (if voluntary participation is selected in Action 2), headboats, and private anglers the ability to potentially obtain and harvest allocation from the charter vessel

program. The Council has expressed its intent not to pursue intersector trading at this time; it is unclear if this intent applies to the components of the recreational sector).

### 2.3.3 Action 9 – 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.

#### **Discussion:**

As discussed in Action 6 (IFQs/PFQs: Caps on shares), National Standard 4 states that management measures should be “carried out in such a manner that no particular individual, corporation, or other entity acquires an excessive share” of fishing privileges. In a cooperative management program, shares will not be used. Rather, allocation will be distributed at the beginning of each year. At the end of the year, any unused allocation in the form of quota is forfeit, and the next year’s allocation is distributed.

To be consistent with the National Standard 4 mandate to prevent a limited access privilege holder from acquiring an excessive share of the total fishing privileges, this action considers establishing a cap on the amount of vessel allocation that may be held or used by a program participant. Without a cap, accumulation of excessive allocation could possibly occur, such that a small number of participants would gain excessive market power. Because unused allocation expires at the end of each year and if the Council does not allow allocation to be transferred among vessels, caps on vessel allocation may not be necessary.

Under **Alternative 1** (No Action), there would be no cap placed on the amount of red snapper vessel allocation that a program participant could possess or use. Depending on the features of the red snapper management program for charter vessels, **Alternative 1** may not prevent a limited access privilege holder from acquiring an excessive share of the total fishing privileges.

The Magnuson-Stevens Act does not define the magnitude of an “excessive share” of harvest privileges. Further Council discussion is needed to determine the range of allocation caps (as a proportion of the quota) to consider in this action. The difference between **Alternatives 2** and **3** concerns the time frame for which the allocation cap will be measured. **Alternative 2** would specify the maximum amount of charter vessel quota that could be held at any point in time, while **Alternative 3** specifies the maximum amount of charter vessel quota that could be held by a participant cumulatively throughout the year.

## 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. These actions explore use of harvest tags as a stand-alone program. Generally wildlife management programs and a majority of fisheries harvest tag programs exist to improve catch and effort information. However, several programs use tags to control harvest. Typically natural resource agencies use harvest tags in conjunction with other restrictions such as seasons or allowable types of hunting gear (Johnston et al. 2007).

Unlike hunting tag programs, relatively few fishing tag programs, except North Carolina billfish and Florida tarpon use tags to institute hard harvest caps (Johnston et al. 2007). These limits are likely not binding for the majority of anglers, but constrain landings by some and thereby contribute to limiting total catch. Probably the most well-known recreational tag program in the southeast is the tarpon fishery in Florida. Tarpon tags in the state of Florida are capped at approximately 2,500, but only roughly 300-400 are actually issued each year, because of the education and outreach program discouraging retention of tarpon and the cost of the tags are relatively high and the fish is of low food value.

Harvest tags would be used for granting harvest privileges and controlling landings (Johnston et al. 2007). A harvest tag program would involve the distribution of paper documents or physical tags. If a physical tag were used the angler possessing the tag would be allowed 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. If a paper tag were used it could have the expiration date based on the day the angler intended to harvest the fish. Depending on the program developed, paper tags would probably provide anglers with less flexibility than physical tags. For example if the angler did not land a red snapper that day for whatever reason (e.g., weather) the paper tag would expire; whereas, physical tags could last the whole year or through a fixed season length. The allocation and resulting number of harvest tags would be determined by the Council in Action 3. If the Council pursues the use of harvest tags a mechanism for distributing the tags to participants would need to be determined. For example, if cooperatives are used the harvest tags could be distributed to them and subsequently distributed to charter vessel operators.

