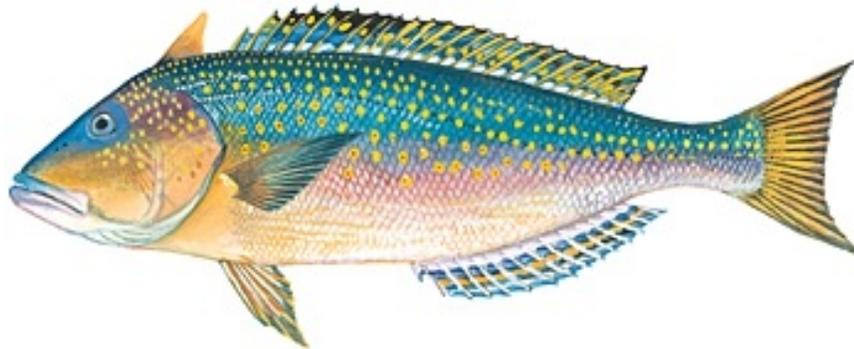


Gulf of Mexico 2014 Grouper-Tilefish Individual Fishing Quota Annual Report



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**October 30, 2015
SERO-LAPP-2015-02**

Executive Summary

The 2014 Grouper-Tilefish (GT) Individual Fishing Quota (IFQ) Report builds upon the information summarized in the previous annual reports and is intended to provide an overview of data and information collected since program implementation. This report is not intended to be a full comprehensive assessment of the program.

As seen in previous years, consolidation of shareholders, allocation holders, and vessels continued in 2014, although new participants also joined the program each year. In 2014, there were 628 shareholders; down from 766 at the start of the program. Twenty-nine new accounts acquired shares in 2014. Accounts without shares increased to 26% and accounts without permits increased to 26%, both the greatest since the program started. Accounts without permits now hold 4.6-7.69% of the overall quota shares. The percentage of accounts landing allocation remained similar to the previous year with 30% to 51% landing per share category. IFQ account holders landed 98% of the red grouper quota, 83% of the gag quota, 94% of the deep-water grouper quota, 89% of the tilefish quota, and 50% of the other shallow-water grouper quota. The percentage of accounts only trading allocation increased in 2014. Overall effort remained similar to the previous year. Average pounds per trip and average days per trip increased in the longline sector and in the Florida panhandle. Gag discards decreased slightly from last year; however, red grouper discards remained relatively unchanged.

Price reporting improved for all price collections, although further improvement is still needed for share and allocation prices (67% and 48% reasonable prices, respectively). Average share prices increased for all categories and ranged from \$7.36 (shallow-water grouper) to \$30.18 (gag) per pound, while average allocation prices ranged from \$0.72 (tilefish) to \$2.04 (gag). The inclusion of transfer reasons for share and allocation transactions helped to explain some of the low prices reported. Average ex-vessel prices increased for all share categories and ranged from \$2.61 (tilefish) to \$4.83 (gag) per pound. The total ex-vessel value of the grouper-tilefish fishery was \$31.2 million dollars.

An administrative rule was published in 2014, which improved enforcement, monitoring, and administration, and clarified existing regulatory requirements. This rule made changes to requirements for landing notifications, offloading, landing transactions, and administrative changes. For detailed information refer to the Frequently Asked Questions document on the program's website. The five-year review will begin in 2015. The National Marine Fisheries Service (NMFS) is committed to the continual improvement of GT-IFQ management. Stakeholders have provided feedback and suggestions on how to improve the GT-IFQ program and online system. This information has been helpful for improving the program since it began. NMFS thanks everyone for their input and encourages them to continue to share their concerns and input.

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Program Overview and Regulations

Program Overview

The Grouper-Tilefish individual fishing quota (GT-IFQ) program is a multi-species program with five share categories: gag (GG), red grouper (RG), other shallow-water groupers (SWG), deep-water groupers (DWG), and tilefishes (TF; Table 1). Each share category has distinct shares and associated allocations. Shares are a percentage of the commercial quota, while allocation refers to the poundage that is possessed, landed, or sold during a given calendar year. At the beginning of each year, allocation is distributed to GT-IFQ shareholder account. The amount allocated to an account is based on the share percentages of the annual quota held by a GT-IFQ shareholder. Allocation can then be used to harvest GT-IFQ species or sold to another valid shareholder account. Adjustments in quota can occur if the status of a stock changes as a result of new assessments or through the reallocation of quota between fishing sectors. An in-season increase in quota is distributed proportionately among shareholder accounts based on the percentage of shares each account holds at the time of the adjustment. All units of allocation and landings are in pounds (lb) gutted weight (gw). If a GT-IFQ shareholder's Gulf of Mexico (Gulf) reef fish permit has been permanently revoked, at the beginning of the next fishing year the Regional Administrator for the National Marine Fisheries Service (NMFS) 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.

