

SUMMARY REPORT

GULF OF MEXICO SECTOR SEPARATION WORKSHOP



**Hosted by the
Gulf of Mexico Fishery Management Council
in partnership with the
Fisheries Leadership & Sustainability Forum**

**November 8-10, 2010
Tampa, FL**

Introduction

The Gulf of Mexico Fishery Management Council (Gulf Council), in cooperation with the Fisheries Leadership and Sustainability Forum, hosted a workshop November 8-10, 2010, in Tampa, Florida to discuss perspectives on sector separation. For the purposes of this discussion, sector separation refers to dividing the recreational quota of one or more allocated stocks into separate private angler and for-hire components. Sector separation was originally proposed for consideration under Amendment 32 to the Gulf of Mexico Reef Fish Fishery Management Plan, and currently resides as Action 6 in the options paper for the Generic Annual Catch Limit/Accountability Measures (ACL/AM) amendment.

The purpose of this workshop was to convene Gulf Council members, Reef Fish Advisory Panel members, and members of the public in a neutral setting to exchange ideas and information and discuss different points of view on sector separation. The workshop agenda was developed with input from Gulf Council members, oversight and approval by Council staff, and logistical support and research by the Fisheries Forum staff. All workshop attendees were encouraged to share their questions and concerns, articulate priorities for the recreational fishery, and identify information for the Gulf Council to consider as it investigates sector separation as a management option.

No decisions were made at this workshop and the goal was not to achieve consensus on any issues. While many workshop participants expressed their desire for a more concrete definition of sector separation, this workshop was not intended to be a venue for presentations by the Gulf Council, NOAA Fisheries Service, or members of the public about what a potential sector separation scenario would look like. The workshop was conceived as an opportunity for participants to discuss sector separation without being constrained by a single definition, as well as alternative management approaches.

The following summary is a chronological overview of the presentations, breakout groups, and discussions held over the course of the workshop. This summary highlights the themes and categories of discussion, as well as some clarifying questions, without presenting individual statements verbatim or attributing these statements to individual workshop participants. The exception to this approach is the summary of a presentation by Shepherd Grimes of NOAA General Counsel on the legal framework of sector separation. Due to the strong interest to Mr. Grimes' presentation, the summary of this segment of the workshop is structured as a series of questions and answers.

Additional materials from the workshop, including a final agenda, speaker and facilitator bios, PowerPoint presentations, and summaries from the breakout groups, are available on the Gulf Council's public FTP site (<http://ftp.gulfcouncil.org>) under the folder "Sector Separation." For more information about future Gulf Council meetings, public hearings, and scoping meetings, and to subscribe to email updates, please visit the Gulf Council's website, www.gulfcouncil.org.

Opening Remarks

Gulf Council Executive Director, Steve Bortone, began the workshop on Monday afternoon by welcoming Council members, Advisory Panel members, and the general public. Dr. Bortone requested that participants approach the workshop with an open mind, actively engage in discussion, and be respectful of all perspectives and opinions. Fisheries Forum Co-director, Meghan Jeans, introduced the first of two small-group breakout sessions.

Breakout Sessions

Overview

The workshop included two breakout sessions, which were designed for workshop participants to engage in structured discussions in a small group setting. Participants were divided into four groups. Gulf Council members, Reef Fish Advisory Panel members, and pre-registered members of the public were assigned to a group using a random number generator. Participants who registered on the day of the workshop were assigned to groups sequentially. Some groups also included NOAA Fisheries staff from the Southeast Regional Office. Some workshop participants only attended the first of the two breakout sessions. Consequently, the size and composition of breakout groups varied between breakout sessions.

The purpose of the breakout sessions was to provide Gulf Council and Advisory Panel members with deeper insight into the goals, concerns, and perceptions associated with different perspectives on sector separation. The breakout sessions were not expected or intended to achieve consensus, resolve conflicting points of view, or to gauge the level of support or opposition to sector separation. By highlighting outstanding questions and areas of uncertainty, participants helped build on the body of information the Gulf Council should consider as it decides whether to pursue sector separation as a management strategy. Details of such a management strategy would be informed by public input and developed through the regular council process.