The number of harvest tags available each year would be determined by the amount of the charter for-hire quota, divided by the average weight of red snapper landed on charter vessels. New tags would be distributed at the beginning of each year and if there were any unused tags at the end of the year they would be forfeited. It is estimated that a large number of tags would be needed based on the number of for-hire permits held by charter vessels in the Gulf. The number of tags would depend on the average weight of landed red snapper. Using the 2017 federal for-hire component's annual catch target (ACT) of 2.278 mp whole weight (ww) as an example, if the average weight of a landed red snapper were to be 6 lbs ww, 379,666 tags would be needed. If the average weight of a landed red snapper were to be 8 lbs ww, 284,750 tags would need to be distributed.

A harvest tag program could provide charter operators and their passenger anglers with greater flexibility as to when red snapper could be landed. However, it should not be assumed that all participating vessels would receive a quantity of tags they feel is sufficient to meet their angling clients' needs.

### 2.4.1 Action 10 – Harvest Tags: Transferability

**Alternative 1:** No Action. Harvest tags may not be transferred.

**Alternative 2:** Harvest tags may be transferred by surrendering them to a NMFS tag bank from which other program participants may obtain the tags by:

**Option a:** lottery

**Option b:** auction

**Alternative 3:** Harvest tags may be transferred to any other participant in the program.

**Alternative 4:** There are no restrictions on the transferability of harvest tags.

#### **Discussion:**

The alternatives in this action range from least to most flexible based on the type of program the Council might want to move forward developing. Johnston et al. (2007) suggest as managers increase the transferability and durability of the rights conferred by harvest tags, they become more akin to stronger rights-based programs associated with allocation-based fisheries management such as shares and allocation. Durability is defined as the length of time the tag is valid and may or may not allow transferability. This suggests after tags are distributed, if the Council decides they want to restrict or not allow transferability of the harvest tags, the rights conferred by tags are typically more attenuated than those conferred by IFQs in commercial fisheries (Johnston et al. 2007). Further, Johnston et al.'s (2007) review of recreational programs that use harvest tags found that none of the programs allow resale of tags (i.e., transfer of tags). If the Council decides to move forward with such a harvest tag program the tradeoff between the range of alternatives regarding transferability and caps actions would be relative to the program design. Once harvest tags are distributed, **Alternative 1** would not allow any transfer of the harvest tag. If the Council selected this action as preferred, a mechanism for identifying participants such as the vessel permit on the harvest tag may be necessary for enforcement and monitoring purposes.

**Alternative 2** would allow the transfer of harvest tags by charter operators that do not intend to use them. The tags would be transferred to a NMFS tag bank and two options for redistribution are provided. Other program participants could obtain the tags either by lottery (**Option a**) or auction (**Option b**). The Council may choose to use an auction to redistribute transferred tags even if an auction is not selected as the preferred method of distributing quota to charter vessels in Action 3.

In wildlife management, lotteries (**Option a**) have been used to distribute hunting tags when the demand for the resource exceeds sustainable harvest. Johnston et al. (2007) suggest that some hunting lotteries use “limited harvest with enhanced lottery rationing” to enhance the likelihood that repeat applicants who may have been unsuccessful in prior lotteries will be/could be rewarded with tags in the future. For example, some states that use lottery systems for wildlife management set up a point system for lottery applicants. This process increases the probability that lottery applicants that have not previously received harvest tags will have a greater probability of receiving them in the future ensuring that tag allocation is equitable (Johnston et al. 2007).

Auctions (**Option b**) often represent market or price-based sale of harvest tags based on the highest bidder’s willingness to pay. Johnston et al. (2007) state auctioning of hunting rights in wildlife management typically helps states generate revenue; however, due to equity concerns some states may only hold a portion of all available tags for auction. If the Council moves forward with **Option b** for redistributing surrendered harvest tags, only a portion of tags available in the program (i.e., surrendered tags) would be auctioned thereby avoiding the equity concerns from auctioning the entire quota.

**Alternative 3** would allow harvest tags to be transferred to any other participant in the program as specified in Action 2. The Council has not discussed if this could be done one time or multiple times throughout the fishing season based on needs of the anglers. In Oregon, wildlife managers allow recreational anglers to give away pink snapper tags. It should be noted that the price of the tag compared to Florida’s tarpon tags are lower (Johnston et al. 2007).