There are three main account roles in the Gulf IFQ system: shareholder, vessel, and dealer accounts. All accounts were assigned to users based on the unique entity (single or combination of individuals and/or business) that held either a Gulf dealer or reef fish permit. Shareholder accounts with valid Gulf reef fish permits may transfer GT-IFQ shares and allocation to and from their accounts, as well as land GT-IFQ species with an approved dealer. Shareholder accounts that do not have a valid Gulf reef fish permit can only transfer shares and allocation to other accounts, and may not increase their holdings. A list of all accounts that hold shares is available through the IFQ website, under Additional Information. Vessel accounts, which belong to shareholder accounts, only hold allocation that is debited from the account through landing transactions. Shareholder accounts may have multiple vessel accounts. Dealer accounts were assigned to a unique entity that has a valid Gulf reef fish dealer permit or Gulf and South Atlantic Dealer (GSAD) permit which replaced the Gulf reef fish dealer permit starting on August 7,

Table 1: Species by share category

IFQ Category	Species ¹
Gag (GG)	Gag ²
Red Grouper (RG)	Red grouper ²
Deep-water Grouper (DWG)	Snowy grouper
	Speckled hind ²
	Warsaw grouper ²
Shallow-water Grouper (SWG)	Yellowedge grouper
	Black grouper
	Scamp ²
	Yellowfin grouper
Tilefishes (TF)	Yellowmouth grouper
	Blueline tilefish (Grey)
	Golden tilefish
	Goldface Tilefish

¹The following species were removed in 2012: rock hind (SWG), red hind (SWG), misty grouper (DWG), anchor tilefish (TF), and blackline tilefish (TF).

²Includes a multi-use flexibility measure.

2014. Dealer accounts are limited to completing landing transactions and paying cost recovery fees. All IFQ dealers are required to have an IFQ endorsement, which may be printed through their IFQ account. Endorsements are valid when a dealer's permit is active and they do not have any outstanding cost recovery fees. A copy of the IFQ dealer endorsement must accompany vehicles used to transport IFQ species on land.

The GT-IFQ program has several built-in flexibility measures to accommodate the multi-species nature of the commercial reef fish fishery and to reduce bycatch. Two share categories, gag and red grouper, have a multi-use provision that allows a portion of the red grouper quota to be harvested under the gag allocation, or vice versa. The three remaining categories (shallow-water grouper, deep-water grouper, and tilefish) are multiple-species categories, designed to capture species complexes that are commonly caught together (Table 1). Three grouper species (scamp, warsaw grouper, and speckled hind) are found in both the shallow and deepwater complexes. Flexibility measures in the GT-IFQ program allow these species to be landed under both share categories. Scamp are designated as a shallow-water grouper species, but may be landed using deep-water grouper allocation once all shallow-water grouper allocation in an account has been harvested. Warsaw grouper and speckled hind are designated as deep-water grouper species and may be landed using shallow-water grouper allocation after all deep-water grouper allocation in an account has been harvested. The GT-IFQ program has a built-in flexibility measure to allow a once-per-year allocation overage per share category for any GT-IFQ account that owns shares in that share category. For these accounts, a vessel can land 10% more than their remaining allocation on the vessel. This overage is then deducted from the shareholder's allocation at the start of the following fishing year. Because overages need to be deducted in the following year, GT-IFQ accounts without shares cannot land an excess of their remaining allocation and GT-IFQ accounts with shares are prohibited from selling shares that would reduce the account's shares to fewer than the amount needed to repay the overage in the following year.

Program Objectives

The GT-IFQ program was implemented to reduce overcapacity of the grouper-tilefish fishing fleet, increase harvesting efficiency, and eliminate the race to fish. By rationalizing effort and reducing overcapacity, the GT-IFQ program was expected to prevent or mitigate derby-fishing conditions and improve profitability of commercial grouper-tilefish fishermen. Anticipated benefits of the program include: increased market stability; elimination of quota closures; increased flexibility for fishing operations; cost-effective and enforceable management; improved safety at sea; and balancing of social, economic, and biological benefits. Additionally, the program was intended to provide direct and indirect biological benefits to grouper-tilefish and other marine resources by reducing bycatch and associated bycatch mortality. These social, economic, and biological benefits collectively are intended to assist NMFS and the Gulf of Mexico Fishery Management Council (Gulf Council) in preventing overfishing and/or rebuilding GT-IFQ stocks through the stewardship aspects of the program.

