Gulf of Mexico Reef Fish Quota Bank

Operations Plan and Agreement

Fishing Year 2017

The Gulf of Mexico Reef Fish Shareholders' Alliance is a fishermen's advocacy organization that represents the interests of commercial reef fish fishermen and other stakeholders in the Gulf of Mexico. We work hard to maintain accountability and conservation-based management for our region's fisheries. By working closely with regional managers, state agencies, and federal representatives, we strive to improve fishery regulations and ensure that we can continue to provide the American public with a sustainable source of domestically-caught Gulf of Mexico seafood. Everything we do is founded in our belief that conservation and stewardship protect fish populations *and* fishermen's businesses.

The Gulf of Mexico Reef Fish Shareholders' Alliance launched the first Quota Bank in the Gulf of Mexico in 2015 as an innovative solution to reduce red snapper discards and to demonstrate that fishermen can solve fishery problems. In 2016, the Shareholders' Alliance expanded this successful program to provide more benefit to the fishery. We anticipate 2017 being even better and we hope you'll consider joining us. Here's how it works:

- 1. We lease eligible fishermen the allocation they need to cover their red snapper bycatch. We are also working to help support the next generation of reef fish fishermen in the Gulf of Mexico.
- 2. In exchange for getting this allocation, Members agree to hold themselves to a high standard of accountability, report their catch electronically to us within 24 hours of landing, operate under a set of Best Business Practices, and join the Shareholders' Alliance to build capacity for this program to help even more fishermen in the future.
- 3. We are a fishermen's program that is generating triple-bottom-line benefits by reducing red snapper discards, making red grouper businesses more profitable, supporting the next generation of fishermen, and getting more fishermen involved in solving their management and regulatory problems.

This Operations Plan and Agreement (Agreement) outlines the details of the program, the roles and responsibilities of the Shareholders' Alliance Staff and Board of Directors (Board), and the requirements of Members. Upon agreement and signing of this document by the prospective Quota Bank Member and the Shareholders' Alliance representative, Members will be enrolled in this program for 2017.

PROGRAM OPERATIONS

Eligibility

To be eligible to participate in the Quota Bank, fishermen must meet the following criteria:

- Use only bandits, handgear, bottom longlines, or buoy gear to catch reef fish.
- Own an active reef fish permit.
- Have an active IFQ account.
- Agree to join the Shareholders' Alliance (\$0.20/pound of leased allocation, up to \$1,000).
- Commitment to provide copies of trip tickets or logbooks electronically to the Shareholders' Alliance within 24 hours of landing.
- Agree to attend at least one meeting of the Florida Fish and Wildlife Conservation Commission or the Gulf of Mexico Fishery Management Council, or participate in a Washington DC Fishermen's Fly-In with the Shareholders' Alliance.

• If this is your first year in the program, agree to provide trip tickets and logbooks for the previous fishing year.

Best Practices

Members of the Quota Bank are committed to operating their fishing businesses in a manner that promotes conservation and accountability, including agreement to the following "Best Business Practices":

- Unless otherwise specified, red snapper allocation will be used only for bycatch in the red grouper fishery, not for a targeted fishery.
- All legal-sized red snapper caught will be landed and accounted for (i.e. no regulatory discarding) to the extent possible.
- The mortality rate of the released sublegal snapper will be minimized to the extent possible using appropriate techniques or devices.
- The Shareholders' Alliance has a Right of First Refusal on any unused Quota Bank allocation, not to exceed initial lease price. Members will submit copies of their trip tickets or logbooks electronically to the Shareholders' Alliance within 24 hours of landing.
- Members will work with the Shareholders' Alliance to attend at least one management/regulatory meeting over the course of the year
- Members will work with the Shareholders' Alliance to improve the Quota Bank as it continues to grow, and will act as "fishermen ambassadors" to promote the Quota Bank in their fishing communities.

Membership

The Quota Bank seeks a high-caliber of fisherman to join and promote this program. Membership details are as follows:

- Participation in the Quota Bank is voluntary.
- Members agree to participate in the Quota Bank for the 2017 fishing year. This agreement will be valid through December 31, 2017.
- Eligible and interested fishermen will provide an application to the Shareholders' Alliance Board. The Board will use its discretion and the list of eligibility requirements to determine whether the applicant shall be admitted as a Member of the Quota Bank. Admission will be effective once a Board Representative and the new Member have signed this Agreement.
- Members agree to join the Shareholders' Alliance (\$0.20/pound of leased allocation, up to \$1,000).
- Members authorize the release of information to the Deputy Director of the Shareholders' Alliance regarding the catch of various species of fish associated with the Participating Vessel.
- Members agree that they have the authority to enter into this Agreement on their behalf and on behalf of the Participating Vessel they represent.