**Alternative 4** would be the most flexible alternative as there would be no restrictions on the transferability of harvest tags. If the Council selected this alternative as preferred it would allow anglers that participate in this program to have the greatest flexibility.

## 2.4.2 Action 11 – 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.

### **Discussion:**

Similar to a cooperative management program, a harvest tag program will not use shares. Rather, allocation will be distributed at the beginning of each year. At the end of the year, any unused allocation in the form of harvest tags is forfeit, and the next year’s allocation is

distributed. To be consistent with the National Standard 4 mandate to prevent a limited access privilege holder from acquiring an excessive share of the total fishing privileges, this action considers establishing a cap on the amount of allocation (harvest tags) that may be held or used by a program participant. Without a cap, accumulation of excessive allocation could possibly occur, such that a small number of participants would gain excessive market power. Because unused allocation expires at the end of each year and if the Council does not allow allocation to be transferred among vessels, caps on vessel allocation may not be necessary.

Under **Alternative 1** (No Action), there would be no cap placed on the amount of red snapper harvest tags that a program participant could possess or use. This would not be consistent with the Magnuson-Stevens Act which requires that a limited access privilege program not allow a participant to acquire an excessive share of harvest privileges (Section 303A(c)(5)(D)).

The Magnuson-Stevens Act does not define the magnitude of an “excessive share” of harvest privileges. Further Council discussion is needed to determine the range of caps on harvest tags (as a proportion of the quota) to consider in this action. The difference between **Alternatives 2** and **3** concerns the time frame for which the allocation cap will be measured. **Alternative 2** would specify the maximum amount of charter vessel quota that could be held at any point in time, while **Alternative 3** specifies the maximum amount of charter vessel quota that could be held by a participant cumulatively throughout the 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.

## 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

Scoping Workshops were held jointly for Reef Fish Amendment 41: Red Snapper Management for Charter Vessels, and Reef Fish Amendment 42: Reef Fish Management for Headboats. The summaries from discussions pertaining to Amendment 41 are provided here.

### Scoping Workshops were held in the following locations:

**Mon, October 19, 2015**

Courtyard Marriott Gulfport Beachfront  
1600 East Beach Blvd.  
Gulfport, MS 39501

**Thurs, October 22, 2015**

Hilton Galveston Island  
5400 Seawall Blvd.  
Galveston, TX 77551

**Wed, October 21, 2015**

Adult Activity Center  
26251 Canal Road  
Orange Beach, AL

**Mon, October 26, 2015**

Marriott Clearwater Beach Sand Key  
1201 Gulf Blvd.  
Clearwater Beach, FL 33767

**Thurs, October 22, 2015**

Embassy Suites  
570 Scenic Gulf Drive  
Destin, FL 332550

**Thurs, October 29, 2015**

Webinar

**Tues, November 3, 2015**

Courtyard Marriott  
142 Library Drive  
Houma, LA 70360

### Summaries of Scoping Workshops

#### Gulfport, Mississippi

October 19, 2015

#### Council/Staff

Joe Jewell / Kelly Lucas  
Ed Swindell  
Ava Lasseter  
Bernadine Roy

#### 22 Members of the public attended

Tom Becker	Skip Roberts	Chuck Guilford
Diane Castoro	Bob Brown	Bill Des Jardins
Mike Foto	Tom Steber	Lauren Nelson
Brandon Morano	Dustin Trochesset	Doug Nelson
Kenny Barhanovian	Pat Grannan	Clarence Seymour
Dick Wilson	Frank Becker	Ron Harmon
Glenn Bremen Kemp	Kenny Bellais	Jim Young
		James Brumfield

## Scoping Questions

- 1. Should the Council consider traditional management measures (bag limit, size limit, season)?**
  - Yes, traditional management is more in line with the natural order. Allocation-based approaches would not allow the charter operators to stay in business. The season is too short.
  - We've "done done" that. Let's try something new.
  - No, need more flexibility.
  - Would like to fish in the spring or fall.
  