Each of the four breakout groups was led by a professional facilitator, who provided guidelines to ensure a respectful and productive discussion. The composition of each group varied, as did each group's strategy for moving through the discussion questions. In addition to a facilitator, each group included a Gulf Council staff member as a recorder, a Fisheries Forum staff member as a note taker, and a Gulf Council member designated to report back to the full group. Council members Bob Shipp, Bill Teehan, Robin Riechers and Ed Sapp volunteered to serve as rapporteurs. The Monday afternoon breakout session is summarized below and a summary of the second session on Tuesday afternoon appears on page 12 of this document. The compiled PowerPoint slides used during the reporting sessions are available at <http://ftp.gulfcouncil.org> under the folder "Sector Separation."

Breakout Session 1

During the first breakout session, participants began by defining their understanding of sector separation and discussing their perceptions of what it would and would not accomplish. The discussion around these questions varied widely. Many participants came to the workshop with strong opinions and pre-conceived ideas about sector separation. Whereas some participants focused their responses on the logistical details of a sector separation management option, others focused on specific outcomes they want to achieve or avoid for the recreational fishery. Many participants concentrated on whether or not sector separation is an appropriate management strategy for the Gulf of Mexico. The breakout discussions, particularly on the first day, were challenging and often tense as participants with divergent opinions convened in this format for the first time.

After participants had an initial opportunity to share their thoughts, facilitators guided the breakout groups in examining these perspectives and articulating the underlying goals of the for-hire industry and private anglers. Each of the four groups identified similar sets of goals for the for-hire industry and private anglers, while some participants disagreed about whether or not sector separation could be a mechanism to achieve these goals.

Following the breakout sessions, the designated Gulf Council member reporter from each group reported back to the whole group on the outcomes of their breakout discussion. These summaries were not intended to represent a consensus by the group, but to capture the range and diversity of thoughts expressed by the group.

Goals for the for-hire industry discussed by most or all of the breakout groups included:

- Staying in business/maintaining lifestyles
- Rebuilding fisheries and managing sustainable fisheries
- Preserving historical access
- Increasing the number of fishing days, and allowing some flexibility in when those days are fished
- Improving data collection and accountability
- Increasing representation in decision-making

Goals for private anglers discussed by most or all groups included:

- Obtaining better data
- Obtaining more fishing days
- Increasing representation in decision-making
- Managing sustainable fisheries

Mutual goals identified for both the for-hire and private recreational sectors included:

- Maintaining the health of the marine environment
- Improving accountability for all fish caught
- Improving the quality and timing of recreational data collection

Public Comment

Monday afternoon concluded with open public comment and discussion. Dr. Bortone reminded participants that, unlike formal public testimony, this session was structured as an open conversation among stakeholders and decision makers. Participants were asked to share new questions and comments, and not to reiterate points that were already made.

Comments and questions from the public focused on the following themes:

- A desire for greater flexibility in the for-hire industry, including a longer red snapper season and/or greater control over when to use fishing days.
- Conflicting views about whether, when, and how to gauge the level of support for sector separation. Some participants felt that it's necessary to find out what proportion of for-hire permit holders support sector separation before pursuing the issue further. Others felt that more discussion is necessary to have an informed opinion on sector separation, and were frustrated that the issue has polarized the recreational sector.
- Uncertainty regarding Magnuson-Stevens Act guidance on allocation and how/when the Gulf's referendum requirement would be invoked.
- Concern that sector separation will reduce access, opportunities and/or bargaining power for the for-hire industry, private recreational anglers, or both.
- Perceptions that catch shares are a possible outcome of sector separation. Some were concerned that there is a link between sector separation and catch shares that is not being acknowledged. Others thought catch shares could be one outcome but should not be a foregone conclusion.
- Concern that allocation and data needs should be addressed before a sector separation decision can be made
- Frustration that there is not more concrete information about sector separation
- Frustration on the part of for-hire business owners who want greater business stability and feel that they are proactively seeking greater accountability with sector separation.
- Frustration on the part of private recreational fishermen who also support greater accountability and feel that improvements to recreational data collection have not materialized.
- A perception of a disconnect between signs of an improving stock (on the water observations and increases in total allowable catch) and decreasing season length.
- Concern that some perspectives, particularly private recreational anglers, but also for-hire clientele and tourism-dependent communities and businesses, are not adequately represented.

