

Discussion Paper – Myrtle Beach, SC

Snapper grouper catch share options

Design elements looked at:

1. Substantial Participants
2. Eligibility for Initial IFQ Shares
3. Initial Apportionment of IFQ Shares
4. IFQ Share Definitions
5. Multiuse Allocation and Trip Allowance
6. Transfer Eligibility Requirements
7. Caps on IFQ Share Ownership
8. Caps on IFQ Annual Allocation Ownership
9. Adjustments in Annual Allocations of Commercial TACs
10. Establishment and Structure of an Appeals Process
11. Use it or Lose it Policy for IFQ Shares
12. Overages
13. Cost Recovery Plan
14. New Entrants/Loan Program
15. Approved Landing Sites
16. Monitoring

Note: Review language on foreign investment (from Alaska); ask NMFS to put this into administrative language at the appropriate time.

Substantial Participants

Option 1: Commercial snapper grouper permit holders are considered substantial participants.

Option 2: Other ideas or suggestions

COMMENTS:

Eligibility for Initial IFQ Shares

Option 1: Restrict initial eligibility to valid commercial snapper grouper permit holders with at least one operating fishing vessel.

Option 2: Other ideas or suggestions

COMMENTS:

Initial Allocation of IFQ Shares

Option 1: Distribute initial IFQ shares proportionately among eligible participants based on the average annual landings from logbooks associated with their current permit(s) during the time period 1995 through July 2010.

Option 2: Distribute initial IFQ shares proportionately among eligible participants based on the average annual landings from logbooks associated with their current permit(s) during the time period 1995 through July 2010 with an allowance for dropping 1 year.

Option 3: The average landings of the best 5 years within 1995- July 2010 consecutive.

Option 4: The average landings of the best 10 years within 1995- July 2010 consecutive.

Option 5: The average landings of the best 5 years within 1991-July 2010 consecutive.

Option 6: The average landings of the best 3 years 1995 -July 2010 consecutive.

Option 7: Other ideas or suggestions

Note: Any initial allocation option require fishermen who participated in the 2 for 1 program to choose one of the two permit catch histories for each species to use in the initial allocation calculation instead of combining catch histories before calculating the initial allocation.

COMMENTS:

IFQ Share Species Identification

Option 1: All snapper grouper species currently managed in the Snapper Grouper FMP excluding wreckfish.

Option 2: All snapper grouper species with stock assessments or identified OYs including red porgy, vermilion snapper, snowy grouper, black sea bass, golden tilefish, gag, greater amberjack, white grunt, red grouper, black grouper, mutton snapper, and yellowtail snapper.

Option 3: All marketable species to include all shallow water grouper, snowy grouper, golden tilefish, greater amberjack, yellowtail snapper, mutton snapper, gray snapper, white grunt, red porgy, black seabass, gag grouper, vermilion snapper, red snapper, gray triggerfish, queen triggerfish, scamp grouper, red grouper, blueline tilefish, black grouper, almaco jack, banded rudderfish, blue runners, jack crevalles, joltheads, all hinds

Option 4: Other ideas or suggestions

COMMENTS:

Transfer Eligibility Requirements

Option 1: IFQ shares or allocation can only be transferred to commercial snapper grouper permit holders with at least one operating fishing vessel. Eligible individuals must be persons who are U.S. citizens or permanent resident aliens.

Option 2: Other ideas or suggestions

COMMENTS:

Caps on IFQ Share Ownership

Option 1: Set ownership cap of 3%. However, persons entitled to more than the specified ownership cap during initial apportionment will be grandfathered in at their entitled holdings.

Option 2: Other ideas or suggestions

COMMENTS:

Caps on purchase of IFQ Annual Allocation

Option 1: Set an annual leasing cap of 6%. For any single fishing year, no person shall possess allocation in an amount that exceeds the allocation cap. However, persons grandfathered in for more than the total share cap during initial apportionment will also be grandfathered in for more than the allocation cap.

Option 2: Other ideas or suggestions

COMMENTS:

Adjustments in Annual Allocations of Commercial TACs

Option 1: Allocate adjustments in the commercial quota proportionately among eligible IFQ shareholders (e.g., those eligible at the time of the adjustment) based on the percentage of the commercial quota each holds at the time of the adjustment.