- 2. Should the Council consider allocation-based measures (group or individual based)?**
  - Allocation-based offers more flexibility as long as you have good accountability measures. Allows one to fish when best for the business and customers.
  - There is no season if harvest tags are used.
  - Yes, if allocation is based on fair and equitable data.
  
- 3. What is your preferred management approach (traditional methods or allocation-based)?**
  - Tags assigned to a permit.
  - Allocation that best benefits the for-hire industry.
  
- 4. If the Council allocates red snapper to charter vessels, should the allocation consider the passenger capacity of charter vessels or regional differences between homeports?**
  - Equal allocation per permit holder. All 6-packs would get the same allocation.
  - Totally opposed to allocating among for-hire vessels.
  - Allocation-based approaches will reduce the number of fishing days.
  - Under a tagging program, when out of tags season is over.
  - Allows each individual to fish when they want, because you can use tags when you want.
  - Prefers distribution of shares based on a tiered passenger capacity.
  - Allow vessels to opt in/out of an allocation based program, annually.
  
- 5. Should the Council consider additional management measures that were not mentioned?**
  - Should eliminate a lot of latent permits. Require proof of charter income.
  - Concern that latent permit holders will receive allocation to sell to active charters resulting in unfair profits.
  - Does not support trading or selling of allocation. If you don't use it, you lose it.
  - Supports VMS as optional and require electronic logbooks. Would prefer an app instead of a satellite tracker.
  - VMS is the gold star for accountability. NMFS knows when you go fishing. VMS will identify latent permits.
  - Don't want to further reduce access by eliminating permits, but want to identify latent permits for program participation.

- Shouldn't negate access due to unforeseen circumstances. Don't define a latent permit as one not used in a single year. Need an appeals process to protect permit holders.
- In a well-designed program there will not be latent permits because they will have value and get used.

**Orange Beach, Alabama  
October 21, 2015**

**Council/Staff**

Kevin Anson  
Chris Blankenship  
Ava Lasseter  
Bernadine Roy

**24 members of the public attended**

Larry Kelley	Dennis McKay	Bill Jeffries
Lane Sarrold	Robert Wasilausky	Robert Stuart
Gordon Burdette	Randy Boggs	Steve Johnson
Michael Choron	Josh South	Joe Nash
Mike Rowell	John Hollingshorn	Tom Steber
Gary Bryant	Blakeley Ellis	Denny Kearley
David Adams	Brian Swindle	
Don McPherson	Phillip West	
Troy Frady	Dale Woodruff	

**Scoping Questions**

**1. Charter vessels are currently managed using a traditional approach. In what ways does the current approach work or not work?**

- It doesn't work. The for-hire industry desperately needs flexibility. Need to manage our own business. Want to fish when we want to fish.
- With the set season and set catch limits, they have no flexibility.
- Leads to derby fishing.
- Leads to regional/localized depletion, because all recreational vessels are fishing in a short time period.
- Creates targeting of red snapper instead of fishing for other fish. Red snapper becomes a bycatch fishery. Meeting the bag limit defines a successful trip.
- Decreases access for recreational fishermen because they can only fish during a set time.
- The uncertainty of exceeding the catch limit still exists.
- Does not provide accurate landings data.
- Necessitates that charter operators do multiple trips per day during the short season.

**2. If the Council selects to continue using a traditional approach to management, what measures (size limit, bag limit, fishing season) should be adjusted and how?**

- Reduce bag limit to one fish.
- Adopt a split season, such that both May and October are open.
- Charter for-hire needs a June/July season because of stable weather and reliable tourism numbers at that time.
- Short continuous seasons do not work because of the possibility of bad weather.

