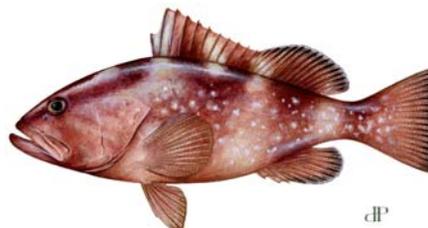
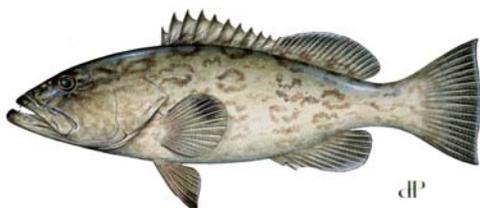


Gulf of Mexico Commercial Grouper and Tilefish Fisheries

Individual Fishing Quota (IFQ) Program

Frequently Asked Questions

October 2009



Please Note: [Gulf of Mexico Reef Fish Amendment 29](#) implements an IFQ program. NOAA Fisheries Service conducted a referendum to determine whether or not the industry supported the IFQ program. Of the 274 referendum votes cast, 220 votes (81 percent) were in favor of the proposed IFQ program, and 50 (18 percent) were opposed to the proposed IFQ program. Four returned ballots were declared invalid. NOAA Fisheries Service approved Amendment 29 on July 2, 2009. The IFQ program will be implemented January 1, 2010.

Eligibility and Apportionment of Initial IFQ Shares

Who is eligible to participate in the IFQ program?

- Everyone who owns a valid (active or renewable) commercial Gulf of Mexico reef fish permit as of **October 1, 2009**, and who had grouper or tilefish landings reported under their permit during the qualifying time period of 1999 through 2004 will receive initial IFQ shares and allocation.
- Owners of a valid commercial Gulf of Mexico reef fish permit that did not have any landings during the qualifying time period will **not** receive initial IFQ shares or allocation but will be able to purchase shares or allocation from IFQ shareholders after the program is established.
- Everyone who possesses a valid Gulf of Mexico reef fish dealer permit is eligible to participate in the IFQ program as a dealer.

What is an IFQ share?

- IFQ shares are the **percent** of the quota a fisherman has the opportunity to land. A fisherman's initial shares are determined by the proportion of the total landings his permit was responsible for landing during the qualifying period relative to landings reported on other reef fish permits.
 - For example, if 2.1 percent of the total gag landings during the qualifying period were landed under permit #1, the fisherman currently holding permit #1 would receive 2.1 gag shares.
- The amount of shares a fisherman holds only changes if he buys or sells shares, or if another participant's permit is revoked and those shares are redistributed to other eligible participants.

What is IFQ allocation?

- IFQ allocation is the **pounds** a fisherman is allowed to land each year. A fisherman's allocation is determined each year by multiplying his shares by the current quota.
 - Using the example above, the fisherman holding permit #1 would receive the following gag allocation in 2010:

2.1 percent gag shares x 1.41 million pounds 2010 gag quota = 29,610 pounds

- The amount of allocation a fisherman holds could change each year if his shares change or if the quota changes.
- Allocation is only good until the end of each year; unused allocation does not rollover from one year to the next.

What determines the amount of IFQ shares each eligible participant will initially receive?

- The initial IFQ shares distributed to each participant is determined by the average annual landings of grouper and tilefish from logbooks associated with their reef fish permit(s) during the time period 1999 through 2004, with an allowance for dropping 1 year. Dropping a year could potentially boost a participant's allocation by removing the year with the lowest landings.
- All grouper and tilefish landings associated with a valid commercial reef fish permit for the qualifying period will be attributed to the current owner on **October 1, 2009**, including those reported by a person who held the permit prior to the current owner. Anyone purchasing a reef fish permit after September 30, 2009, will **not** receive shares associated with that permit.
- IFQ shares will be distributed in direct proportion to landings reported under a participant's reef fish permit during the qualifying time period relative to landings reported on other reef fish permits.

How will adjustments in annual allocations of commercial quota be addressed among IFQ participants?

- Adjustments in quota can occur if the status of a stock changes as a result of new assessments, or if allowable landings are reallocated between the commercial and recreational fishing sectors.
- Adjustments in a quota will be distributed proportionately among eligible IFQ shareholders based on the percentage of the quota each holds.
- If an IFQ shareholder's commercial reef fish vessel permit has been permanently revoked, at the beginning of the next fishing year the Regional Administrator (RA) for NOAA Fisheries Service will redistribute the shares held by that shareholder proportionately among remaining eligible shareholders based upon the amount of shares each held just prior to the redistribution.

Appeals

Will fishers be able to appeal their initial IFQ shares?

- Yes, items subject to appeal under the IFQ system are initial eligibility for IFQ shares based on ownership of a valid commercial reef fish permit, the accuracy of the amount of landings, correct assignment of landings to the permit owner, and correct assignment of gag versus black grouper landings. Hardship arguments will not be considered.
- The RA will review, evaluate, and render final decisions on appeals.
- Appeals must be filed by April 1, 2010.
- The RA will determine the outcome of appeals based on NOAA Fisheries Service logbooks.
 - Appellants must submit logbooks to support their appeal. Logbooks are available from the [Southeast Fisheries Science Center](#).
 - If logbooks are not available, the RA may use state landings records.

What effect will appeals have on initial apportionment of IFQ Shares?

- Three percent of the current commercial quota will be set aside to resolve appeals.

- Any amount remaining of the three percent set-aside after the appeals process has been completed will be proportionately distributed to initial IFQ shareholders.

Species Included in IFQ Shares and Flexibility Measures

What species will be included in each different share category in the IFQ program?

- IFQ shares will be separated into the following share categories:
 - Red Grouper
 - Gag Grouper
 - Other Shallow Water Grouper (Other SWG); including black grouper, scamp, yellowfin grouper, red hind, rock hind, and yellowmouth grouper
 - Deepwater Grouper (DWG); including yellowedge grouper, warsaw grouper, snowy grouper, speckled hind, and misty grouper
 - Tilefishes; including goldface tilefish, blackline tilefish, anchor tilefish, blueline tilefish, and tilefish

Does the program contain a provision to allow flexibility between gag and red grouper allocation?

- Yes, multiuse allocation allows fishermen to use a small portion of their allocation for one species (either red or gag grouper) to harvest another species (either gag or red grouper) that would otherwise be discarded because the fisherman does not possess allocation for that species.
- Multiuse allocation will be derived at the beginning of each year by converting a portion of the allocation for red grouper and gag to allocation that can be used for either species.
 - Initially, 8 percent of gag grouper allocation will be available as multiuse allocation.
 - Initially, 4 percent of red grouper allocation will be available as multiuse allocation.
- Multiuse allocation will not be available for use by fishers until the species-specific allocation for the fish they wish to land and sell (either gag or red grouper) is exhausted.

Will landings be adjusted for misidentification of gag and black grouper when initially distributing grouper IFQ shares? How will they be adjusted?

- Yes, the initial distribution of IFQ shares will be based on landings adjusted for misidentification of gag and black grouper.
- Adjustments to landings will only be made to fishing trips that reported landing gag or black grouper, but not both. For trips reporting both gag and black grouper, landings will be assumed to be reported accurately and will not be adjusted.
- First, gag and black grouper landings for each fisher will be determined by trip and statistical area fished. Gag and black grouper landings will then be adjusted for each trip using gag:black grouper landings ratios observed by dockside interviewers for each statistical area fished.
 - Adjusted gag grouper landings will be used in determining gag shares.
 - Adjusted black grouper landings will be used in Other SWG shares.
- Adjustments to gag and black grouper landings can be appealed.

Can some species be landed using more than one share category?

- Yes, to reduce discards, some species found in both deep and shallow water will be placed in either DWG or Other SWG, depending on circumstances.
 - Warsaw grouper and speckled hind will be in the DWG share category. However, when an IFQ fisherman uses all his DWG allocation, warsaw grouper and speckled hind can be landed with Other SWG allocation.
 - Scamp will be in the Other SWG share category. However, when an IFQ fisherman uses all his Other SWG allocation, scamp can be landed with DWG allocation.

Electronic System Requirements, Account Setup, and Information

What are the electronic requirements for the IFQ program?

- The administrative functions associated with this IFQ program, such as account setup, landing transactions, and transfers are designed to be accomplished online; therefore, all participants need access to a computer and the Internet to participate.
- The grouper and tilefish IFQ program will initially be a separate system from the red snapper IFQ program; however, the two programs will eventually be merged.

How could a fisher or dealer set up an account?

- On or about October 1, 2009, the RA will mail an information package to eligible IFQ participants. The package will include historical landings, initial shares and allocation, information for accessing the online IFQ system and establishing an online account, and general instructions related to online transaction procedures and requirements.
- Each participant assigned shares will be provided a User ID and personal identification number (PIN) for their IFQ account before January 1, 2010. Participants will be able to log into their accounts, but will not be able to carry out any transactions until January 1.
- Assistance with online functions is available from IFQ Customer Service, 1-866-425-7627, Monday through Friday between 8:00 a.m. and 4:30 p.m. Eastern time.
- If an owner of a valid reef fish permit does not receive shares, the owner must contact IFQ Customer Service to obtain information necessary to access the IFQ web site and establish an online IFQ account.

What type of account will a participant need?

- Eligible dealers will receive instructions to set up an IFQ dealer account.
- Shareholders will receive instructions to set up an IFQ shareholder account.
- A vessel account must be set up for each permitted vessel used to fish for IFQ species.
 - The purpose of the vessel account is to hold allocation required to land IFQ species. Before a landing notification for the vessel is submitted, the vessel account associated with that vessel will need to have enough allocation in the appropriate share categories for the fish on board.
 - A person who has established an IFQ shareholder account online will establish a vessel account for each vessel through that IFQ shareholder account. Only one vessel account can be established per vessel, but multiple vessel accounts can be established under each IFQ shareholder account.
 - Vessel accounts can only hold allocation for use in landing and selling catch of IFQ species. Vessel accounts cannot hold shares. Allocation can be transferred into a vessel account from any IFQ shareholder account; however, allocation can only be transferred out of a vessel account into the IFQ shareholder account under which it was established.

What are the requirements to be a dealer in the IFQ program?

- For a dealer to receive Gulf grouper and tilefish under the IFQ program, the dealer must:
 - Possess a valid dealer permit for Gulf reef fish;
 - Establish an IFQ online account; and
 - Obtain an IFQ dealer endorsement.
- IFQ dealer endorsements can be downloaded from the dealer's online account on the IFQ web site. No fee is charged for obtaining the endorsement.
- The endorsement is only valid as long as the reef fish dealer permit is valid.

Transferability

Who is eligible to buy IFQ shares or allocation?

- Everyone who owns an active or renewable commercial Gulf of Mexico reef fish permit and has an active IFQ online account is eligible to purchase IFQ shares and allocation from current IFQ shareholders for the first five years of the IFQ program.
- After five years, all U.S. citizens and permanent resident aliens will be eligible to purchase IFQ shares and allocation.

Will fishers be able to sell multiuse allocation?

- Fishers will be allowed to sell multiuse allocation only after exhausting their corresponding species-specific allocation.
 - For example, a fisherman can only sell his multiuse red grouper if he has exhausted his red grouper allocation.
- The restrictions on sale of multiuse allocation ensure a fisherman has allocation to use if either red grouper or gag are landed as bycatch.

How will fishers transfer shares and allocation?

- All transfers will take place online via the IFQ web site.
- For share transfers, approval will be required from both the transferor and transferee.
- For allocation transfers, approval will only be required from the transferor.
- Transfer of shares and associated allocation are independent. To transfer both shares and allocation, the transferor must complete both a share transfer and an allocation transfer.
- An individual who has been sanctioned will not be permitted to make a transfer.

Share and Allocation Caps

How will the IFQ program prevent one or more participant from purchasing all the available IFQ shares and monopolizing the fishery?

- Share caps will be established for each share category (i.e., Red, Gag, Other SWG, DWG, and tilefish).
- Share caps will be defined as the maximum IFQ share issued to a person, corporation, or other entity at the time of initial apportionment of the IFQ shares.
- The IFQ program will also limit the amount of allocation that could be purchased or held by a person or corporation cumulatively during a given calendar year with an allocation cap.
- The allocation cap for the commercial grouper and tilefish fisheries will equal the total amount of pounds that corresponds to the share caps.

Why does NOAA Fisheries Service ask corporations to identify their corporate shareholders?

- This information assists the agency in ensuring no person, including a corporation or entity, individually or collectively, holds IFQ shares in excess of the share or allocation caps.

Landing Transactions

How will landings be processed?

- The dealer enters the pounds (gutted) and price of landed fish of each species, along with other information.
- The fisherman validates the dealer transaction report by entering the unique PIN for the vessel account.

- After the dealer submits the report and NOAA Fisheries Service verifies the information, the online system sends a transaction approval code to the dealer and the allocation holder. This approval code is necessary to verify the transaction is legal and the vessel account has the correct amount of grouper and tilefish allocation before the fish are transported.
- If a discrepancy regarding the landing transaction is discovered after approval, the dealer or vessel account holder (or his or her authorized agent) can initiate a landing transaction correction form.

How will overages be addressed?

- In the event a fisher thinks he or she harvested an amount of grouper or tilefish that exceeds the existing allocation in the vessel account, additional allocation should be transferred into the vessel account before placing a landing notification.
- A person on board a vessel landing the shareholder's only remaining allocation from a share category can legally exceed, by up to 10 percent, the amount of the allocation remaining on that last fishing trip of the fishing year.
- This overage will be allowed only one time per fishing year for each shareholder.
- Overages will be deducted from the next year's allocation associated with the shareholder's IFQ account.
- Share transfers will not be allowed that would reduce the shareholder's IFQ shares lower than the amount needed to pay back the overage.
- **Please Note:** A person who only possesses allocation and no IFQ shares will not be allowed an overage. That person might not receive allocation in the following year and, therefore, could not pay back the overage.