Panel Session: Case Studies

Prior to this workshop, many participants and Gulf Council members expressed their interest in hearing about case studies of sector separation from other regions. This was also identified as a priority by the Gulf Council staff and Gulf Council members. However, there are very few comparable domestic or international examples of managing

separate for-hire and private recreational sectors. The Gulf of Mexico is the first U.S. council region to consider adopting recreational sector separation in a federally managed fishery.

As an alternative approach to sector separation case studies, this panel focused on other regions' experiences with new and/or innovative recreational management strategies. The fisheries in these three case studies share one or more key characteristics with the Gulf of Mexico's recreational reef fishery. Each example includes a well-developed for-hire industry in a fishery that supports commercial and recreational sectors. Each case study is also an example of managers responding to the goals and objectives of recreational stakeholders with regard to access and accountability. Finally, all three examples involve complex management scenarios with interjurisdictional or regional complexity, and rebuilding fisheries or those with stocks of variable abundance. The purpose of including these speakers was to prompt discussion about the kinds of questions managers and stakeholders might ask and the information they might want to review before considering sector separation as a management pathway for the Gulf of Mexico.

Frank Warrens - Port Allocations of Coho Salmon in the Pacific Northwest

Frank Warrens, a former Pacific Fishery Management Council member and salmon charter owner/operator, spoke about the reallocation of Coho salmon in the 1980s. The Pacific salmon fishery includes recreational, commercial, and tribal sectors fishing in internal and ocean waters. The allocation of catch between these sectors is complex due to the anadromous life cycle of salmon, the number of management sub-regions, and annual variability in abundance of salmon. Both Washington and Oregon support large for-hire fleets, and there has not been an attempt to manage separate private recreational and for-hire sectors.

Mr. Warrens described two flexible features of the salmon fishery management plan. These features were designed to accommodate the goals of the commercial and recreational sectors, while accounting for seasonal variability in salmon abundance. The goal of the for-hire sector was to secure a minimum season length. In Oregon and Washington, catch is allocated between the recreational and commercial fisheries on a sliding scale depending on stock abundance. At low abundance, the recreational fishery receives a majority of the allocation, and at higher levels of abundance, the commercial sector is allocated proportionally more catch. Another feature of the management plan allows catch to be traded within and between management regions (ports) in the Pacific Northwest. Catch can be transferred between the commercial and recreational sectors, and between recreational allocations by port. Mr. Warrens explained that the interests of private recreational anglers and the for-hire industry are closely aligned, and felt that the benefits of flexibility promote cooperation between sectors.

Harley Speir - Post-Moratorium Allocation of Striped Bass in Maryland

Harley Speir, the former Assistant Director of Maryland Fisheries and a former Mid-Atlantic Fishery Management Council member, spoke about Maryland's experience managing separate for-hire and private recreational allocations of striped bass in the 1990s. Striped bass are an anadromous species, and in the Chesapeake are managed in cooperation with the Atlantic States Marine Fisheries Commission. The Chesapeake Bay striped bass fishery supports well-developed commercial, private recreational, and for-hire components. In the mid-1980s Maryland enacted a moratorium on striped bass harvest to control fishing mortality, and convened a committee to discuss how a reopened fishery should be structured. The for-hire industry wanted a separate allocation to ensure greater business stability, while private recreational anglers felt that the larger number of private recreational anglers deserved a larger allocation. New state laws and requirements from the Atlantic States Marine Fisheries Commission provided additional guidance for the allocation decision.

Maryland adopted a compromise in which harvest was allocated equally between the recreational and commercial sectors. Both sectors then contributed equally to a smaller for-hire sector, resulting in a three-way 42.5-42.5-15% allocation between the commercial, recreational, and for-hire sectors, respectively. From 1990 to 1994, the private recreational and for-hire sectors had separate quotas, seasons, and bag limits paired with strict data collection requirements. As the fishery rebuilt and quotas increased, the for-hire and private recreational sectors increasingly supported combining their allocations. In 1995, the two sectors recombined to receive a single recreational allocation. Mr. Speir felt that sector separation was an appropriate solution for the striped bass fishery under the circumstances and at the time. He emphasized the importance of compromise and noted that in this example, a rebuilt fishery alleviated tension between sectors.