**3. In what ways might an allocation-based management approach benefit/hinder charter operators and their passenger anglers?**

- Would increase flexibility. Can fish when you want to or need to, and could do other trips. Would stabilize the charter fisherman's business by allowing his customers to choose when to fish.
- Would reduce discards.
- Would increase the area for fishing if able to take fewer but longer trips and be able to access waters farther from shore.
- Distributing allocation would decrease uncertainty by fixing the amount of harvest up front. Could reduce discard mortality with available quota and by modifying fishing practices.
- It further establishes a privileged fishery.
- If harvest tags are used, use for recreational sector as a whole and allocate to the angler who could then fish on charter or private boats. Supports recreational sector management as a whole.
- No, it would not hinder anglers.
- The success of a charter management plan could encourage private anglers to create a management plan, too.

**4. If the Council selects an allocation-based management approach which one is most appropriate and why?**

- Allocation-based, but without ownership of shares.
- Does not support IFQs. Wants a voluntary opt-in/out program if going to fish for red snapper. Provide allocation to vessels that are catching red snapper.
- Harvest tags for enforcement and validation.
- Electronic log books for real-time data collection.
- If there are permits that aren't being used and an allocation-based program is adopted, could have an inequitable distribution of allocation. Recommends a use-it or lose-it provision.
- Supports modeling charter management similar to the headboat collaborative program, including VMS, logbooks, and tags.

**5. Other comments:**

- Explore every avenue for allocation approaches to ensure fairness and equity.
- Use tags for the entire recreational sector.

**Destin, Florida  
October 22, 2015**

**Council/Staff**

Martha Bademan  
Pam Dana  
Ava Lasseter  
Ryan Rindone  
Karen Hoak  
Bernadine Roy

**23 members of the public attended**

Jeff Shoults	Casey Weldon	Chris Couvillion
Dean Cox	Ed Greene	E.A. Hipsty, Jr.
Pam Anderson	Aaron Smith	Jennifer Bobo
Charlie Saleen	Jason Mikel	Eric Thrasher
Kirk Pristas	Sean Kelley	Mary Beth Barrows
Candy Hansard	Dennis Reed	Britton Corbin
Lee Rogers	Stan Phillips	Michelle Sempstrott
Dennis McKay	Gary Hickman	

**Scoping Questions**

- 1. Charter vessels are currently managed using a traditional approach. In what ways does the current approach work or not work?**
  - Want to get away from everyone being lumped together. Likes individual boats being accountable for their individual anglers.
  - There are issues with processing the data already collected. Why increase reporting requirements if the data cannot yet be used?
  
- 2. If the Council selects to continue using a traditional approach to management, what measures (size limit, bag limit, fishing season) should be adjusted and how?**
  - No issue with size limit.
  - Increase in fishing days (as a result of sector separation) was good. Happy with more access.
  
- 3. In what ways might an allocation-based management approach benefit/hinder charter operators and their passenger anglers?**
  - Accountability could be improved. Not be limited to a set season. Allow more flexibility by not being limited to a timeframe.
  - Derby style fishing is not as safe.
  - Current season is during spawning season. May be good to not have fishing pressure during spawning season.
  
- 4. If the Council selects an allocation-based management approach which one is most appropriate and why?**

- Based on vessel permit. Run the system to collect catch data from two years, or base allocation on passenger capacity.

**5. Other comments on Amendment 41:**

- If can't accomplish allocation-based management, emphasize accountability of catches.

**Galveston, Texas  
October 22, 2015**

**Council/Staff**

Doug Boyd  
Emily Muehlstein  
Charlotte Schiaffo

**11 Members of the public attended**

Serena Etie	Taylor Borel	Mike Nugent
Shane Cantrell	Matt Etie	Daniel Willard
Mike Jennings	Greg Ball	Sam Miller
Darrel Hingle	Travis Eifert	

**Scoping Questions**

**1. Charter vessels are currently managed using a traditional approach. In what ways does the current approach work or not work?**

- The sudden announcement of season openings or closures does not give businesses enough time to plan trips.
- Traditional management has failed historically to constrain fishing within the quota.
- The one-size-fits-all season does not take into account regional needs of the fishery.
- Traditional management creates effort shifting when seasons close. Additionally, in some seasons, when multiple species are closed, it's difficult to find a fish to target.
- Under traditional management red snapper is still a derby fishery because the season is so short. Fishermen can be put in harm's way by trying to fish in bad weather.
- Rebuilding is working under traditional management. The snapper population is robust and they're hard to avoid.
- Catching fish outside of season promotes dead discards and inside of the season it promotes high grading.
- Limited seasons constrain tourism and economies for destination fishing.
- Current season and bag limits fail the charter industry because it's hard to run a business under traditional management.

**2. If the Council selects to continue using a traditional approach to management, what measures (size limit, bag limit, fishing season) should be adjusted and how?**

- The Council has already tried to change each parameter and nothing has improved.



- The concept of split seasons should be considered if the Council decides to continue with traditional management approaches.
- People should be allowed to choose when to fish. Potentially, consider a days-at-sea type program. If the season can be open for 9 days allow individuals to select the days they want to fish.

**3. In what ways might an allocation-based management approach benefit or hinder charter operators and their passenger anglers?**

- A well thought-out system could do away with buffers that are caused by management uncertainty, and that would increase the amount of fish that can actually be harvested.
- Allocation based management would allow charter boat operators and customers the ability to pick and choose when to fish.
- Under an allocation system some people could be forced out of the sector if everyone is not equal within the program. It will hurt charter boats if smaller operators are pushed out.
- The allocation system can be designed to meet the exact needs of the program.
- Allocation-based management will allow customers to decide what kind of trip they want to take.

**4. If the Council selects an allocation-based management approach, which one is most appropriate and why?**

- An allocation-based approach should not include fleet reduction.
- The Council should use a permit-based fishing quota program where quota is distributed evenly across permits. This will add certainty in the fishery and it will level the playing field by making the program equal for everybody.
- If there is even distribution there will be permit holders that aren't interested in the snapper. In that case, you could use unclaimed fish as a buffer or roll them back into next year's distribution. Either way, do not set up a system that cuts people out of the fishery.
- Group allocation instead of individual allocation would require data collection for a number of years.
- If the Council uses group-based allocation there will already be people with multiple permits that automatically become more powerful within a co-op.
- Everyone must be equal in a permit-based system so no one benefits more than anyone else. A permit-based allocation with even distribution across permits would accomplish that.
- At beginning of each year everyone with a permit will need to declare their intent to fish and opt into the program.
- Allocation needs to stay with a single permit and it cannot be sold or traded.
- Use a tiered approach to distribution - equal allocation across permits based on permit capacity groupings where they naturally break.
- Permit and vessel capacity need to be linked.
- In an allocation-based system, a referendum would be required.
- Under an allocation-based system the Council should still set a bag limit to evenly distribute the amount of trips taken and ease the burden on law enforcement.

## Supplementary Questions:

### 1. How has MRIP system helped or hurt traditional management?

- If you don't have fish to start with, it doesn't matter.
- The data is 6-9 months behind.
- A good system can't be created with outdated information and State systems are in conflict with each other so, they are not significantly different from MRIP.
- A deadline for data should be created so anglers will know when the season will be made.
- Data collection has been flawed, which has artificially shortened seasons. States are overly liberal, federal data is overly restrictive.
- Numbers can be steered in any way state or federal agency wants it to go to.
- The charter industry needs electronic reporting.
- The MRIP system was never supposed to be used for management. The system has been acknowledged to be inaccurate.

### 2. Should there be restraint on whether snapper could be sold? Should Council regulate whether prices go up or down?

- Charter boats currently change their pricing structure during red snapper season. Under an allocation-based system the same thing would happen. If a customer wants to take a red snapper trip, or a blue water trip, or an inshore trip, the pricing structure could change accordingly.

Clearwater, Florida  
October 26, 2015

#### Council/Staff

Roy Williams  
Ava Lasseter  
Assane Diagne

#### 13 members of the public attended

R.W. Keys  
Eric Mahoney  
Robert Kirn  
Alexandra White  
Paul Matthews  
Paul R. Matthews  
Heyward Mathews

Jeff Antous  
Richard Nicajevsky  
Chad Haggert  
Brad Gorst  
Helen Nicajevsky  
Mike Colby

## Scoping Questions

### 1. Charter vessels are currently managed using a traditional approach. In what ways does the current approach work or not work?