Program Regulations

The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) requires fishery managers to ensure that no one GT-IFQ participant acquires an excessive share of the quota. The GT-IFQ program is monitored to prevent one or more participants from obtaining shares in excess of the established share cap for each species or category (Table 2). The share cap for each category was based on the maximum GT-IFQ share issued to a person, corporation, or other entity at the time of initial apportionment. An allocation cap is set annually and equals the sum of the maximum allocations associated with the five share caps. In 2013, the final allocation cap at the end of the fishing year was 529,300 lb.

Table 2: Share caps

IFQ Category	Share Cap %
DWG	14.704321
GG	2.349938
RG	4.331882
SWG	7.266147
TF	12.212356

When harvesting GT-IFQ species, vessels are required to have a valid commercial Gulf reef fish permit and hail-out before leaving port. While at sea, vessels are monitored using Vessel Monitoring Systems (VMS). When returning to port, vessels landing GT-IFQ species must provide a landing notification indicating the time and location of landing, the intended dealer, and the estimated pounds landed by species. Landing may occur at any time, but IFQ species may only be offloaded between 6 a.m. and 6 p.m. local time. A landing transaction report is completed by the GT-IFQ dealer and validated by the fisherman. The landing transaction includes the

date, time, and location of transaction; weight and actual ex-vessel value of fish landed and sold; and the identity of the shareholder account, vessel, and dealer. All landings data are updated as landing transactions are processed, on a real-time basis. Current GT-IFQ landings can be accessed at the Southeast Regional Office (SERO) Catch Share website: <https://portal.southeast.fisheries.noaa.gov/cs>.

NMFS analyzes the ex-vessel revenue of the GT-IFQ commercial sector landed through the collection of ex-vessel prices. Ex-vessel prices are the prices paid per pound of fish before any deductions are made for transferred (leased) allocation and goods and/or services (e.g., bait, ice, fuel, repairs, machinery replacement, etc.). All GT-IFQ fishermen are charged a cost recovery fee to recover a portion of the costs required to administer, manage, and enforce the GT-IFQ program. The cost recovery fee is 3% of the ex-vessel value of the IFQ species landings on each trip, although this amount is re-evaluated and subject to change if costs of administering and enforcing the program are less than costs recovered. The cost recovery fee can never exceed 3%. GT-IFQ dealers are responsible for collecting the cost recovery fee from fishermen at the time of each sales transaction and submitting fees to NMFS on a quarterly basis.

Complete regulations governing the GT-IFQ program can be found at 50 CFR 622.22 (<http://ecfr.gpoaccess.gov>). The GT-IFQ program is managed with an online accounting system. Important information regarding the GT-IFQ program is available for download on the website and provides updated information regarding the program's components and regulations.

Program Updates

In 2014, the system that houses the Gulf reef fish IFQ programs also began hosting the Gulf Headboat Collaborative (HBC) pilot program. With the addition of this program, the homepage view changed to SERO Catch Shares Programs, and additional roles were added for the HBC program. For the Gulf reef fish IFQ programs, a new view was added to allow dealers to add the trip ticket information after a landing transaction was completed. Trip ticket information is used to help reconcile IFQ data with information provided by dealers through the individual state trip ticket programs. Matching the IFQ transactions with the trip ticket information is invaluable in stock assessments. Gulf reef fish dealer permits also transitioned to the GSAD permits starting August 7, 2014, and this was reflected in the IFQ dealer endorsements each dealer is required to display.

2014 Grouper-Tilefish IFQ Fishing Season

Program Participants

Shareholders

The number of accounts with shares continued to decrease in 2014, with 628 shareholder accounts, or

Table 3: Accounts by shareholding size and share category

DWG	Small	Med.	Large	Total	GG	Small	Med.	Large	Total
Initial	299	169	12	480	Initial	415	330	3	748
2010	300	148	13	461	2010	424	290	5	719
2011	275	143	13	431	2011	391	263	7	661
2012	253	134	14	401	2012	355	249	8	612
2013	238	131	13	382	2013	342	244	9	595
2014	224	129	15	368	2014	333	233	9	575
RG	Small	Med.	Large	Total	SWG	Small	Med.	Large	Total
Initial	435	248	9	692	Initial	467	275	10	752
2010	421	237	7	665	2010	460	250	11	721
2011	377	227	6	610	2011	421	242	11	674
2012	349	212	8	569	2012	384	234	11	629
2013	339	200	11	550	2013	364	227	13	604
2014	327	192	11	530	2014	351	218	13	582
TF	Small	Med.	Large	Total	Total Shareholders				
Initial	171	100	16	287	Initial	766	Note: Small accounts hold < 0.05%; medium accounts hold 0.05% - 1.49999%; large accounts hold ≥ 1.5% shares.		
2010	185	85	17	287	2010	743			
2011	164	79	17	260	2011	699			
2012	155	76	15	246	2012	665			
2013	144	72	16	232	2013	644			
2014	143	69	15	227	2014	628			