Jane DiCosimo - Catch Transfers Between Sectors in Alaska

Jane DiCosimo, a senior plan coordinator with the North Pacific Fishery Management Council, discussed catch transfers between the commercial and for-hire or guided halibut fishery in Alaska. The International Pacific Halibut Commission manages halibut in Alaska and Canada by international treaty. In the past, recreational and subsistence removals came "off the top" of the International Pacific Halibut Commission quota, with the remainder available to the individual fishing quota-managed commercial fishery. As the guided halibut sector grew, this portion of the harvest increased, resulting in pressure to allocate catch between the guided and commercial sectors.

In 2008, the North Pacific Fishery Management Council adopted a guided halibut limited entry program, which will go into effect in 2011. The North Pacific Fishery Management Council also adopted a halibut "catch sharing plan" to allocate catch between the commercial and guided sectors. Under the proposed plan, allocation between the two sectors will be tied to stock abundance with the guided sector receiving a greater

allocation in years of lower abundance. The catch sharing plan will also permit one-way annual catch transfers from the commercial to the guided sector, provided there is a willing buyer and seller. A final catch sharing plan will be implemented in 2012, at which point the International Pacific Halibut Commission will account for recreational and subsistence removals before allocating catch between the commercial and guided sectors. Ms. DiCosimo emphasized that, while the North Pacific Fishery Management Council sought to implement limited entry multiple times, the limited entry program and catch sharing plan were ultimately developed at a time when stocks were in decline.

Panel Discussion

Following the case study presentations, participants had the opportunity to ask questions of one or all three panelists. In addition to general questions concerning recreational data collection and monitoring, the frequency and source of funding for stock assessments, and the extent of resource rent and administrative recovery collected through permits, licensing fees, and taxes, participants posed more targeted questions for individual panelists.

- One participant asked Ms. DiCosimo to clarify the difference between catch sharing and catch shares. Ms. DiCosimo responded that catch sharing is a voluntary, one-way annual transfer of catch from the commercial to the guided sector. A transfer would require a willing buyer and seller. No halibut quota shares will be issued to the guided sector.
- Another participant asked Mr. Warrens to elaborate on the mechanism through which catch of Coho salmon is transferred between ports. Mr. Warrens explained that catch transfers between ports are voluntary, are typically approved by both parties and have no monetary component.
- Several participants also asked Mr. Warrens to discuss overcapitalization and capacity reduction in the for-hire salmon fishery. Washington supported a buyback program to reduce capacity in the for-hire industry, while Oregon has not expressed as much interest in effort limitation.

Plenary Session: Legal Guidance for Allocation Decisions

Shepherd Grimes, an attorney with NOAA's Office of General Counsel in the Southeast Region, provided an overview of the legal guidance for making allocation decisions, and responded to questions about sector separation and allocation. Mr. Grimes prefaced his presentation by explaining that there is not, in fact, a legal framework for making allocation decisions, but that there are provisions within the Magnuson-Stevens Act (MSA) which apply to allocation decisions. Mr. Grimes also explained that the language of the MSA might seem ambiguous because as a federal law, it is structured as a single set of guidelines that fit all fisheries. The national standard guidelines, case law, the public record, fishery management plan objectives, and the regulatory and public input processes are a record of how the law has been interpreted in the past, and can provide guidance and set precedents for future decisions.

Administrative law

All federal agencies, including NOAA, are subject to the Administrative Procedure Act (APA). The APA establishes the rulemaking procedures through which federal agencies implement federal regulations, including the MSA. The APA also includes procedures for judicial review of federal regulations. Management measures approved by the regional councils must be reviewed and approved by the Secretary of Commerce, through NOAA Fisheries Service, for consistency with the applicable laws. The APA and the requirement for Secretarial approval constitute the administrative review process for all council decisions, including allocation decisions.