- Derby fishing does not work, particularly for charter fishermen. There is a mismatch between when the season is and when the customers are here. Derby seasons are also hard on all species, particularly red snapper.
- Different areas have different tourist seasons and the traditional approach does not account for regional differences.
- Release mortality is an issue for red snapper during gag season.
- Bag limits and size limits could be used alongside some other management approach.
- Bag and size limits do not lead to a derby fishery. So alongside appropriate management measures, these traditional approaches work. Mix and match approaches may work (permit-based coupled with bag and/or size limits).
- Size limits work. Reducing the minimum size limit from 16" to 15" would ease discard mortality.
- June is not a particularly good month for anglers in Clearwater. They can catch many other species then and don't really need red snapper, even though gag is closed in June. Even if the season began earlier or later, the derby is a hindrance. The best thing for charters is to be able to determine the best time to go catch fish.

**2. If the Council selects to continue using a traditional approach to management, what measures (size limit, bag limit, fishing season) should be adjusted and how?**

- Keep the first fish to avoid high-grading, but that would be hard to police.
- High-grading is predominant in the fishery. Captains would have to enforce it and they would if it could lead to more fishing opportunities.
- Minimum size limit becomes a moot point when fishers know there are much larger fish out there. Traditional approaches like this don't work, because smaller fish will be thrown back for larger ones. We need to get away from traditional approaches and find new ways of doing things.

**3. In what ways might an allocation-based management approach benefit/hinder charter operators and their passenger anglers?**

- Would give flexibility to fish when they or their customers want to fish.
- If each vessel is given allocation, could potentially adopt the first fish caught rule.
- Can reduce management uncertainty because you have a limited number of charter vessels (permits), so you know the universe. With that limited number of vessels, could move towards a census of landings, versus estimates of landings.
- Allocation-based management must be crafted well and be understandable to operators to be successful. If not, it won't work.
- Under an allocation-based approach that distributes a number of fish rather than pounds, the average weight of the fish could be greater than the number of fish distributed. To avoid exceeding the quota, a set-aside or buffer could be used to account for the difference in estimated weight versus actual weight of fish caught.

**4. If the Council selects an allocation-based management approach, which one is most appropriate and why?**

- Support for a permit fishing quota, because that is how you get business value. It would add equity. If the permit becomes valuable, then the vessel and the business become valuable. This makes the business look more viable if the allocation is tied to the permit.
- A cooperative would be too complicated for the number of permits in Pinellas County.
- A yearly opt-in or opt-out provision would be good for latent permits and for people who don't fish red snapper. Those who don't want to go out that distance or don't want to deal with logbooks or VMS can opt out, increasing the allocation to those who opt in.

**5. Are there additional management measures for charter vessels that should be considered?**

- Include transferability provisions for latent permit holders. This would be more effective if the range of species were broadened. For example, if you included gag in the amendment, could transfer gag for red snapper.
- Doesn't want fish to not be used under a latent permit. So, let the fish that would go to those who opt out be distributed to those who opt in. They want the larger quota to go to the active permits.
- Include more species than red snapper; west Florida is a multi-species fishery. A permit is not latent just because the vessel doesn't land red snapper. Charters in this area must travel far offshore to catch them. The two-year electronic logbook program was specifically multi-species for these reasons.
- If allocation was tied to all the permits, then even latent permits would have some value. So if someone buys a permit in the future, it may have some value attached to it.

**Webinar  
October 29, 2015**

**Council/Staff**

Charlene Ponce  
Emily Muehlstein

**6 members of the public attended**

Bruce Buckson  
Chad Hanson

TJ Marshall  
George McKinney

Michael Miglini  
Kellie Ralston

**Scoping Questions**

**1. Charter vessels are currently managed using a traditional approach. In what ways does the current approach work or not work?**

- Traditional management doesn't work because it constrains the fishing season and days for the charter fleet.
- Traditional management does work because it constrains catch.
- Traditional management limits flexibility in the days charter boats can choose to fish.