18% fewer than at the start of the GT-IFQ program (Table 3). Within share categories, the number of

shareholders also continued to decrease, with accounts with shares between 227 (TF) to 582 (SWG) per share category (Table 3). A shareholder may transfer all of their shares for a variety of reasons: to exit the program, to transfer to a new IFQ account after a permit change,¹ or to manage related IFQ accounts from one account.² Accounts without shares may still participate in the GT-IFQ program by obtaining allocation from another GT-IFQ account. The greatest consolidation of shares (annual reduction in the number of shareholder accounts) for the entire program occurred in 2011 with a 5.9% decrease in accounts (Table 3). In general, the proportion of shareholders by size has not changed appreciably over time, with the small shareholders comprising of ~60% of the accounts and large shareholders ~5%.

Each year accounts with no shares (0%) acquire shares (new shareholders). New shareholder occur for a variety of reasons: a new entrant to the program, a transfer to a related account due to a permit name change, or one account managed from related accounts.^{1,2} New shareholders are classified by share category; therefore, a new shareholder in one category may hold shares in another category. The total number of new shareholders cannot be summed across categories, as an account may acquire shares in multiple categories. There were 29 new shareholder accounts established in 2014, with 14 of those accounts acquiring shares in multiple share categories. Accounts can be categorized by size: small accounts hold < 0.05%; medium accounts hold 0.05% to > 1.5%; large accounts hold ≥ 1.5% shares. Most of the new shareholders were classified as small accounts (63%). New large shareholder accounts only occurred in DWG and RG share categories. In 2014, there were between 10-13 new shareholders per share category (Table 4). With the exception of the TF share category, these were the least amount of new shareholders created within categories since the start of the program (Table 4).

Table 4: New Shareholder Accounts

Year	2010	2011	2012	2013	2014
DWG	17 (9.26%)	25 (3.06%)	18 (2.21%)	13 (0.46%)	12 (2.28%)
GG	16 (4.07%)	25 (2.81%)	18 (4.62%)	21 (1.97%)	11 (1.53%)
RG	18 (2.95%)	23 (3.46%)	19 (5.81%)	20 (5.29%)	11 (2.79%)
SWG	13 (5.09%)	25 (3.35%)	17 (2.06%)	17 (1.47%)	13 (1.15%)
TF	18 (16.22%)	13 (2.03%)	14 (0.94%)	6 (1.88%)	10 (1.48%)

This table tallies the total number of accounts that obtained shares for the first time during that year and the total percentage held by those accounts.

As of January 1, 2015, accounts may be established without Gulf commercial reef fish permits. Non-permitted accounts can acquire shares or allocation and can transfer shares or allocation to another shareholder account. A commercial reef fish permit is required to harvest any IFQ species. Shareholder accounts without a reef fish permit are tracked each year. The number of shareholder accounts without

¹ IFQ accounts are established based on the name(s) of the Gulf reef fish permit holder. If the name(s) of the permit holder changes (e.g., adding/removing a spouse), a new IFQ account must be established to link to the permit.

² Some IFQ participants are associated with more than one IFQ account (e.g., John Smith vs. John and Jane Smith, incorporating each vessel under a different company name), and therefore may shift all their shareholdings to one account for ease of management.

permits increased each year for the entire GT-IFQ program (Table 5). Within share categories, the number of shareholder accounts without permits increased or remained the same each year (Table 5). Shareholder accounts without permits comprise between 18-26% of the accounts with shares in 2014 compared to 2-4% at the end of the program’s first year. In 2014, the SWG category had the greatest percentage of permitless shareholder accounts (26%), while the TF category had the least (18%). Permitless shareholder accounts held between 4.6% (RG) to 7.7% (SWG) shares in 2014 (Figure 1). This is an increase from the end of the first year of the program that had between 0.2% (RG) – 1% (DWG; Figure 1).

Table 5: Accounts with shares by permit status

DWG	Permit	No Permit	GG	Permit	No Permit	RG	Permit	No Permit
2010	449	12	2010	690	29	2010	641	24
2011	392	39	2011	578	83	2011	537	73
2012	359	42	2012	513	99	2012	479	90
2013	323	59	2013	475	120	2013	440	110
2014	296	72	2014	433	142	2014	402	128

SWG	Permit	No Permit	TF	Permit	No Permit	Total	Permit	No Permit
2010	692	29	2010	282	5	2010	714	34
2011	591	83	2011	238	22	2011	612	87
2012	527	102	2012	224	22	2012	556	109
2013	479	125	2013	200	32	2013	507	137
2014	433	149	2014	187	40	2014	465	163

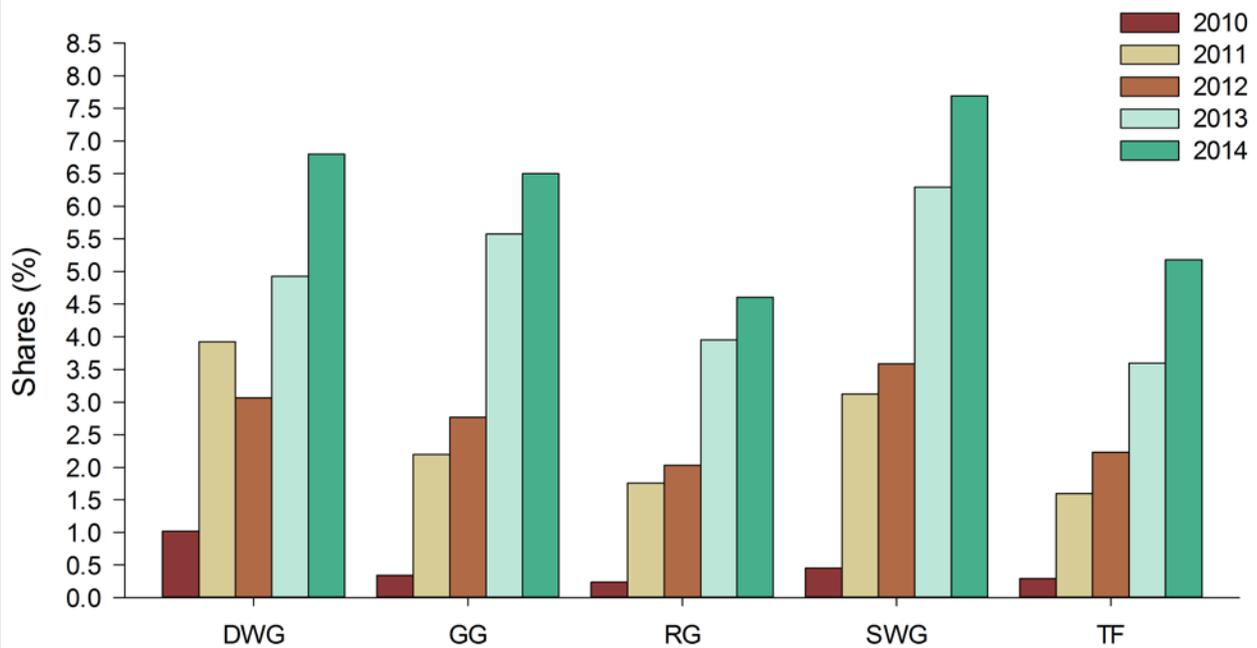


Figure 1. Shares held by accounts without Gulf reef fish permits

Allocation Holders

In the GT-IFQ program, an account holder may obtain allocation from shares (distributed at the beginning of the year or from any in-season quota increase) or from the transfer of allocation from another account holder. The number of accounts that hold allocation does not necessarily equal the number of accounts that land allocation, as not all accounts that hold allocation also hold a Gulf reef fish permit and some accounts may only trade allocation.

The total number of accounts that held allocation increased slightly in 2014, although it was below the greatest number of accounts which occurred in 2011 (Table 6). In 2014, the RG, GG, and SWG share categories increased in allocation holders (Table 6), while the remaining categories decreased. In 2014, there was a continued increase in the percentage of accounts that did not obtain at least one pound of allocation through shares, with 20% of the accounts holding shares compared to 6% in 2010 (Table 6). The 80% of accounts with allocation through shares is consistent with the percentages within each share category (Table 6). The continued increase in allocation holders without shares may result from a variety of factors, for example, a shareholder may manage shares in related accounts,² be unable to buy shares (e.g., availability or price), change their harvesting behavior, or be influenced by the Red Snapper Individual Fishing Quota (RS-IFQ) program. The RS-IFQ and GT-IFQ programs have a large amount of overlap; 83% of the vessels that landed at least one pound of GT-IFQ species also landed at least one pound of red snapper. The multi-species harvest overlap observed in the reef fish complex likely contributes to the increased number of allocation holders in some share categories, as fishermen seek to reduce their bycatch and discards through allocation transfers. Quota increases may also allow allocation to be indirectly distributed to more participants through transfers.

Table 6: Accounts with allocation

DWG	N	Through shares	Through Transfer	GG	N	Through shares	Through Transfer	RG	N	Through shares	Through Transfer
2010	512	472	40 (8%)	2010	789	740	49 (6%)	2010	744	690	54 (7%)
2011	521	445	76 (15%)	2011	767	694	73 (10%)	2011	739	675	64 (9%)
2012	497	416	81 (16%)	2012	743	645	98 (13%)	2012	715	605	110 (15%)
2013	465	384	81 (17%)	2013	717	595	122 (17%)	2013	684	563	121 (18%)
2014	457	365	92 (20%)	2014	727	580	147 (20%)	2014	690	544	146 (21%)
SWG	N	Through shares	Through Transfer	TF	N	Through shares	Through Transfer	ALL	N	Through shares	Through Transfer
2010	762	725	37 (5%)	2010	299	271	28 (9%)	2010	816	765	51 (6%)
2011	760	687	73 (10%)	2011	309	263	46 (15%)	2011	833	756	77 (9%)
2012	737	644	93 (13%)	2012	292	243	49 (17%)	2012	812	701	111 (14%)
2013	720	602	118 (16%)	2013	282	230	52 (18%)	2013	787	659	128 (16%)
2014	722	578	144 (20%)	2014	279	217	62 (22%)	2014	796	639	157 (20%)

Dealers

The number of dealers who received and processed GT-IFQ species increased considerably in 2014, from 96 dealers in 2013 to 112 in 2014, the largest annual increase to date (Table 7). As in previous years, the majority of dealers purchase a small proportion of the overall catch (<1% of annual landings; Table 7). Dealers can be classified by the percentage of annual GT-IFQ landings purchased: small dealers purchased <1% of GT-IFQ landings, medium dealers between 1-3% of annual GT-IFQ landings, and large dealers greater than 3% of annual GT-IFQ landings. The greatest increase in dealers occurred with small sized dealers who increased from 75 in 2013 to 94 in 2014 (Table 7). The number of medium-sized dealers decreased and large-sized dealers increased by one (Table 7). Some of the small sized dealers are likely fishermen who also have a Gulf reef fish dealer permit. Currently it is not possible to link ownership of a shareholder account to ownership of a dealer account, as accounts may be held under different names (e.g., business vs. individual name vs. different business name). Personal communications with industry representatives indicated that there were shareholders who also owned dealer permits, but these were not limited to just small dealers.

Table 7: Dealer accounts and size by % of annual landings

Year	Total	Small <1% of landings	Medium 1-3% of landings	Large >3% of landings
2010	85	63 (74%)	15 (18%)	7 (8%)
2011	94	75 (80%)	12 (13%)	7 (7%)
2012	97	73 (75%)	16 (17%)	8 (8%)
2013	96	75 (78%)	11 (12%)	10 (10%)
2014	112	94 (84%)	7 (6%)	11 (10%)

Dealer size determined by percentage of annual landings by each dealer and may include multiple facilities.

Vessels

The number of vessels landing grouper-tilefish species increased to 435 vessels in 2014, an increase of 21 vessels since the previous year, but still less than average pre-IFQ (2007-2009) years (Table 8). The SWG and RG share categories had the greatest increase in vessels in 2014 (Table 8). Vessels primarily landed their catch at Florida facilities, typical of landings in previous years (Table 8). As this is a multi-species industry, many vessels landed species in more than one share category. Seventy-six percent of the vessels landed species belonging to two to four share categories, while only 7% landed species in one category, and 17% landed species in all five categories. RG, GG, and SWG share categories had more than 350 vessels with landings, while vessels landing DWG species remained just under 200 vessels and those harvesting tilefish just under 100 (Table 8). Eighty-three percent of the vessels that landed grouper-tilefish species also landed red snapper, showing the high degree of overlap between the IFQ programs (Table 9). This overlap increased since the start of the GT-IFQ program (Table 9).

Table 8: Vessels that harvested GT-IFQ species

DWG	N	FL	Other Gulf	GG	N	FL	Other Gulf	RG	N	FL	Other Gulf
Pre-IFQ	238	NA	NA	Pre-IFQ	493	NA	NA	Pre-IFQ	546	NA	NA
2010	187	142	59	2010	415	379	44	2010	393	383	11
2011	192	148	54	2011	363	336	29	2011	383	375	9
2012	206	165	52	2012	384	354	37	2012	398	386	13
2013	185	144	52	2013	367	334	40	2013	363	356	9
2014	186	143	47	2014	376	349	29	2014	385	372	13
SWG	N	FL	Other Gulf	TF	N	FL	Other Gulf	ALL	N	FL	Other Gulf
Pre-IFQ	489	NA	NA	Pre-IFQ	166	NA	NA	Pre-IFQ	630	NA	NA
2010	322	284	54	2010	79	66	22	2010	452	401	64
2011	307	270	43	2011	75	59	23	2011	440	388	59
2012	343	304	52	2012	97	81	21	2012	449	398	61
2013	324	282	52	2013	78	61	23	2013	414	364	57
2014	353	310	46	2014	91	75	18	2014	435	387	51

¹ The total number of vessels is less than the sum of vessels across states because some vessels land in multiple states. Pre-IFQ years are an annual average based on 2007-2009.

Table 9: IFQ programs vessel overlap

Year	Percentage vessels also landing RS	Year	Percentage vessels also landing RS
2010	78%	2013	81%
2011	75%	2014	83%
2012	77%		

Program Activity

Share Transactions

There was a slight increase in share transfers in 2014, but still considerably less than the first year of the program (Table 10). Overall, the total amount of shares transferred across the program increased from 55.20% in 2011 to 72.94% in 2014 (Table 10). The majority of 2014 share transfers occurred in the RG share category (n = 144), although the greatest total volume transferred (19.2%) occurred in the GG share category (Table 10). Average share transfers were between 0.10% and 0.48% per share category (Table 10).

Table 10: Share transactions

DWG	N	Total Shares	Average Shares	GG	N	Total Shares	Average Shares
2010	161	25.8	0.16	2010	256	24.0	0.09
2011	96	7.0	0.07	2011	137	17.3	0.13
2012	78	9.3	0.12	2012	129	14.8	0.12
2013	53	7.3	0.14	2013	88	5.53	0.06
2014	62	12.6	0.20	2014	106	19.2	0.18

RG	N	Total Shares	Average Shares	SWG	N	Total Shares	Average Shares
2010	267	24.3	0.09	2010	195	25.6	0.13
2011	168	13.5	0.08	2011	104	8.4	0.08
2012	202	17.2	0.08	2012	97	6.9	0.07
2013	145	13.7	0.09	2013	82	12.2	0.15
2014	144	14.2	0.10	2014	63	10.6	0.17

TF	N	Total Shares	Average Shares	ALL	N	Total Shares
2010	91	31.6	0.35	2010	970	131.30
2011	59	9.0	0.15	2011	564	55.20
2012	44	11.8	0.27	2012	550	59.97
2013	29	5.5	0.19	2013	397	44.34
2014	34	16.3	0.48	2014	409	72.94

Allocation Transactions

Annual GT-IFQ allocation is the actual poundage each IFQ account can use to possess, land, and/or sell during a given calendar year. Individual units of allocation cannot be tracked in the system (e.g., the same pounds may be transferred multiple times) and all allocation transfers between accounts are analyzed in this report. The total number of GT-IFQ allocation transfers reached an all-time high in 2014; 6,831 transfers for 12.5 million pounds (mp; Table 11). Similar to transfers in 2013, the total amount of GT-IFQ allocation transfers exceeded the amount of quota released (145%; Table 11). The RG and GG share categories had the largest number of transfers (2,321 and 2,234, respectively), with both categories having 500+ more transactions than in the previous year (Table 11). The largest volume of transfers occurred in RG, 7.18 mp or 214% of the 2014 quota (Table 11). The average RG allocation transferred was ~3,100 lb, a slight increase compared to the previous year (Table 11). With the exception of SWG, the volume of allocation transferred exceeded the quota for that share category (Table 11). Average pounds transferred for DWG and TF were just less than 3,000 lb, while GG and SWG were near 500 lb. The average and total pounds transferred in the TF category was high in comparison to its low quota (0.52 mp), with the allocation transferred more than 2 times the quota (Table 11). The volume of DWG pounds transferred also exceeded its quota by more than 2 times the quota (Table 11).

Table 11: Allocation transactions

DWG	N	Lb.	Avg. lb.	% quota	GG	N	Lb.	Avg. lb.	% quota
2010	490	1,027,477	2,097	101%	2010	945	743,266	787	53%
2011	632	1,447,229	2,290	142%	2011	1,250	332,049	266	77%
2012	764	1,524,618	1,996	135%	2012	1,745	503,899	289	89%
2013	608	1,762,344	2,898	158%	2013	1,719	621,794	362	88%
2014	846	2,370,757	2,802	214%	2014	2,234	1,236,326	553	148%

RG	N	Lb.	Avg. lb.	% quota	SWG	N	Lb.	Avg. lb.	% quota
2010	1,065	3,217,048	3,021	56%	2010	616	315,042	511	77%
2011	1,550	4,260,483	2,749	81%	2011	568	272,816	480	67%
2012	1,906	4,736,612	2,485	88%	2012	900	365,563	406	72%
2013	1,753	5,579,549	3,183	101%	2013	911	493,144	541	95%
2014	2,321	7,188,809	3,097	128%	2014	1,000	506,556	507	97%

