

# Gulf of Mexico Reef Fish Quota Bank

## 2019 Membership Application and Agreement

The Gulf of Mexico Reef Fish Shareholders' Alliance (Shareholders' Alliance) launched the first Quota Bank in the Gulf of Mexico in 2015 to reduce red snapper discards in the eastern Gulf and to support the next generation of commercial red snapper fishermen. 2019 will be our fifth year of operation. Here's how the program works:

1. The Gulf of Mexico Reef Fish Quota Bank leases red snapper allocation to:
  - Eligible grouper fishermen that need red snapper allocation to cover some of their discards
  - Eligible "next generation" red snapper fishermen that are entering the fishery.
2. In exchange for leasing this allocation, members agree to hold themselves to a high standard of accountability and participate in program requirements including electronic reporting, Best Practices, participation in regulatory meetings, and joining the Shareholders' Alliance.
3. The Quota Bank is the only program of its kind in the Gulf of Mexico that is generating multiple benefits for your fishery by:
  - reducing red snapper discards,
  - making fishing businesses more profitable,
  - supporting the next generation of fishermen, and
  - getting more fishermen involved in solving their management and regulatory problems.

In response to industry and member recommendations, the Shareholders' Alliance has updated the Quota Bank for 2019, including but not limited to:

- Quarterly application deadlines,
- Attendance at a minimum of two regulatory meetings,
- Ranked eligibility criteria, and
- Additional outreach and commitments to transparency

Please review this document in its entirety to learn more about how the Quota Bank will operate in 2019.

### **To apply for the 2019 Quota Bank:**

- 1) **Review the Application and Agreement, and the Operations Plan.**
- 2) **Complete the Application and Agreement.**
- 3) **Submit electronically to Eric Brazer (Deputy Director) -- [eric@shareholdersalliance.org](mailto:eric@shareholdersalliance.org)**

Red snapper allocation is available on a first-come-first-served basis. Anyone who meets the eligibility criteria and believes in the mission and purpose of the Shareholders' Alliance is encouraged to apply. However, due to the competitive nature of this program, compliance with eligibility criteria and submission of a complete application does not guarantee allocation. Applications will be considered for one-year and two-year (2019-2020) agreements; however, programmatic reviews at the end of each fishing year may result in annual modifications to the program. The Quota Bank is committed to being competitive, unbiased, inclusive, transparent, fiscally responsible, and compliant with all applicable regulations.

Don't hesitate to email or call if you have any questions. Thank you for interest in the Quota Bank.



Eric Brazer (919-451-1971)

# Gulf of Mexico Reef Fish Quota Bank Application and Agreement

Please check the appropriate boxes and read the Operations Plan for more details on these criteria (see below).

- I use only bandits, handgear, bottom longlines, buoy gear, or spear to catch reef fish.
- I own an active reef fish permit.
- I have an active IFQ account.
- I agree to abide by the Quota Bank Best Practices.
- I agree to attend at least two meetings in 2019, one of which will be a Quota Bank membership meeting and one of which will be a regulatory meeting.
- I am or agree to become a member of the Shareholders' Alliance.
- I am compliant with federal, state, and local laws and regulations, including U.S. Coast Guard requirements.
- I am not a party to ongoing criminal proceedings.
- I commit to provide copies of either the trip ticket or logbook to the Shareholders' Alliance electronically within 24 hours of landing or as soon thereafter as possible before the start of the next trip, whichever comes first.
- If this is my first year in the program, I agree to provide trip tickets or logbooks for the previous fishing year.

Check one -- I'm applying for a:  one year commitment (2019)  
 two year commitment (2019 & 2020)

## Owner Information

Name		
Mailing Address		
City	State	Zip
Phone	Email	

## Fishing Business Information

Vessel Name	Reef Fish Permit #
Primary Landing Port/Dock	IFQ Account ID
Gear Type	Target Fishery
Dealer/Fish House Name & Location	
Requested Amount of Red Snapper Allocation (annually or per year)	

**2019 Meeting Participation** (*check at least two meetings under “Will Attend?”\*\**)

Date (2019)	Meeting	Location	Will Attend?
January 28 - 31	Gulf of Mexico Fishery Management Council	Orange Beach, AL	
February 20 - 21	Florida FWC	Gainesville, FL	
Spring TBD	Washington DC Fly-In	Washington, DC	
Spring TBD	Reef Fish Quota Bank Membership**	TBD	
April 1 - 4	Gulf of Mexico Fishery Management Council	Biloxi, MS	
May 1 - 2	Florida FWC	Tallahassee, FL	
June 3 - 6	Gulf of Mexico Fishery Management Council	Miramar Beach, FL	
July 17 - 18	Florida FWC	Stuart, FL	
Summer TBD	Washington DC Fly-In	Washington, DC	
August 12 - 15	Gulf of Mexico Fishery Management Council	New Orleans, LA	
October 2 - 3	Florida FWC	TBD, FL	
October 21 - 24	Gulf of Mexico Fishery Management Council	Galveston, TX	
Fall TBD	Washington DC Fly-In	Washington, DC	
Fall TBD	Reef Fish Quota Bank Membership**	TBD, FL	
December 11 - 12	Florida FWC	St. Augustine, FL	

\*\*One meeting must be a Quota Bank Membership meeting; the other can be another regulatory meeting, Gulf Council being preferred. If applying for a two year commitment, 2020 meetings will be published when available.

**Quota Bank Member Category** (*check one*)

**I am a:**

- Grouper fisherman that needs red snapper allocation to cover discards.
- Next generation red snapper fisherman.

By signing this application, I acknowledge that:

- The information contained herein is accurate. I understand that falsifying information is grounds for dismissal from the Quota Bank.
- I have read and understand the entire Application and Agreement, as well as the Operations Plan.
- This agreement sets forth and constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof.
- This agreement may be amended or modified only by a writing executed by both parties.
- I would like to be considered for participation in the Gulf of Mexico Reef Fish Quota Bank for 2019 (and 2020, if applicable).

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Name

Signature

Date

# Gulf of Mexico Reef Fish Quota Bank Core Program Elements

## 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.

## GOALS AND OBJECTIVES

- **Conservation:** *Red snapper discards and discard mortality are reduced.*
  - Grouper fishermen lease red snapper allocation to account for red snapper bycatch.
  - Appropriate techniques or devices are used to reduce discard mortality.
- **Social:** *The next generation of reef fish fishermen are supported.*
  - “Next generation” fishermen lease red snapper allocation to support their businesses.
- **Economic:** *Reef fish businesses experience improved profitability.*
  - Participating fishing businesses increase their per trip/annual net income.
- **Management:** *Fishermen are active in improving the regulatory process.*
  - Participating fishermen attend meetings of/with appropriate regulatory bodies.
  - Participating fishermen provide accurate and timely catch data.
- **Operations:** *A fiscally-healthy, defensible, and replicable model is developed.*
  - Quota Bank operations and rationale are identified, codified, and made available.
  - The Quota Bank operates in a transparent and impartial manner.
  - The Quota Bank is financially solvent.

# Gulf of Mexico Reef Fish Quota Bank Operations Plan

## I GEAR REQUIREMENTS

- Members agree to use the above-mentioned approved gear for harvesting reef fish in the Gulf of Mexico in accordance with all applicable gear regulations.
- Spear is now an approved gear type starting in 2019.
- 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)
- Tier I will be given highest priority for allocation. If any allocation remains after being distributed to approved applicants in Tier I, allocation may be made available to Tier II applicants. If any allocation remains after being distributed to approved applicants in Tier II, allocation may be made available to Tier III applicants.

## II PERMIT REQUIREMENTS

- Members confirm that they own an active commercial Gulf of Mexico reef fish permit and are compliant with all applicable permit requirements.

## III IFQ ACCOUNT REQUIREMENTS

- Members confirm that they maintain an active and compliant IFQ account with NMFS.

## IV 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 Practices:”*

- I agree to adhere to all Quota Bank requirements.
- Unless otherwise specified, I agree to use red snapper allocation only for bycatch in the red grouper fishery, not for a targeted fishery.
- I agree to land and account for all legal-sized red snapper caught (i.e. no highgrading) to the extent possible.
- I agree to minimize the mortality of the released sublegal snapper to the extent possible using appropriate techniques or devices.
- I agree that I cannot lease out any red snapper allocation I receive as part of my participation in the Quota Bank. I understand that the Shareholders’ Alliance has a Right of First Refusal on any unused Quota Bank allocation, not to exceed initial lease price.
- I agree to work with the Shareholders’ Alliance to improve the Quota Bank as it continues to grow and I commit to supporting the Quota Bank in public. I agree to voice any concerns or questions I have directly with Quota Bank Staff in a timely, transparent, and constructive manner.

## V MEETING PARTICIPATION

- Quota Bank members are required to attend **two meetings** per year, an increase from one meeting in previous years. The purpose of this requirement is for members to demonstrate their commitment to participating in the regulatory process that directly impacts their (and others) fishing businesses.
- One of these meetings must be a **Quota Bank membership meeting** (there will be two per year – one in the spring and one in the fall) and the other must be a **policy/regulatory meeting**, which includes:
  - Gulf of Mexico Fishery Management Council meeting
  - Florida Fish and Wildlife Conservation Commission meeting
  - Washington DC fly-in with the Shareholders’ Alliance

- Attendees at each Quota Bank membership meeting will act as a *de facto* community advisory committee that provides the Board with additional advice, guidance and input on the Quota Bank.
- Members may appeal to Quota Bank staff if other meetings should be considered as qualifying.
- Starting in 2020, 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.
- Consequences of failing to achieve meeting attendance requirements:
  - If an approved Member attends only one of two meetings in any year and applies for the Quota Bank in a subsequent year, the new application will not be accepted until the member makes up that missed meeting (1). Member will still need to attend two more meetings that year to maintain compliance with meeting attendance requirements, for a total of three (3) meetings that year.
  - If an approved Member attends zero of two meetings in any year and applies for the Quota Bank in a subsequent year, the new application will not be accepted until the member makes up both missed meetings plus an additional meeting (3). The member will still need to attend two more meetings that year to maintain compliance with meeting attendance requirements, for a total of five (5) meetings that year.
  - Failing to achieve meeting attendance requirements in multiple years may impact eligibility requirements in the future.
  - Approved members can reapply for allocation one time during the year but must have met all meeting attendance requirements before doing so.

