

10/20/06

**SUMMARY**

**GULF OF MEXICO FISHERY MANAGEMENT COUNCIL**

**AD HOC GROUPEL IFQ ADVISORY PANEL**

**QUORUM HOTEL**

**TAMPA, FLORIDA**

**AUGUST 22-24, 2006**

**ATTENDANCE:**

Members:

Pam Baker\*  
Dave McKinney\*  
Glen Brooks  
James Clements  
Ken Daniels, Jr.  
William (Lee) Deaderick  
Martin Fisher  
Donald Leal\*  
Ed Maccini  
Bob Spaeth  
Tom Marvel  
Doug Gregory\*  
Ed Small  
Susan Steingress  
Ken Roberts\*

Council:

Roy Williams

Staff:

Stu Kennedy  
Assane Diagne, PhD  
Karen Hoak

Others:

Mark Lundsten  
Vushuani Marahaj  
Jason Rueter  
Janet Miller  
Steve Brown  
Wayne Werner

\* Non voting members

The fourth meeting of the Ad Hoc Grouper IFQ Advisory Panel began at 9AM August 22, 2006. Dave McKinney chaired the meeting. The agenda for this meeting and minutes from the June 15 and May 18 meetings were approved with no additions.

The Panel reviewed decisions they had made from previous meetings and reaffirmed their choices.

Mr. Lundsten, a commercial fisherman from the Alaskan halibut and sablefish fishery, was invited to the meeting to discuss the process they went through during development of

an IFQ program. After providing an introductory summary of his background, he narrated a video depicting the operations of an Alaskan commercial fishing vessel. He then gave a PowerPoint presentation on the working conditions in that fishery both pre and post IFQ. Before the IFQ program, they had 72 hour seasons, derby fishing that caused major increases in gear and crews to remain competitive, no consideration for safety or bycatch. When asked whether fishermen would have developed an IFQ program if asked via a referendum, Mr. Lundsten said they would never have gotten an IFQ program. The commercial fishermen got the program using politicians as pressure points. Simplicity, grass roots efforts, lots of phone calls, lots of refinement, hurtling contentious groups, and about a year's worth of time, finally allowed them to accomplish their goals. And even after that, a referendum would probably not have passed because of people's reluctance to take risks and fear of the unknown. When asked if they held a referendum now to discontinue the IFQ program, what would happen, Mr. Lundsten said they would be 100% in favor of the IFQ program.

Elements of the Alaskan fishery included IFQ shares by region, species and vessel class (>60', 35'-06', <35'). Banking and borrowing up to 10 percent were allowed in order to offset annual variation in availability of resources or difficulties fishing such as weather or vessel downtime. Caps on the ownership of shares and on the annual allocation that may be fished by any vessel were implemented to reduce the likelihood of monopolies developing or shares moving quickly out of communities. Owners were required to be on board except that leases or other arrangements by initial IFQ shareholders were grandfathered in. Major wholesale dealers were given shares in exchange for their support of the IFQ program. These shares did not have restrictions on sale or lease. Crew members were given the right to buy shares provided they could document a minimum of 150 days as an active crew member in any US fishery. This was a way to allow new entrants into the fishery; it also provided an incentive for crew to remain in the fishery and be more professional. Small initial allocations of IFQ shares were issued in single blocks that could not be split. Along with ownership caps, blocking helped reduce the chances of monopolies developing. Other issues, such as licensed buyers, cost recovery, VMS, etc. were constructed similar to red snapper.

After the presentation, there was a long discussion of the Alaskan IFQ program between Mr. Lundsten and the Grouper IFQ Panel. Some points made included the need for accurate informational materials that can be disseminated to all fishermen; gains from an IFQ program are expected to be individual fisherman control of his commercial share of the resource and how it is used, rather than monetary gains; bycatch would be reduced as fishermen learned to be more efficient; fishermen were expected to gain control more so than dealers and middlemen; value of grouper landings may improve but not quickly; the recreational sector could alter any biological gains from an IFQ program because they take a much more significant share of the resource than in Alaska. Please see Minutes of the August 22 – 24 meeting for more details of the discussions.

Mr. Lundsten, as a longline fisherman, took a personal interest in developing the Alaskan IFQ program and getting it approved. He developed a framework document of recommendations for the IFQ program that he modified with input from other commercial fishermen. That document became the approved IFQ program. After participating in our discussions for awhile and seeing the differences of opinion within the Advisory Panel, he made the recommendation that one of the fisherman on the Panel

develop a framework document describing a complete set of IFQ recommendations for the Panel to discuss in a more structured way. Lee Deaderick agreed to develop such a document for presentation at the next meeting and the Panel asked staff to develop an outline document in support of Lee's efforts. First drafts of the outline and the framework document were completed before the October AP meeting.

There continues to be considerable discussion during meetings about current management measures that must change before an IFQ program can be successful. These issues will be developed in the report from the Panel to the Council as requirements for a successful IFQ program. High on the list is the concept that quota closures must not occur, thereby allowing 12 months of available fishing. The IFQ program is intended to shift the burden of closure to the individual fisherman rather than the commercial fishery as a whole. An individual fisherman may not be able to fish if he does not have a way to obtain annual allocation that reflects what he plans to bring to the dock, but no one else would be affected. Catch balancing tools such as banking and borrowing, aggregate shares, deemed value, and species annual allocation exchanges are all intended to allow the fisherman the ability to fish until he has no more annual allocation of any grouper remaining. Another issue is that the annual allocation distribution is the basis for all business planning. It must remain stable at least on an annual cycle and preferably for several years at a time or the five years between stock assessments.

The Panel made decisions about the qualifying criteria for a referendum at the last meeting and continued discussion of qualifying criteria for the initial IFQ allocations at this meeting. The Panel moved that a current active or renewable permit would be required to be part of the IFQ program. The Panel moved that the qualifying years for initial allocation be 1999 through 2004, throwing out any one year. The Panel moved that the permit holder's IFQ share will be calculated as the person's percentage of the total pooled landings (best five years). The Panel made several motions about the initial qualifying poundage but, they tabled the discussion until they have the history of landings by permit to determine how many permits would be excluded at various levels of annual average landings.

Representatives from the NMFS logbook program (Jason Rueter sat in for Michael Judge) and from the State of Florida were invited to the August meeting to discuss the two landings collection programs and how errors or misreporting could be corrected. Detail was given on how trip tickets are edited and under what circumstances black grouper are changed to gag. The Panel is worried that major errors in the logbook data will alter the initial allocation of IFQ shares to fishermen and a lengthy discussion of this issue ensued. At the previous meeting, the Panel requested that a letter be sent to all permit holders stating that a grouper IFQ program was being considered by the Gulf Council and that permit holders should request their landings history to verify the records. Subsequent to the August meeting, that letter was sent.

The Panel requested that NMFS check the records for approximately 50 vessels for outliers that might indicate the size of the problem. This would include unusual species, larger than normal trip totals, duplicate trip records that might indicate an error. The Panel also requested that estimated landings by permit for the available years be mailed to all permit holders as soon as possible. These requests were agreed to. The Panel moved to recommend using logbooks as the data source for both initial allocation and

referendum. The Panel also moved to implement an appeals process to address incorrect logbook data.

In the last items of business, the Panel set October 25 through 26, 2006 for the next meeting and decided because of the amount of work to do at the next meeting, no speaker would be invited.

The meeting adjourned at approximately 3:30PM.