Option 3: Other ideas or suggestions

COMMENTS:

Appeals Process

Option 1: The Regional Administrator (RA) will review, evaluate, and render final decision on appeals. Filing of an appeal based on landings data must be completed within 90 days of the effective date of the final regulations implementing the IFQ program. Hardship arguments will not be considered. The RA will determine the outcome of appeals based on NMFS' logbooks. If NMFS' logbooks are not available; the RA may use state trip tickets. Appellants must submit NMFS' logbooks to support their appeal.

Option 2: A special board composed of state directors/designees will review, evaluate, and make individual recommendations to RA on appeals. Filing of an appeal must be completed within 90 days of the effective date of the final regulations implementing the IFQ program. Hardship arguments will not be considered.

Option 3: A total of 3% of the current commercial quota will be initially set-aside to resolve appeals. Any amount remaining in the three-percent set-aside after the appeals process has been terminated will be proportionately distributed back to initial IFQ share holders.

Option 4: Other ideas or suggestions

COMMENTS:

Use it or Lose it Policy for IFQ Shares

Option 1: Do not specify a minimum landings requirement for retaining IFQ shares.

Option 2: IFQ shares that remain inactive for three years will be revoked and redistributed proportionately among the remaining shareholders. "Inactive" is defined as less than 30 percent of the aggregate annual average utilization of allotted IFQ shares over a three-year moving average period, except in case of death or disability. Definition of disability: XXX

Option 3: IFQ shares that remain inactive for three years will be revoked and redistributed proportionately among the remaining shareholders. "Inactive" is defined as less than 50 percent of the aggregate annual average utilization of allotted IFQ shares over a three-year moving average period, except in case of death or disability.

Option 4: Other ideas or suggestions

COMMENTS:

Overages:

Option 1: Overage allowances – 10% of remaining allocation on the last trip of the year is allowed, but overage is taken off next year's allocation when quota is allocated at the beginning of the calendar year.

Option 2: Other ideas or suggestions

COMMENTS:

Cost Recovery Plan: Not to exceed 3% and to offset cost of administration

Option 1: Implement an IFQ cost recovery plan. All IFQ cost recovery fees shall be the responsibility of the recognized IFQ shareholder. End-of-the year reconciliation to charge dealer for cost recovery fee underages as appropriate. The cost recovery plan will have the following conditions:

Option a): IFQ cost recovery fees will be calculated at the time of sale of fish to the registered IFQ dealer based on:

- (i) the actual* ex-vessel value of the snapper grouper landings.
- (ii) the standard** ex-vessel price of the snapper grouper landings as calculated by NMFS.

Option b). The fee collection and submission shall be the responsibility of:

- (i) the IFQ shareholder.
- (ii) the IFQ dealer.

* actual ex-vessel value is the total monetary sale amount fishermen receive for IFQ landings from registered IFQ dealer/processors operating as shore-side processors.

** standard ex-vessel price is the ex-vessel price for the previous fishing year and any expected price changes for the current fishing year.

Option 2: Other ideas or suggestions

COMMENTS:

New Entrants/Loan Program:

Option 1: Set aside % of quota up front for new entrants.

Option 2: Existing NOAA loan program should be available to purchase quota.

Option 3: Establish a lien registry to borrow money against the quota.

Option 4: Other ideas or suggestions.

COMMENTS:

Approved Landing Sites

Option 1: Establish approved landing sites for all IFQ programs in the commercial snapper grouper fisheries. All IFQ participants must land at one of these sites to participate in the IFQ program.

Option (a) Approved landing sites will be selected by fishermen but must be approved by NMFS Office of Law Enforcement.

Option (b) Approved landing sites will be selected by the Council and NMFS, based on industry recommendations and resource availability.

Option 2: Landing sites must be approved by OLE in order for IFQ fishermen to use the VMS units as an option to report landing notifications. Landing locations do not need to be approved if they are reported through telephone or an IFQ online accounting system.

Option 3: Other ideas or suggestions.

COMMENTS:

Monitoring (and Dockside Verification)

Option 1: VMS and electronic logbooks

Option 2: VMS, electronic logbooks, and video monitoring with “catch accountability” or full retention

Option 3: Other ideas or suggestions.

COMMENTS: