



June 18, 2021

Dr. Tom Frazer, Chairman
Gulf of Mexico Fishery Management Council
4107 West Spruce Street, Suite 200
Tampa, FL 33607

Dear Chairman Frazer,

On behalf of the Gulf of Mexico Reef Fish Shareholders' Alliance (Shareholders' Alliance), please accept these comments regarding topics to be discussed at the Gulf of Mexico Fishery Management Council (Gulf Council) meeting in Key West, Florida next week.

1. Amendment 53

We urge the Gulf Council to support Alternative 2 in Action 1. Commercial fishermen throughout the Gulf of Mexico are united in their opposition to reallocation – everyone agrees that reallocation is not fair or equitable, it increases discards and discard mortality, it rewards overfishing, and it is based on questionable survey assumptions and data challenges. This widespread agreement was not only demonstrated by the opposition letter signed by [all seven of Florida's largest commercial fishing organizations](#), but was crystal clear at last week's Amendment 53 public hearings in Madeira Beach and Ft. Myers. By our count, there were nearly 50 speakers between the two public hearings and nearly 100% of these speakers pleaded with the Gulf Council to select Alternative 2 in Action 1 (recalibration *without* reallocation). In fact, not a single commercial fisherman spoke in favor of reallocation. Those charter/for-hire fishermen that did speak in favor of reallocation did so begrudgingly – it did not sit well with them that the only alternatives the Gulf Council presented that might extend their season did so at the expense of the commercial sector.

Additionally, despite the effort the Gulf Council put forth to plan and convene two online webinars and three in-person hearings, by our count it appears as though only one private angler spoke on this issue. We are left with little choice but to interpret this to mean that this issue simply not a priority for private anglers. Commercial fishermen – who stand to stand to lose millions of dollars *annually* if reallocation occurs – made the time to participate and turned out in droves because their businesses are on the line.

There is a path forward next week that will help *all* fishermen: the Gulf Council should immediately initiate a Framework Action to implement the results of the Interim Assessment (IA) and to direct Southeast Fisheries Science Center (SEFSC) staff to conduct the necessary analyses so that they can be translated into catch advice. The IA shows some promising rebuilding signals that match what fishermen are seeing on the water – this stock is recovering. Catch rates in 2021 appear to be much higher than in years past; in fact, as of June 15, the commercial sector already landed 52% of its quota. For the first time since 2014, commercial fishermen are on track to harvest 100% of the commercial quota. This increase in catchability and the mismatch between it and the commercial

quota is resulting in a scarcity of allocation, which is contributing to industry frustration. Approximately 1,000,000 pounds of quota could be sustainably added to the fishery – and alleviate much of the concern you continue to hear – if the Gulf Council directs the SEFSC to prioritize this work. These annual “check ins” were requested for this very purpose – so that management could respond quickly to the cyclical nature of the stock, as well as stock changes as it rebounded from the impacts of the 2017 red tide.

Our more detailed comments on Amendment 53 will be submitted to you in a subsequent letter.

2. Amendment 36B

At the January 2020 meeting in New Orleans, we committed to working with the Gulf Council to provide feedback on Amendment 36B. We polled our membership on the alternatives in this document over the summer of 2020. Our Board of Directors reviewed those results and provided recommendations to the Gulf Council ahead of the October 2020 meeting, though the agenda item was ultimately deferred due to Hurricane Zeta. We offer these preliminary recommendations again here and note that we expect them to be further informed by ongoing public comment sessions and formal Public Hearings.

Based on the input of our members and Board of Directors, the Shareholders’ Alliance preliminarily supports the proposal to re-institute a requirement that an individual fishing quota (IFQ) shareholder should possess a valid or renewable commercial reef fish permit in order to maintain or obtain IFQ shares (Action 2.1). Furthermore, the Shareholders’ Alliance preliminarily supports the proposal to require 5 years for a shareholder to divest their holdings or evolve their business to be adhere to these new regulations (Action 2, Alternatives 2c and 3c). Finally, based on recent discussions and analysis, the Shareholders’ Alliance preliminarily supports the proposal to activate this requirement for accounts established after implementation of Amendment 36B (Action 1, Alternative 5). These alternatives would offer maximum flexibility and minimum disruption to the commercial fishing and seafood businesses that have operated under the existing rules for more than a decade.

While we preliminarily support these proposals, the implications are still far from clear-cut. We continue to caution against unintended consequences and the lack of a clear Purpose and Need statement in this document. As we predicted, reef fish permit prices have skyrocketed since the formal consideration of this provision (Table 3.4.1.4 of the document shows that permit prices have increased from \$8,749 to \$17,000,¹ and anecdotal evidence suggests that average permit prices in 2021 exceed \$20,000). This clearly challenges the Gulf Council’s intent to support replacement entrants entering the fishery.

Furthermore, according to National Marine Fisheries Service’s (NMFS’s) own data, less than 10% of IFQ accounts either do not have a permit *or* are not related to another account^{2,3} and that there is no evidence of collusion⁴ or market power in any landings, shares, or annual allocation markets for each share category.⁵ As such, speculations of market “manipulation” are not supported by the data.

¹ Gulf Council. [Amendment 36B](#). Table 3.4.1.4. p 39.

² Gulf Council. 2021. [Red Snapper and Grouper-Tilefish Individual Fishing Quota Programs Review](#). Table 4.2.4.2. p 100.

