

Gulf of Mexico Reef Fish Quota Bank

Frequently Asked Questions

The Reef Fish Quota Bank is committed to being competitive, unbiased, inclusive, transparent, fiscally responsible, and compliant with all applicable regulations. In doing so, staff and members will work together to identify opportunities to improve the program and its performance. Specifically, attendees at each Quota Bank membership meeting will act as a *de facto* community advisory committee that provides the Shareholders' Alliance Board with additional advice, guidance and input on the Quota Bank.

To that end, Shareholders' Alliance staff and Board welcome any legitimate questions about Quota Bank operations. The following list of "frequently asked questions" will be updated on a regular basis with direct input from members and interested stakeholders.

1. How does the Shareholders' Alliance decide who gets allocation?

The Shareholders' Alliance Board of Directors will review every complete application and apply the following evaluation to determine an applicant's eligibility for the program:

- Is the application complete?
- If the applicant is a returning member in 2019, was she/he compliant with Quota Bank requirements in previous years?
- Does the applicant meet the eligibility criteria outlined in the Quota Bank Operations Plan?
- What gear type does the applicant use?
 - Tier I (bottom longline) 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 (bandit/rod and reel/handgear) applicants.
 - If any allocation remains after being distributed to approved applicants in Tier II, allocation may be made available to Tier III (spear) applicants.
- Has the applicant requested a "reasonable" amount of allocation relative to the amount of allocation the Quota Bank has available? If not, what other factors should be considered when reviewing this application?

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.

2. How many pounds of allocation will I get?

The amount of allocation leased to an eligible participating Quota Bank member will be based on a number of factors. The above tiered system will be applied regarding gear type and the "reasonableness" in the amount of allocation requested.

The Quota Bank will lease red snapper allocation to eligible participating members in increments of no less than 500 pounds on a first-come, first served basis – allocation will not be held in reserve. Applicants cannot request a total amount of annual allocation less than 500 pounds. Applications will be processed on a quarterly basis (see Operations Plan and Agreement for details). It is the intent of the Quota Bank to lease out 100% of its annual allocation by October 15 each year.

Due to the competitive nature of this program, compliance with eligibility criteria and submission of a complete application does not guarantee allocation. Applicants may be accepted but a lesser amount of allocation approved than requested based on the above criteria and allocation availability.

3. What's the allocation lease price?

It is the intent of the Quota Bank to lease allocation to eligible members at or near fair market value. This value is determined by using an objective and pre-determined formula. To that end, the Shareholders' Alliance has adopted a Policy and Guidelines that prohibit Board members from discussing lease prices for allocation. The Board has further determined that the Deputy Director should have sole responsibility and authority to determine the lease price for the Quota Bank allocation without the involvement of the Board or its individual members in accordance with a formula that relies solely on publicly available data:

- Step 1: The Deputy Director shall consult publicly available sources of information about the price at which allocation was leased in 2018 and is currently being offered for lease in 2019.
- Step 2: The Deputy Director shall select one data point from at least five of these publicly available sources of information. That data point will be (i) the price per pound at which 2019 allocation was most recently offered for lease through that publicly available source or, (ii) in the case of NMFS Annual Reports, historical information reflecting average 2018 lease price per pound.
- Step 3: The Deputy Director shall then determine the average lease price across these publicly available sources by summing them together and dividing by the number of data points.
- Step 4: That average price will be the price at which the Deputy Director shall lease the 2019 allocation, except that the Deputy Director is authorized to reduce the lease price by up to 10 percent from the average lease price calculated in order to account for inflated offers or otherwise to carry out the Shareholders' Alliance's conservation and management objectives.

4. Who makes decisions about the program?

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 of Directors 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 addressing of grievances.

5. How do I appeal a decision I believe was unfair?

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

6. Why do I have to attend meetings in order to receive allocation?

The Shareholders' Alliance and the *de facto* Quota Bank Advisory Committee believe it is essential for the Quota Bank not just to provide access to allocation, but to support fishermen that are active and involved in the regulatory process. The Quota Bank encourages fishermen to participate and voice their opinions to regional decision-makers and to Congress. Doing so builds capacity for fishermen-driven solutions that protect commercial fishing businesses and seafood access, support science-based management, reinforce accountability, and promote sustainability.