National Standards and National Standard Guidelines

The MSA includes ten National Standards for fishery conservation and management, which apply to every action taken by a council to develop or facilitate the implementation of a fishery management plan (Appendix 1). The National Standard Guidelines are separate from the statutory language in the MSA and do not have the force and effect of law. They serve as the agency's interpretation of the statutory text and provide further guidance to the regional councils regarding application and implementation of the ten national standards. Allocating harvest privileges is a major component of many conservation and management measures. Managers must balance all of the national standards, and three in particular are closely tied to allocation decisions. The paramount concern of every council action is to sustain fish stocks.

National Standard 4 states that the allocation of fishing privileges shall not distinguish between members of states, shall be fair and equitable, reasonably calculated to promote conservation, and carried out in such a manner that no corporation or entity acquires excessive shares. This pertains primarily to direct or deliberate allocations between user groups, and not on the allocative effects of other measures such as size limits. Allocation decisions and the determination of "fair and equitable" should be justified against the objectives of a fishery management plan. The last part of National Standard 4 means that allocation should be designed to prevent the acquisition of excessive shares and prevent inordinate control by buyers and sellers.

National Standard 5 states that conservation and management measures should consider efficiency but that economic allocation should not be the sole purpose. The National Standard 5 guidelines recognize that allocation decisions involve inherent economic harms and benefits to user groups. Economics can be a predominant force behind an allocation decision but cannot be the sole driving force. National Standard 5 ensures that other factors must be considered.

National Standard 8 states that conservation and management measures shall take into account the importance of fishery resources to fishing communities, provide for their sustained participation, and minimize adverse economic impacts. All fishery management plans must examine the social and economic impacts on fishing communities. The National Standard 8 guidelines recognize that allocation decisions may benefit some communities while harming others. Allocation decisions are policy decisions based on economic and social grounds, and there is no way to allocate a resource without affecting some or all of the parties involved.

MSA language and the charter industry

The MSA includes language that specifically recognizes the for-hire industry with regard to allocation. This does not mean that the MSA recognizes or requires sector separation; it simply means that the law recognizes the charter industry as a user group. As such, sector separation would be permissible and consistent with the requirements of the MSA, should the Gulf Council choose to pursue this option.

- Section 303A, which lists the requirements of fishery management plans, states that councils should allocate harvest restrictions or recovery benefits fairly and equitably among the commercial, recreational, and charter fishing sectors of a fishery.
- Section 407(d) requires that any conservation management measures approved by the Gulf Council for the red snapper fishery establish separate quotas for recreational and commercial fishing, and it specifically references charter fishing as part of the recreational sector for purposes of section 407.

Gulf of Mexico Referendum Requirement

Section 303A(6)(D)(i) of the MSA states that prior to approving an Individual Fishing Quota (IFQ) program, the Gulf Council must conduct a referendum of eligible voters. The Gulf Council can only vote on an IFQ program if a majority of eligible voters are in favor.

Following his presentation, Mr. Grimes responded to questions from the audience.

The following list captures many of the questions from the audience. Mr. Grimes' responses are presented in question and answer format in this section of the summary for informational purposes. Some questions and responses have been combined and/or clarified.

Q: How many sectors are recognized under the MSA?

A: Three. The MSA explicitly recognizes the for-hire charter industry as a user group, in addition to the commercial and recreational sectors. (It is important to note that there is nothing in the statute that would prevent the Gulf Council and NOAA Fisheries from recognizing other sectors.)

Q: Would the Gulf Council have to conduct a referendum to adopt sector separation?

A: No. The Gulf Council would only have to conduct a referendum under certain circumstances. Sector separation, if defined only as allocations to separate private recreational and for-hire sectors, would not require a referendum. It could be approved by the Gulf Council and implemented by NOAA Fisheries. A referendum **could** be required for a sector separation alternative that specifies how that catch is apportioned among permit holders as part of a limited access privilege program (LAPP).

Whether or not the referendum requirement applies would depend on the kind of LAPP in question. A LAPP is defined as a federal limited access permit that provides a person the exclusive privilege to harvest a specific portion of a fishery's total allowable catch. An IFQ is a kind of LAPP, but not all LAPPs are IFQs. A referendum **would** be required in order to implement an IFQ program for the for-hire sector. It would also be required if the sector separation alternative were tied to an existing IFQ program such as the commercial red snapper IFQ. A referendum would not be required for other kinds of LAPPs.

Q: What would happen if the Gulf Council first adopted sector separation, and then wanted to consider an IFQ program in the future? Would the referendum requirement still apply?

A: The referendum requirement will **always** apply if the Gulf Council wishes to consider an IFQ program. A sector separation scenario does not negate this requirement.

Q: Does the law consider fishing a privilege or a right?

A: Specific language in section 303A of the revised Magnuson Act [regarding IFQs] states that fishing is considered a privilege. Fishing is not a right because fisheries are common property resources that belong to all citizens of the United States.

Q: How would sector separation affect for-hire vessels fishing for federally managed species in state waters?

A: Although this is an important consideration, it is not yet possible to provide a definitive answer. The Gulf Council could choose to explore this issue as it develops sector separation alternatives with public input. The Council could also choose to address this issue at a later date, if it decides to adopt sector separation.

Panel Session: Allocation Methods and Decision Support Tools

Gordon Gislason - Information and Analysis in Support of Fisheries Allocation Decisions - the For-Hire and Private Recreational Sectors

Gordon Gislason, an economist with the Canadian firm GS Gislason and Associates, discussed the economic inputs and analyses that can be used to inform allocation decisions. Gislason began by explaining that allocation is closely aligned with the field of economics, traditionally defined as the study of the allocation of scarce resources. The term "scarce" in this context means that resources are limited while demand is not. In the

fisheries realm, allocation can be used as a tool to address competing interests, and to achieve social and economic goals.

Gislason categorized allocation information needs into three categories, including initial allocation decisions, allocation monitoring and performance, and allocation impacts to interest groups. Some information, such as catch and participation, is collected annually or continually, while other information, such as financial performance, can be gathered periodically. The for-hire and private recreational fishing communities share many information needs such as fishing activity, catch, and expenditures. For-hire businesses also generate information related to income, employment and wages.

Gislason then introduced several categories of analytical tools including environmental impact analyses, economic impact analyses, economic value analyses, and social impact analyses. Using a case study based on British Columbia's saltwater recreational fishery, he discussed marginal analysis as a tool to understand the effects on expenditures, economic impacts, and net benefits associated with change (such as the ability to keep an additional fish). Gislason concluded by emphasizing the importance of collecting data in the present to support policy decisions in the future.

Mike Jepson - Understanding the social aspects of allocation

Dr. Michael Jepson, an anthropologist with the NOAA Fisheries Southeast Regional Office, discussed the social aspects of allocation decisions. He explained that allocation decisions create rigidity in a fishery management system, and lead to changes in fishing behavior. Changes in fishing behavior can also be motivated by perceptions even before an allocation decision is made. Measuring the social impacts of a sector separation decision would involve collecting additional information to understand how perceptions and behavior would change.

Dr. Jepson described a growing interest in quantitative social science methodology. One example is the social vulnerability index, a method developed to gauge the impacts of coastal hazards, which incorporates a suite of demographic and other variables to categorize the vulnerability of coastal counties. Jepson explained how an adaptation of this approach, the recreational fishing dependence indicator, can be used to evaluate communities' dependence on recreational fishing based on information about recreational fishing services and participation. In conclusion, Jepson emphasized the importance of understanding connections between vessels, permits, landings, communities and individuals, and looking at these variables over time and across fisheries.

Panel Discussion

In response to questions, Dr. Jepson clarified that decision-making authority resides with the Council, and that his role as a social scientist is to interpret and analyze social information and make it available to managers. Some councils, including the Gulf Council, now have social scientists on staff to help them understand and analyze this

information. The social indicators he described will soon begin to appear in amendments, but these indicators will not be available for the upcoming ACL/AM amendment.

- Several participants questioned the extent to which social science is considered in management decisions. Dr. Jepson, with support from Shepherd Grimes of NOAA General Counsel, responded that social information is made available in the form of social impact assessments, which are linked to the amendment process. Amendments are usually prompted by a biological need such as a finding of overfishing, and by law, the status of the resource must be considered before social information.
- Many participants expressed their interest in collecting additional social and economic data, and questioned whether there is currently sufficient information for the Gulf Council to explore sector separation. Mr. Gislason and Dr. Jepson both responded that while collecting additional information is important, it also takes time to interpret and analyze existing data. These additional steps are often the challenge to incorporating social and economic information into the decision-making process.

