



Gulf of Mexico Reef Fish Quota Bank

2021 Annual Meeting

Hosted by the
Gulf of Mexico Reef Fish Shareholders' Alliance
November 30, 2021 / virtual
Annual Meeting Summary

EXECUTIVE SUMMARY

One Quota Bank member, one Quota Bank Member's spouse, and two Gulf of Mexico Reef Fish Shareholders' Alliance (Shareholders' Alliance) staff members convened for the 6th Quota Bank Annual Meeting. Due to the ongoing COVID-19 pandemic, and general positive feedback from members from the 2020 Quota Bank Annual Meeting, the meeting was held virtually via Zoom on November 30, 2021. This group came together to act as a *de facto* public "Advisory Committee" to assess and evaluate the Gulf of Mexico Reef Fish Quota Bank (Quota Bank), discuss threats and opportunities, and provide recommendations for the Gulf of Mexico Reef Fish Shareholders' Alliance (Shareholders' Alliance) Board of Directors to consider for improvements to the program in 2022. They met from approximately 10 am to 11:15 am EDT.

Key themes that arose throughout the meeting included:

- The program is generally operating smoothly and members appreciate the opportunity to work with staff to improve the program.
- The Quota Bank offers a valuable service to fishermen.
- Participation in fishery regulator meetings is more accessible with virtual option.

MEETING PURPOSE

The goal of this meeting was to provide a platform for discussion and evaluation of the Quota Bank, and to provide recommendations for improvements. We set out to accomplish this through the following strategies:

1. Virtually bring together Quota Bank members, potential members, staff and fishermen in a public, transparent, and constructive setting.
2. Provide necessary context for the development and operations of the Quota Bank.
3. Evaluate the performance of the Quota Bank.
4. Plan for the future by providing recommendations to the Shareholders' Alliance Board of Directors.

ATTENDEES

The following individuals attended the meeting:

Name	Affiliation	Location
Ryan Bradley	Quota Bank Member	Pass Christian, MS
Anna Woods	Spouse of Quota Bank Member	Perry, FL
Eric Brazier	Shareholders' Alliance Staff	Key West, FL
Ashford Rosenberg	Shareholders' Alliance Staff	New Orleans, LA

MEETING SUMMARY

I. INTRODUCTIONS AND PRIORITIES

Eric initiated the meeting at 10:10 am EDT. Meeting participants introduced themselves and provided some background about their participation and interest level in the Gulf of Mexico Reef Fish Quota Bank (Quota Bank). Both participants expressed that the Quota Bank plays an important role in their businesses by providing access to red snapper allocation.

The meeting purpose was identified (see above) and briefly discussed, with Eric informing the group that they would be acting as a *de facto* public “Advisory Committee” (Committee) to the Shareholders’ Alliance Board of Directors (Board) as the Board reviewed and determined whether or not to make changes to the program for 2022.

II. HISTORY, PURPOSE AND NEED

Eric began the discussion by explaining a brief history of the Quota Bank and its evolution since it started. The Quota Bank was launched in 2015 as a bycatch reduction program and now has the added goal of supporting the next generation of commercial fishermen. He then discussed the Quota Banks Vision and Mission statements, and explained that every decision made for the Quota Bank is tied back to these statements.

- **Vision:** *The Reef Fish Quota Bank is a replicable, financially solvent program that encourages fishery leadership, promotes sustainable fishing practices and supports the next generation of fishermen.*
- **Mission:** *The Reef Fish Quota Bank leases fishery allocations to qualified members to reduce wasteful discards and improve economic viability of fishing businesses. We help give fishermen a voice in the regulatory process and position them to solve fishery problems.*

Eric then notified the participants that in 2019, the Quota Bank worked with Catch Together to purchase 0.79% of shares (approximately 50,000 pounds in 2019) of red snapper Individual Fishing Quota (IFQ). This, combined with shares donated to the Quota Bank and annual allocation donations, allowed for a total of 73,311 to be available to Quota Bank members in 2021.

This was followed by a discussion of the conservation, social, economic, management and operations goals and objectives of the Quota Bank.

- **Conservation:**
 - Red snapper discards and discard mortality are reduced.
- **Social:**
 - The next generation of reef fish fishermen are supported.
- **Economic:**
 - Reef fish businesses experience improved profitability.
- **Management:**
 - Fishermen are active in improving the regulatory process (priority)
- **Operations:**
 - A fiscally-healthy, defensible, and replicable model is developed.

III. PROGRAM OPERATIONS

Eric then presented the various components of the existing (2021) Quota Bank to the Committee for discussion and feedback.

- **Gear Requirements**
 - Existing Policy
 - *Members agree to use bandits, handgear, bottom longlines, buoy gear, or spear for harvesting reef fish in the Gulf of Mexico in accordance with all applicable gear regulations.*
 - *Applications will be ranked by gear type (among other criteria) as follows:*
 - *Tier I – bottom longline (highest priority for allocation)*
 - *Tier II – bandit/rod and reel/handgear*
 - *Tier III – spear (lowest priority for allocation)*
 - Committee Recommendation
 - To keep the current gear requirements for 2022.
- **Permit Requirements**
 - Existing Policy
 - *Members confirm that they own an active commercial Gulf of Mexico reef fish permit and are compliant with all applicable permit requirements.*
 - Committee Recommendation
 - To keep the current permit requirements for 2022.
- **IFQ Account Requirements**
 - Existing Policy
 - *Members confirm that they maintain an active and compliant IFQ account with NMFS*
 - Committee Recommendation
 - To keep the current IFQ Account requirements for 2022.
- **Best Practices**
 - Existing Policy
 - *Members agree to adhere to all Quota Bank requirements.*
 - *Unless otherwise specified, Members agree to use red snapper allocation only for bycatch in the red grouper fishery, not for a targeted fishery.*
 - *Members agree to land and account for all legal-sized red snapper caught (i.e. no highgrading) to the extent possible.*

- *Members agree to minimize the mortality of the released sublegal snapper to the extent possible using appropriate techniques or devices.*
 - *Members agree that they cannot lease out any red snapper allocation they receive as part of my participation in the Quota Bank. Members understand that the Shareholders' Alliance has a Right of First Refusal on any unused Quota Bank allocation, not to exceed initial lease price.*
 - *Members agree to work with the Shareholders' Alliance to improve the Quota Bank as it continues to grow and Members commit to supporting the Quota Bank in public. Members agree to voice any concerns or questions they have directly with Quota Bank Staff in a timely, transparent, and constructive manner*
 - Committee Recommendation
 - To keep the current Best Practices for 2022.
- **Meeting Requirements**
 - Existing Policy
 - *Quota Bank members are required to attend two management/regulatory meetings per year. Management/Regulatory meetings include a Gulf Council meeting, Florida Fish and Wildlife Conservation Commission meeting, Louisiana Wildlife and Fisheries Commission Meeting, Mississippi Commission on Marine Resources meeting, or Washington DC fly-in with the Shareholders' Alliance.*
 - *Quota Bank members are also required to attend one Quota Bank meeting per year. Shareholders' Alliance staff will be hosting Quota Bank meetings as a breakfast or luncheon at each Gulf Council meeting, in addition to the annual Quota Bank meeting.*
 - *Attending more meetings than required (e.g. 3 or more) will place an applicant in a higher priority for allocation in subsequent years, to be applied to all eligible applications before analysis of other criteria.*
 - *High priority for allocation – attending more meetings than required in previous year.*
 - *Standard priority for allocation – attending only the number of meetings required in previous year.*
 - *Approved members can reapply for allocation in a calendar year but must have met all meeting attendance and leasing requirements (see below) before doing so.*
 - *Previous members can reapply to the Quota Bank in subsequent years but must have met all meeting attendance requirements before doing so.*
 - *If a previous member reapplies and has not met meeting requirements in the previous year, the applicant must make up the missed meetings in the previous approval period before receiving allocation.*
 - Example: *Applicant attended one regulatory meeting in Year X and has reapplied to the Quota Bank. He/she must attend one regulatory meeting and one Quota bank meeting in Year Y before receiving allocation **and** must attend two additional regulatory meetings and one Quota Bank meeting to be compliant with the requirements in Year Y.*
 - Committee Discussion and Recommendation

- Committee members agreed that virtual management meetings made it easier to tune in and “attend” the meetings.
 - **Recommendation:** To keep the meeting requirements the same for 2022.
 - **Application and Allocation Process**
 - Existing Policy
 - *Applications will be accepted on a quarterly basis and processed four times per year. Applications may be submitted at any time prior to the quarterly deadline identified below:*
 - *December 15 of the previous year for Quarter 1 (January 1 – April 14)*
 - *April 15 for Quarter 2 (April 15 – July 14)*
 - *July 15 for Quarter 3 (July 15 – October 14)*
 - *October 15 for Quarter 4 (October 15 – December 31)*
 - *The Board will review applications as soon as practicable after each quarterly deadline. Applications will be evaluated based on compliance with eligibility criteria, commitment to best practices, prioritization of gear and meeting attendance, allocation availability, and historical compliance with Quota Bank requirements (if applicable).*
 - *Approved members can reapply for allocation during the year, but must have met all meeting attendance requirements before doing so.*
 - *Applicants may apply for, and the Board may approve, two-year allocation commitments (consecutive years only); however, the approval is voided for Year 2 if the member is not compliant with program requirements in Year 1. Approval for a two-year commitment will require the member to identify Year 2 meetings to attend once the appropriate body publishes the meeting schedule.*
 - *In the future, two-year allocation commitments may require additional standards of performance.*
 - *The Quota Bank will lease red snapper allocation to eligible participating members. The exact amount will be determined by the Board and will be based on requested amount, compliance with eligibility criteria and commitment to best practices, prioritization of gear and meeting attendance, allocation availability, and historical compliance with Quota Bank requirements (if applicable).*
 - *Allocation will be leased in increments of no less than 1,000 pounds.*
 - *Allocation is first-come, first served. The Quota Bank will not hold allocation in reserve.*
 - *It is the intent of the Quota Bank to lease out 100% of its annual allocation by October 15 each year.*
 - *It is the intent of the Quota Bank to lease allocation to eligible members at or near fair market value using an objective and pre-determined formula (see Quota Bank website FAQ).*
 - *The Board has determined that the Deputy Director should have sole responsibility and authority to determine the lease price for allocation without the involvement of the Board or its individual members in accordance with a formula that relies solely on publicly available data.*
 - *The Deputy Director shall undertake this survey of publicly available sources of data without informing the Board of the timing or results of that*

survey. Until such time, Board members shall not inquire about or discuss the survey of publicly available sources of information, the results of that survey, or the resulting lease price with the Deputy Director, and the Deputy Director shall not discuss any such topics with any Board member, until at least 60 days have passed.

- *Lease price may be subject to change over the course of the year in response to changes in market conditions.*
- *The Deputy Director shall notify the member of the lease price at the time the member is notified that they are approved for the program.*
- *Members will pay for allocation prior to receiving allocation from the Quota Bank.*
- *Members must lease 25% of their allocation within 2 weeks of approval and lease the remaining allocation by the end of the quarter in which they were approved.*
- *Payment is preferred by electronic means (i.e. electronic transfer, wire or PayPal), however payment by check will be accepted. Member agrees to cover all costs associated payment (i.e. wire and PayPal fees, USPS charges).*
- *The Deputy Director will electronically transfer the appropriate amount of allocation to the member's IFQ account upon receipt of full payment. Allocation will not be transferred prior to a confirmation that the payment has been received.*
- *Allocation payment must be paid separately from membership payment.*
- *Members will not lease out any red snapper allocation they received as part of the Quota Bank program.*
- *The Shareholders' Alliance has a Right of First Refusal on any unused allocation, not to exceed initial lease price.*
- *The Member is responsible for preventing individual allocation overharvest.*
- Committee Discussion and Recommendation
 - Eric summarized the application and allocation procedures for the Committee, including thoroughly explaining rationale and legal/operational structures in place to ensure the integrity and success of the Quota Bank.
 - Eric asked the Committee about the possibility of adding an option for Quota Bank members to apply for a larger sum of allocation (>3,000 pounds) to last the entire calendar year, but with the caveat that it would have to be paid for in its entirety up front.
 - Committee members were generally favorable toward this idea, but suggested some flexibility be built in to address extenuating circumstances such as boat break downs or hurricanes.
 - Shareholders' Alliance staff stressed that so long as a Quota Bank member stays in communication, staff are committed to working with members in the case they cannot utilize the allocation they have committed to.
 - One Committee member suggested analyzing a member's past usage of allocation as part of the approval process for this new category to ensure a person can utilize the amount of allocation they apply for.
 - **Recommendation:** To add an option for a Quota Bank member to apply for a single larger amount of allocation (>3,000 pounds) that will be 100% paid

for up front and will be the only allocation an applicant will receive for the calendar year.

- **Membership**

- Existing Policy

- *Members agree to participate in the Quota Bank for the 2020 fishing year unless they are applying for a two-year commitment. This agreement will be valid through December 31, 2020 (or December 31, 2021 if applicable).*
 - *Members agree to join the Shareholders' Alliance prior to receiving allocation from the Quota Bank. The purpose of this membership is to help cover the cost of operating the Quota Bank, to build capacity for the Shareholders' Alliance to influence policy decisions, and to enable the Quota Bank to continue to provide fishermen with access to red snapper allocation.*
 - *Membership dues to the Shareholders' Alliance for Quota Bank members in 2019 and beyond is \$0.20/lb up to a maximum of \$1,000 (or 5,000 lbs).*
 - *If you are already a Shareholders' Alliance member, your existing membership will be credited toward the \$0.20/lb dues.*
 - *The Board believes it is valuable for a fisherman to have a business plan, and that solid business plans support successful businesses. To this end, the Quota Bank commits to working on providing this type of support and services to Quota Bank members over time. Future Quota Bank eligibility criteria may include measures of business and/or fiscal health.*

- Committee Recommendation

- To keep the current membership requirements for 2022.

- **Reporting**

- Existing Policy

- *Members will provide complete copies of federal trip tickets or vessel logbooks electronically to Quota Bank staff within 24 hours of landing or as soon thereafter as possible prior to the start of the next trip, whichever comes first. Failure to do so may impact the ability to lease additional allocation.*
 - *Members authorize the release of information to Quota Bank staff regarding the catch of various species of fish associated with the Participating Vessel.*
 - *If a Quota Bank member is selected by NOAA to submit Supplemental Discard and Gear Interaction Reports, they must also submit them to the Quota Bank along with their federal trip tickets or vessel logbooks.*
 - *Quota Bank staff will use these data to analyze catch and allocation usage. These data will be considered confidential and will not be shared with others individuals or entities, including the Shareholders' Alliance Board.*
 - *Members are strongly encouraged to voluntarily and accurately report their red snapper discards to the Quota Bank on all trips. This may become a program requirement in the future.*

- Committee Discussion and Recommendation

- Eric summarized the reporting requirements.
 - Eric notified the Committee that NOAA Fisheries is developing electronic reporting requirements (electronic logbooks, or ELBs) for commercial fishermen that will likely be implemented in the next 12 months.