- Traditional management is not working because it doesn't allow a system where boats in different areas can have different seasons and use their fishing mortality when it's best for them.
  - Current management fails because it forces boats to discard dead fish. A system that would allow the retention of dead fish would be good for the charter industry.
- 2. If the Council selects to continue using a traditional approach to management, what measures (size limit, bag limit, fishing season) should be adjusted and how?**
- The question is hard to answer because we don't know how one option will affect the other. For example, how will changing the size limit impact the fishing season?
  - Allow the charter industry to get together and decide on their own regional seasons and bag limits (regional management).
- 3. In what ways might an allocation-based management approach benefit/hinder charter operators and their passenger anglers?**
- Allocation-based management could benefit charter operators by allowing them and their angler passengers to benefit from a rebuilt fishery and have increased allocations as things get better without being constrained to a one-size-fits all season.
  - Have the opportunity to reduce discard mortality and to be able to take anglers fishing when they want to instead of when the Council says the season is open or closed.
  - Improve safety at sea.
- 4. If the Council selects an allocation-based management approach which one is most appropriate and why?**
- A system that allocates according to the permit capacity for charter boats and passenger capacity or landings for the headboats.
  - It would be important for charter and headboat operators to come up with an allocation-based solution for themselves.
  - An allocation-based program would need a data collection element.
  - Distribution of shares and allocation should be even.
  - An electronic tag system should be considered.
  - The Council will need to consider similar management options for the private angling component.

**Houma, Louisiana  
November 3, 2015**

**Council/Staff**

Camp Matens  
Emily Muehlstein  
Karen Hoak

**17 members of the public attended**

John Dupont  
Gerald Ellewider  
David Cresson  
Rad Trascher  
Joshua Ellender  
Jean Marmande

Brian Rushing  
Julie Hebert  
Ryan Richard  
Jerome Zeringue  
Douglas Waitz  
Chris Lapeyre

George Huye  
Ed Landgraf  
Ben Weber  
Danny Hebert

## Scoping Questions

- 1. Charter vessels are currently managed using a traditional approach (bag limit, size limit, fishing season). In what ways does the current approach work or not work?**
  - Traditional management does not work at all because sector separation has privatized about half of the allocation.
  - Current management experiences undue pressure by environmental groups which do not have the interests of the recreational fishers in mind.
  - Regional management would solve a lot of the problems. Gulf-wide management does not work and gives an unfair advantage to some areas and disadvantages others.
  - Some charter operators appreciated the 45-day season under traditional management.
  - The current data collection program does not work for traditional management measures.
  - Current management does not allow for flexibility in the season.
  
- 2. If the Council selects to continue using a traditional approach to management, what measures (bag limit, fishing season) should be adjusted and how?**
  - The Council should get rid of minimum sizes.
  - Regional management should be implemented.
  - There should be some way to have flexible seasons.
  
- 3. In what ways might an allocation-based management approach benefit or hinder charter operators and their passenger anglers?**
  - Allocation-based management puts a value on the catch.
  - Allocation-based management will shrink the for-hire fleet.
  - It will potentially cause inequity (i.e. newcomers may receive less allocation)
  - It may cause an incestuous approach to new entry where the right to charter is handed down from generation to generation.
  - Allocation-based management could cause the commercial sector to buy/sell recreational allocation.
  - It privatizes a public resource.
  - It would force participation or sale of ones permit if a fisherman did not want to participate in the program.
  
- 4. If the Council selects an allocation-based management approach, which one is most appropriate and why?**
  - Any allocation-based management approach used should allow freedom to choose when to fish.

- Do not reduce the fleet. Anyone that has a permit should be able to keep it with this program.
- Do not consider allowing non-fishermen to own allocation.
- Make allocation equitable across the board.

**5. Are there additional management measures for charter vessels that should be considered?**

- Regional management.
- 30B should be removed.