Examples	Number of meetings member attended in current year	Compliant?	Eligible to apply in a subsequent year?	Number of meetings member must attend before his application will be reviewed.	Standard number of meetings member must attend in the next year	<u>Total</u> number of meetings member must attend in the next year (standard plus makeup)
Approved Member A	2 of 2	Yes	Yes	0	2	2
Approved Member B	1 of 2	No	Not yet	1 (one make up from last year)	2	3
Approved Member C	0 of 2	No	Not yet	3 (two make up from previous year plus one more)	2	5

## VI MEMBERSHIP AND PARTICIPATION

- Participation in the Quota Bank is voluntary.
- Members agree that they have the authority to enter into this Agreement on their behalf and on behalf of the Participating Vessel they represent.
- Anyone who meets the eligibility criteria and believes in the mission and purpose of the Shareholders’ Alliance is encouraged to join.
- Members agree to participate in the Quota Bank for the **2019 fishing year** unless they are applying for a two-year commitment. This agreement will be valid through December 31, 2019 (or December 31, 2020 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.
- 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).
- Membership payment must be paid separately from allocation payment.
- 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.

## VII COMPLIANCE AND CRIMINAL LIABILITY

- Members confirm they are compliant with federal, state, and local laws and regulations, including U.S. Coast Guard requirements, and confirm they are not a party to any criminal proceedings.
- Compliance with regulations and laws by all fishermen is important to the credibility of the Quota Bank. Members that are not compliant with laws and regulations, and/or who may be party to criminal proceedings, may risk the stability and growth of the Quota Bank and pose a liability to the program, its members, and the Shareholders' Alliance.

## VIII REPORTING

- 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.
- The purpose of this requirement is to allow Quota Bank staff to enforce program requirements and ensure that red snapper allocation is being used for its intended purpose.
- Members authorize the release of information to Quota Bank staff regarding the catch of various species of fish associated with the Participating Vessel.
- 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.

## IX APPLICATION

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

- Eligible and interested fishermen should submit a complete and signed application to Quota Bank staff.
- 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:
  - **January 15 for Quarter 1 (January 15 – 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 one time during the year, but must have met all meeting attendance requirements before doing so.
- Any reapplications (presently, members must reapply if they use up their allocation and want to apply for more) would be processed on the same application schedule (i.e. quarterly).
- 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.
- Starting in 2020, the Board is considering accepting applications at Gulf Council meetings only.

## X ALLOCATION

- **Lease Amount**
  - 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 500 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.
  - Compliance with eligibility criteria and submission of a complete application does not guarantee allocation.
- **Lease Price**
  - 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.
- **Payment**
  - Members will pay for allocation prior to receiving allocation from the Quota Bank.
  - 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.
- **Allocation Management**
  - 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.

## XI HARDSHIP AND GRIEVANCES

- Members may appeal to the Board if they feel a decision was unfairly or unjustly made, or if extreme circumstances intervened that resulted in noncompliance with the program.
- Eligible members are encouraged to communicate concerns and feedback to Quota Bank staff and the Board in a timely, transparent, and constructive manner.

## XII ADMINISTRATION

- The role of the Shareholders' Alliance 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 applications; and management of allocation lease price and Quota Bank finances.
- The role of the Shareholders' Alliance Board is to manage and oversee the Quota Bank program, including but not limited to program admission and operations; enforcement of program policies, Best Practices, and this Agreement; and addressing of grievances.

## XIII 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, federal and other 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 fines to expulsion from the Quota Bank.
- Members are encouraged to report alleged infractions in writing to the Quota Bank for review by the Board. The Board may assign penalties if it is determined that an infraction did occur.
- All appeals from such Board action shall be made in writing to the Board for review and consideration within 7 days of the Board action in question. 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 or its affiliates 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 local, state or federal regulations, agree to indemnify, defend and hold harmless the other Members of the Quota Bank, the Shareholders' Alliance Board, Staff, Members; and any other affiliates of the Quota Bank and/or the Shareholders' Alliance.

## XIV OUTREACH AND COMMUNICATIONS

- The Quota Bank is committed to being competitive, inclusive, unbiased and transparent.

- Quota Bank staff will communicate program requirements, operations, and performance through a variety of methods including but not limited to:
  - Shareholders' Alliance Quota Bank website: <https://shareholdersalliance.org/quota-bank.php>
  - Regular Shareholders' Alliance newsletters and emails
  - Shareholders' Alliance and Quota Bank meetings
  - Social media
  - Phone calls and face-to-face conversations
- Personal information (e.g. individual catch data) is considered confidential and will not be shared. Data will be aggregated in a way to protect confidentiality of members.
- Shareholders' Alliance staff and Board welcome any legitimate questions about Quota Bank operations.