Allocation, Reporting and Finances

The Quota Bank will lease red snapper allocation to Members at fair market value for the purpose of landing and accounting for their red snapper bycatch in the targeted red grouper fishery.

- Lease Amount:
 - o The Quota Bank will lease red snapper bycatch allocation to participating Members. The exact amount will be determined by the Board and Member. Allocation will be leased in multiples of 500 pounds with a 1,000 pound minimum.
- Lease Price:
 - o The price of this lease will be set at/around fair market value at the time of the lease as determined by the Board and acknowledged by the Member, and identified at the end of this Agreement.

• Payment:

- Members will pay for allocation prior to receiving it from the Quota Bank. Payment will be accepted by check or electronic wire transfer. An allocation distribution and financial payment plan will be agreed on by the Member and the Board.
- The Deputy Director will electronically transfer the appropriate amount(s) of allocation to the Member's IFQ account upon receipt of full payment(s).
- Allocation payment and membership payment will be made separately.

Reporting:

- Members will provide copies of federal trip tickets or vessel logbooks electronically to the Deputy Director within 24 hours of landing or prior to the start of the next trip, whichever comes first.
 Failure to do so may impact the ability to lease additional allocation.
- o Members will provide copies of federal observer data on observed trips to the Deputy Director within a reasonable timeframe (i.e. when available from the observer program).
- The Deputy Director and Board will use these data to analyze catch and allocation usage. These data will be considered confidential and will not be shared with others.
- o 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.

• Allocation Management:

- o The Shareholders' Alliance has a Right of First Refusal on any unused allocation, not to exceed initial lease price.
- o The Member is responsible for preventing individual allocation overharvest. Individual overharvest that does or does not result in Quota Bank overages may be subject to penalties.

Meeting Participation

Members agree to attend at least one of the following meetings (check one). Note that funding may be available to assist with travel – please contact the Deputy Director for more information.

January 30 – February 2, 2017: Gulf of Mexico Fishery Management Council (New Orleans, LA)
February 8-9, 2017: Florida Fish and Wildlife Conservation Commission (Crystal River, FL)
Spring TBD: Washington DC Fishermen's Fly-In
April 3-7, 2017: Gulf of Mexico Fishery Management Council (Birmingham, AL)
April 19-20, 2017: Florida Fish and Wildlife Conservation Commission (Tallahassee, FL)
June 5-9, 2017: Gulf of Mexico Fishery Management Council (Naples, FL)
July 10-11, 2017: Florida Fish and Wildlife Conservation Commission (Kissimmee Area, FL)
Summer TBD: Washington DC Fishermen's Fly-In
August 7-11, 2017: Gulf of Mexico Fishery Management Council (San Antonio, TX)
Fall TBD: Washington DC Fishermen's Fly-In
September 27-28, 2017: Florida Fish and Wildlife Conservation Commission (Gainesville, FL)
October 2-6, 2017: Gulf of Mexico Fishery Management Council (Biloxi, MS)
December 6-7, 2017: Florida Fish and Wildlife Conservation Commission (Okeechobee, FL)

Administration

The role of the Deputy Director is to oversee the daily operations of the Quota Bank, including but not limited to:

- Tracking, accounting for, and transferring red snapper allocation.
- Analysis of catch reporting.
- Management of Quota Bank finances.

The role of the Board is to manage and oversee the Quota Bank program, including but not limited to:

- Program admission and operations.
- Enforcement of program policies, Best Business Practices, and this Agreement.
- Addressing of grievances.

Enforcement

Enforcement of program policies and this Agreement is necessary to maintain the integrity of the Quota Bank and to promote the long-term stability of this program.

- Members participating in the Quota Bank must comply with all applicable requirements and conditions of this Agreement and other applicable state and federal regulations.
- Members agree that the Board and/or the Deputy Director will enforce this Agreement, and that they have
 the authority to invoke sanctions ranging from letters of warning to reductions in allocation to expulsion
 from the Ouota Bank.
- All appeals from such Board action shall be made in writing to the Board for review and consideration. Members agree to cooperate fully with the Board and the Deputy Director in such procedures.
- Members acknowledge that the Quota Bank is a program of the Shareholders' Alliance and agrees not to hold the Shareholders' Alliance liable for violations of the law, applicable regulations, and this Agreement committed by Quota Bank Members.
- Members in violation of this Agreement and/or other state or federal regulations agree to indemnify, defend and hold harmless the other Members of the Quota Bank and the Shareholders' Alliance Board and Deputy Director.

SIGNATURE PAGE

The undersigned parties have agreed and executed this four page Gulf of Mexico Reef Fish Quota Bank

Operations Plan and Agreement for 2017, as of the date written below.			
Owner Name	Owner Signature	Date of Agreement	
Vessel Name	Red Snapper Allocation Lease (Amount)	Lease Price (\$)	
Additional Information:			