Breakout Session 2

The second breakout session used the previous day's goal-setting discussion as a foundation to compare the implications of maintaining the status quo versus pursuing sector separation. Each breakout group began by reviewing the set of goals from Day 1, adding or modifying the list as they felt was necessary. The groups used their list of goals to discuss the social, economic, ecological, and political implications of maintaining the status quo, and then repeated the exercise for a sector separation scenario. Several groups opted to categorize the implications of the two scenarios as a list of pros and cons.

A common obstacle some of the groups encountered was the difficulty of comparing sector separation to the status quo without a more detailed definition of sector separation to use as the basis for comparison. During the discussions, several groups developed and used a working definition of sector separation as a separation of for-hire and private angler ACLs but did not specify how to apportion catch between permit holders or whether to distinguish between permit categories (including charter boats, headboats and state-permitted vessels).

Most groups felt that maintaining the status quo would not help meet the goals of either sector. Some participants also emphasized that dissatisfaction with the status quo does not imply support for sector separation. The groups' concerns with the status quo were similar to those voiced in the first breakout session and included management uncertainty, fewer fishing days, limited room for growth by one or both sectors, business uncertainty and losses in the for-hire sector, concern that more users would be competing for the same number of fish, and dissatisfaction with current recreational data collection methods. Advantages associated with the status quo focused on familiarity and understanding of the current system.

Some of the breakout groups conveyed that sector separation could meet some but not all goals for the for-hire sector, and disagreed on which goals they thought sector separation could achieve. For example, there was disagreement about whether or not sector separation would improve accountability, and whether it would in fact have positive economic consequences for the for-hire industry. Some felt that sector separation would grant the for-hire industry greater recognition while others felt that it would have the opposite effect and weaken bargaining power of the recreational sector as a whole. Other concerns included uncertainty about how sector separation would be structured and other outstanding questions, the challenge of adjusting to a new and possibly more complex management scenario, and concern that some individuals would benefit at the expense of others. Most groups did not feel that sector separation would help meet any of the goals of private recreational anglers, or did not discuss this issue.

The breakout groups then discussed alternative strategies that could be used to achieve some of the goals of each sector. Some of these strategies were variations on sector separation models and focused on possible methods of apportioning a separate for-hire ACL, including an IFQ program and other allocation methods based on individual catch history. Most strategies were proposed as alternatives that could be used in place of but could also be adopted in combination with sector separation. These included enhancing data collection methods, increasing frequency of stock assessments, allowing the transfer of catch between sectors, improving flexibility by adjusting the timing of open seasons (time of year and weekday/weekend) and/or a days at sea program, and adopting regional management.

Wrap up/Where do we go from here?

Following the report back from Breakout Session 2, Dr. Steve Bortone led the workshop wrap-up, followed by a "Where do we go from here?" discussion led by Gulf Council and Reef Fish Advisory Panel members, who talked about how the workshop helped them think through the topic of sector separation, how the workshop was structured in terms of format and content, and what they believe are possible next steps for continuing the sector separation discussion.

Workshop wrap-up

Dr. Bortone began the wrap-up discussion by reviewing the major themes and outstanding questions that emerged during workshop discussions. Some participants' dissatisfaction with the current management scenario stems from several needs: the need for better data, greater scientific certainty, and improved management; the need for greater accountability for both for-hire businesses and private recreational anglers; and the need for greater stability for business planning.