- Eric asked Committee members if they would be willing to test ELBs and provide feedback to NOAA Fisheries to ensure these new programs are useful for fishermen. One Committee member confirmed they were willing to test electronic reporting software; the other Committee member committed to checking with the member of the business that assisted with their paper reporting
- Eric also notified the Committee that it could be possible that once electronic reporting is finalized that there may be opportunity for duplicate reports to be sent directly to Shareholders' Alliance staff for Quota Bank members, therefore providing an easier and more streamlined way to meet Quota Bank reporting requirements.

IV. QUOTA BANK THREATS AND OPPORTUNITIES

Eric summarized the results of a survey sent to members of the Quota Bank which asked them to identify strengths, weaknesses, threats, and opportunities. Committee members reviewed the results and came to the consensus that the input from Quota Bank members on the survey were reasonable and supported the transparent and inclusive process the Shareholders' Alliance has developed for modifying the Quota Bank.

Strengths	Challenges	Recommendations
<ul style="list-style-type: none"> • Staff (2) • Flexibility to evolve the quota bank and change things with the program as the fishery changes due to external factors affecting market prices (Covid in 2020) (2) • Affiliation with the Shareholders' Alliance (1) • Keeping us members in the loop (1) • Attending meetings (1) • Allowing access to the eastern gulf fishers to ARS and therefore reducing discards and building a better fishery for all (1) • Good management (1) • Not sure (1) 	<ul style="list-style-type: none"> • Securing adequate allocation, including red snapper and other IFQ species (2) • More transparency on what's is going on amongst the actual fishermen so that they understand at their level (2) • Need more meetings amongst the local fishers via zoom or local areas to discuss problems we are facing in our industry (1) • Fact vs opinion (1) • Getting fish houses involved with quota bank (1) • Not sure (1) 	<ul style="list-style-type: none"> • Secure more allocation, including red snapper & other IFQ species (2) • Grow membership (1) • Require more participation at quarterly meetings (1) • More transparency on what's is going on amongst the actual fishermen so that they understand at their level (1) • Getting fish houses involved with quota bank and transparency with the fishermen (1) • Focus group created for ideas etc. (1) • Continue to weed out the "fly by night" operations that are around for a year or two and sell out and fail (1) • Not sure (1)

V. POLICY THREATS AND OPPORTUNITIES

Ashford briefly led a discussion about current fishery policy threats and opportunities, including:

- Federal threats and opportunities
 - Magnuson-Stevens Fishery Conservation and Management Act
 - Offshore Wind

- Young Fishermen’s Development Act
- Aquaculture
- Disaster Relief
- Regional threats and opportunities
 - Gulf Council seats
 - Red Grouper Reallocation and Catch Levels
 - IFQ Reform
 - IFQ Focus Group
 - Amendment 36B
 - Recreational landings recalibration (Fishing Effort Survey)
 - Red Snapper Common Currency

VI. COMMITTEE RECOMMENDATIONS

Below is a list of Committee recommendations compiled throughout the meeting:

1. Maintain gear requirements for 2022.
2. Maintain permit requirements for 2022.
3. Maintain IFQ account requirements for 2022.
4. Maintain Best Practices for 2022.
5. Maintain meeting requirements for 2022.
6. Maintain application and allocation process for 2022 but also consider a new application category for a larger sum of allocation at the first of the year that is 100% paid for before distribution.
7. To maintain the trip ticket and NOAA Fisheries Supplemental Discard and Gear Interaction Reports requirement for 2022.

VII. NEXT STEPS

Eric identified the next steps coming out of this meeting:

1. Staff will compile their notes into a detailed meeting summary for internal purposes and an executive meeting summary for external purposes.
2. Staff will send these documents. The final version of these documents will be considered the official public record of the meeting.
3. The Board will review these documents and consider the Committee’s recommendations when planning the 2022 Quota Bank program.
4. Once the Board has formalized the 2022 Quota Bank program, Staff will update the application and operations plan documents, and will make them available to the public.

Eric thanked the Committee for its work and concluded the meeting at approximately 11:15 am EDT.



Gulf of Mexico Reef Fish Shareholders’ Alliance

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