³ Gulf Council. June 2021. [Presentation to Ad Hoc IFQ AP](#)

⁴ Gulf Council. 2021. [Red Snapper and Grouper-Tilefish Individual Fishing Quota Programs Review](#). p 124.

⁵ Gulf Council. 2021. [Red Snapper and Grouper-Tilefish Individual Fishing Quota Programs Review](#). p 44.

The full implications of Amendment 36B are further muddled by the outstanding questions posed at the October 2020 Reef Fish Advisory Panel (AP) meeting and in the Amendment 36B [presentation for this meeting](#). The Gulf Council should answer these questions before implementing the Amendment. Our input on some of these outstanding questions are as follows:

- *Should the dates identified in Action 1 apply to when the account was created or when the account was first logged into?*
 - Created. Amendment 36B has used the phrase “established” consistently since the start of this conversation. The industry has reasonably interpreted this to mean “created.” Once NMFS creates an account, login information is then mailed to account owners, and therefore login dates can *only* occur *after* creation dates. Login dates can be delayed due to variables like the U.S. Postal Service (USPS) schedule, fishing schedules, and NMFS capacity and availability. Compliance with Amendment 36B shouldn’t be subject to the whim of these variables, including and especially the USPS. The most consistent and straightforward approach to addressing this issue is to maintain that the “established” date is the date of account creation.
- *Can an exempt account increase its shares?*
 - Yes. We support the implementation of a permit requirement in a manner that minimizes disruption to the fishery and allows successful businesses to evolve and grow within the existing IFQ share cap requirements. Additional artificial limitations are an unnecessary burden that would hurt small and large businesses alike and provide no conservation or economic benefit.

The time has come – nearly a decade after it began – to close this debate and move forward. We have provided our preliminary recommendations and are committed to continuing to work with the commercial fishing industry and the Gulf Council to bring this conversation to a constructive and minimally disruptive conclusion.

3. Amendment 36C

As the Gulf Council considers how to modify the IFQ programs, we remind the Gulf Council that any modification should meet the goals and objectives of those programs, the fishery management plan, and the NMFS recommendations from the Red Snapper and Grouper-Tilefish Individual Fishing Quota Programs (5-Year) Review.

The Shareholders’ Alliance continues to oppose the commercial hail-in penalties (Action 3) in Amendment 36C and therefore we support the Ad-Hoc IFQ AP’s motion “In Action 3, to make Alternative 1 the preferred in Amendment 36C.”⁶ This action does not meet the Purpose and Need of the document, and it places unnecessary burden on commercial fishermen that are already providing multiple data streams for every fishing trip. We also question the need for this provision - this issue was first brought to the Gulf Council in 2014⁷ and since that time, the number of enforcement cases

⁶ June 2, 2021. Ad-Hoc Red Snapper/Grouper-Tilefish IFQ Advisory Panel. [Meeting Summary](#).

⁷ Gulf Council. [Amendment 36B](#). Table A1. p 106

have actually *decreased*.⁸ Simply put: this is a non-issue that the NOAA Office of Law Enforcement does not support⁹ and is opposed by the Gulf Council’s Law Enforcement Technical Committee.¹⁰

We also support the AP motion “For the NOAA-run quota bank action be eliminated as an option in Amendment 36C.” Quota banks are an incredibly valuable tool to improve a fishery and solve fishery problems, including reducing discards and supporting the next generation of replacement entrants into the fishery. But these community programs work best when built and run by-fishermen-for-fishermen; in fact, despite the presence of quota banks from the Gulf of Mexico to Alaska to Maine, we are not aware of any that are run by NMFS. We will continue to support fishermen-run quota banks – as we are already doing in Mississippi – and encourage their continued growth and development.

4. Scientific and Statistical Committee

The Scientific and Statistical Committee (SSC) is a critical part of the Gulf Council process. This body is meant to be the impartial scientific expertise that provides guidance to the Gulf Council on acceptable catch levels, the health of stocks, the accuracy of stock assessments, and other ways to incorporate sound science into the management process. It is vital to populate this body with individuals who have a proven track record of active participation, reliable attendance, and strong demonstration of the scientific processes. The integrity of this body must remain intact – our management process and the health of our fisheries depends on it.

5. Amberjack

The Gulf’s amberjack fishery has been overfished and undergoing overfishing for *45 years*.¹¹ It continues to miss rebuilding deadlines, and both commercial and charter fishermen continue to grow frustrated over the lack of a long-term solution. Now, the Gulf Council has decided to take up amberjack reallocation instead of solving the chronic management problems that plague this fishery which, as we know from red grouper and red snapper, will likely contribute to continued overfishing. We urge the Gulf Council to fix this fishery before taking on yet another disruptive, combative, and unsustainable allocation debate.

Thank you for the opportunity to comment.

Sincerely,



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⁸ Gulf Council. [Red Snapper and Grouper-Tilefish Individual Fishing Quota Programs Review](#). Table 10.1.1. p 175.

⁹ August 2018. [Gulf Council Reef Fish Management Committee Meeting Minutes](#). p. 65

¹⁰ Gulf Council Law Enforcement Technical Committee/Gulf States Marine Fisheries Commission Joint Enforcement Committee Joint Meeting. October 2019. [Meeting Summary](#). p 3.

¹¹ SEDAR 70.