Dr. Bortone also reviewed the major outstanding questions that were discussed during the workshop, which he noted will be the focus of the sector separation discussion as the Gulf Council decides whether to consider sector separation as a management alternative, including:

- How to define sector separation, and which categories of vessels to include
- What sector separation could look like if implemented, including how catch might be apportioned among for-hire permit holders
- How individuals might be affected by sector separation, including specific indicators such as season length under different allocation scenarios

Following Dr. Bortone's remarks, the audience responded with questions and further discussion, focusing in particular on the questions above. Participants expressed a strong interest in seeing a comparison between the number of fishing days under status quo and sector separation scenarios, based on different allocation options and stock status projections. Many felt that these projections, though hypothetical, would help them have a more informed stance on sector separation. Gulf Council members explained their reluctance to make projections, given that a sector separation alternative would be developed with public input and guided by the Gulf Council's allocation policy. The sector separation allocation alternatives included in the ACL/AM scoping document are based solely on catch history, but stakeholders may want the Gulf Council to consider other variables in the decision-making process. The Gulf Council will not consider reallocating catch between the commercial sector and one or more recreational sectors.

Where do we go from here?

Following the wrap-up session, Gulf Council members and Reef Fish Advisory Panel members addressed the audience directly. They agreed with the need to further define sector separation and explore hypothetical scenarios, and confirmed that they had heard the strong support for the need for greater accountability from the recreational sector as a whole. Gulf Council and Advisory Panel members also expressed their appreciation for those who attended the workshop and made an effort to understand other perspectives, particularly those who came with strong opinions. They emphasized the importance of maintaining a two-way conversation between the Gulf Council and stakeholders.

Participants frequently cited flexibility as a goal of the for-hire industry and a desirable outcome of sector separation. More input on what forms that flexibility could take, under a sector separation scenario or a different management strategy, would be valuable. Examples mentioned by participants included adjusting the timing of the red snapper season or the ratio of weekends vs. weekdays, days at sea, and others. Gulf Council and Advisory Panel members heard strong opposition to sector separation from private recreational anglers and from some members of the for-hire industry. Input on other strategies to address the concerns of, and help achieve the goals of, for-hire and private recreational stakeholders will help the Gulf Council explore a broader range of options.

Gulf Council members also noted that the sector separation issue illustrates the challenge of balancing the needs and the often conflicting input from different user groups, including for-hire and recreational anglers, as well other businesses and coastal communities. Gulf Council members emphasized that exploring an idea does not constitute a commitment, but rather provides a starting point for a discussion.

Council Chairman, Dr. Bob Shipp, thanked everyone for participating in the workshop and for providing input for Council consideration.

In conclusion, all workshop participants offered feedback on the structure and content of the workshop. Suggestions included focusing more on the presentations and less on the breakout sessions, holding additional meetings around the Gulf, and encouraging greater feedback and participation from private recreational anglers by making the timing of the workshop more accessible and/or holding it in conjunction with a regularly scheduled Gulf Council meeting. All speakers expressed their support for continuing an open and constructive two-way conversation on sector separation.

Appendix 1: National Standards for Fishery Conservation and Management

SEC. 301. NATIONAL STANDARDS FOR FISHERY 16 U.S.C. 1851 CONSERVATION AND MANAGEMENT

(a) IN GENERAL.—Any fishery management plan prepared, and any regulation promulgated to implement any such plan, pursuant to this title shall be consistent with the following national standards for fishery conservation and management:

98-623

- (1) Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery for the United States fishing industry.
- (2) Conservation and management measures shall be based upon the best scientific information available.
- (3) To the extent practicable, an individual stock of fish shall be managed as a unit throughout its range, and interrelated stocks of fish shall be managed as a unit or in close coordination.
- (4) Conservation and management measures shall not discriminate between residents of different States. If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be (A) fair and equitable to all such fishermen; (B) reasonably calculated to promote conservation; and (C) carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

104-297

- (5) Conservation and management measures shall, where practicable, consider efficiency in the utilization of fishery resources; except that no such measure shall have economic allocation as its sole purpose.
- (6) Conservation and management measures shall take into account and allow for variations among, and contingencies in, fisheries, fishery resources, and catches.
- (7) Conservation and management measures shall, where practicable, minimize costs and avoid unnecessary duplication.

104-297, 109-479

- (8) Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities by utilizing economic and social data that meet the requirements of paragraph (2), in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts on such communities.

58104-297

- (9) Conservation and management measures shall, to the extent practicable, (A) minimize bycatch and (B) to the extent bycatch cannot be avoided, minimize the mortality of such bycatch.

104-297

- (10) Conservation and management measures shall, to the extent practicable, promote the safety of human life at sea.