Who will pay for the IFQ program?

- IFQ fishermen will be charged a cost recovery fee to recover a portion of the costs required to manage and enforce the IFQ program.
- The cost recovery fee will be three percent of the ex-vessel value of the landed fish for the first year. The amount of the fee will be evaluated each year.
- IFQ dealers are responsible for collecting the cost recovery fee from the fisher at the time of each sales transaction and submitting fees to NOAA Fisheries Service on a quarterly basis through the IFQ program using pay.gov.

Enforcement

When will fishers be required to land and offload?

- Fishers can land their vessels anytime during the day and night, provided that a landing notification is given 3 to 12 hours prior to landing.
- Offloading is restricted to 6 a.m. to 6 p.m., local time.
- Fishers do not need to give law enforcement a separate notification for offloading grouper or tilefish.
- **Please Note:** For the purposes of these regulations, the term "landing" means to arrive at a dock, berth, beach, seawall, or ramp; "offloading" means removing grouper or tilefish from a vessel.

Why will fishers have to use pre-approved landing locations?

- Approving landing locations in advance ensures the sites actually exist and law enforcement agents can find these sites.

- Proposed landing locations can be submitted via the IFQ web site or by calling IFQ Customer Service 1-877-425-7627 during normal business hours (8:00 a.m. to 4:30 p.m.).
- New landing locations will be approved only at the end of each calendar-year quarter. To have a landing location approved by the end of the calendar-year quarter, it must be submitted at least 45 days before the end of the calendar-year quarter. **Landing locations must be submitted by November 15, 2009, to be approved by January 1, 2010.**
- Landing locations that have not been pre-approved will no longer be accepted during the landings notification after December 31, 2009.
- Landing locations must be publicly accessible by land and water.

Why and how will fishers report a landing notification?

- The landing notification requirement is intended to provide law enforcement officers the opportunity to be present at the point of landing so they can monitor and enforce grouper and tilefish requirements dockside.
- Fishers can make a landing notification by using the form on their VMS screen, by calling 1-866-425-7627, or by logging into their online IFQ account.
- **Please note:** Updates to the landing notification screen on vessel monitoring system (VMS) units are constrained by programming requirements. Therefore, pre-approved landing locations may not appear on the VMS screen until sometime after approval. The locations will be available when making a notification by phone or online.

What information will the fisher provide on the IFQ landing notification?

- IFQ participants must report a landing notification at least 3 hours, but no more than 12 hours, prior to any landing. Information required for a landing notification includes (but may not be limited to):
 - Vessel identification
 - Dealer's business name
 - Approved landing location
 - Time of arrival
 - Estimated pounds to be landed in each share category
- **Please Note:** The confirmation code does not automatically give the fisher permission to land the vessel. It simply provides NOAA Fisheries Service a confirmation that a landing notification was made. The fisher is responsible for ensuring all regulations are being met (i.e., waiting 3 hours before landing, etc).

Will fishers have to make multiple landing notifications if they plan on landing at more than one location?

- Yes, if the fisher intends to land a vessel containing grouper or tilefish at more than one location, the fisher must make a separate landing notification for each landing location.
- Once a second notification is given, the fisher must be sure at least 3 hours have passed before landing at the second location.
- If a fisher knows the time and location of a second landing, he or she can submit a notification in advance of landing at the first location, potentially reducing the wait time before traveling to the next location.

Will fishers have to make a separate landing notification if they change dealers but not the landing location?

- Yes, a new landing notification must be submitted if the fisher changes dealers. However, the

fisher will not have to wait an additional 3 hours.

Will a fisher be able to transport grouper or tilefish on land?

- The fisher must complete a landing transaction with a dealer and receive an approval code before the grouper or tilefish can be transported on land by the fisher or dealer.
- A copy of the IFQ dealer endorsement must accompany each vehicle used to transport grouper or tilefish on land.

Miscellaneous Questions

How can I learn more about the potential commercial grouper and tilefish IFQ program and the responsibilities of IFQ shareholders, allocation holders, and dealers?

- Amendment 29 to the Reef Fish Fishery Management Plan is available to download at the [Gulf Council's Web site](#).
- Other Frequently Asked Questions relating to IFQ programs, as well as Amendment 29, are available at the [NOAA Fisheries Service Web site](#).
- For additional information or specific questions about the IFQ program, please call the Southeast Regional Office's Sustainable Fisheries Division at 1-727-824-5305.

**Photos courtesy of Diane Peebles