TF	N	Lb.	Avg. lb.	% quota	ALL	N	Lb.	% quota
2010	268	489,585	1,827	111%	2010	3,384	5,792,418	64%
2011	328	765,586	2,334	174%	2011	4,328	7,078,163	94%
2012	385	685,980	1,782	118%	2012	5,700	7,816,672	96%
2013	291	933,105	3,207	160%	2013	5,282	9,389,936	111%
2014	430	1,255,737	2,920	216%	2014	6,831	12,558,185	145%

Allocation Activity

Account activity was determined by analyzing allocation transactions. An account was considered active if the account landed, sold, and/or bought allocation during that fishing year. Account status was determined each year based on an account’s activity within that year and for each share category. Of the accounts that received allocation in 2014, between 19% (TF) and 29% (SWG) per share category were considered inactive, which was slightly lower than in the previous year (Table 12). Accounts may be

Table 12: Account activity

DWG	N	Inactive	Landings	GG	N	Inactive	Landings	RG	N	Inactive	Landings
2010	512	169 (33%)	161 (31%)	2010	789	244 (31%)	362 (46%)	2010	744	222 (30%)	348 (47%)
2011	521	140 (27%)	169 (32%)	2011	767	221 (29%)	323 (42%)	2011	739	184 (25%)	344 (47%)
2012	497	104 (21%)	185 (37%)	2012	743	184 (25%)	344 (46%)	2012	715	167 (23%)	357 (50%)
2013	465	115 (25%)	168 (36%)	2013	717	206 (29%)	336 (47%)	2013	684	171 (25%)	332 (49%)
2014	457	103 (23%)	168 (37%)	2014	727	187 (26%)	341 (47%)	2014	690	153 (22%)	350 (51%)

SWG	N	Inactive	Landings	TF	N	Inactive	Landings
2010	762	277 (36%)	282 (37%)	2010	299	101 (34%)	66 (22%)
2011	760	261 (34%)	272 (36%)	2011	309	77 (25%)	68 (22%)
2012	737	220 (30%)	303 (41%)	2012	292	59 (20%)	87 (30%)
2013	720	233 (32%)	297 (41%)	2013	282	70 (25%)	76 (27%)
2014	722	208 (29%)	324 (45%)	2014	279	54 (19%)	83 (30%)

N indicates the number of accounts with allocation.

inactive due to several reasons: an initial account that was never accessed, shares resulting in inconsequential pounds for harvest or sale (e.g., 1-5 lb), or inability to harvest (e.g., vessel in dry dock). Between 30% (TF) and 51% (RG) of the accounts with allocation landed GT-IFQ species (Table 12).

Table 13: Landings by share status

DWG	w/ shares		w/o shares		GG	w/ shares		w/o shares	
2010	602,749 lb	96%	22,013 lb	4%	2010	473,362 lb	96%	20,576 lb	4%
2011	701,273 lb	90%	78,246 lb	10%	2011	286,560 lb	90%	33,577 lb	10%
2012	806,041 lb	84%	157,794 lb	16%	2012	436,556 lb	83%	88,510 lb	17%
2013	562,498 lb	62%	350,425 lb	38%	2013	470,701 lb	81%	108,963 lb	19%
2014	576,636 lb	55%	471,506 lb	45%	2014	450,465 lb	65%	239,063 lb	35%
RG	w/ shares		w/o shares		SWG	w/ shares		w/o shares	
2010	2,800,064 lb	96%	113,794 lb	4%	2010	155,091 lb	98%	3,143 lb	2%
2011	4,397,093 lb	92%	385,101 lb	8%	2011	170,156 lb	91%	16,079 lb	9%
2012	4,513,535 lb	87%	703,670 lb	13%	2012	256,643 lb	85%	43,724 lb	15%
2013	3,688,461 lb	80%	906,211 lb	20%	2013	242,464 lb	79%	65,382 lb	21%
2014	3,609,728 lb	66%	1,889,026 lb	34%	2014	193,570 lb	74%	69,681 lb	26%
TF	w/ shares		w/o shares						
2010	246,987 lb	99%	2,721 lb	1%					
2011	330,997 lb	86%	55,137 lb	14%					
2012	350,670 lb	78%	100,451 lb	22%					
2013	219,869 lb	50%	220,222 lb	50%					
2014	214,600 lb	41%	302,668 lb	59%					

Accounts landing GT-IFQ species can be further classified as those that did and did not hold shares. In 2014, there was a continued decrease in the percent of landings from accounts that held shares (Table 13). Between 41% (TF) and 74% (SWG) of the pounds landed came from accounts that held shares (Table 13). Landings for both DWG and TF share categories were nearly split in half between accounts with and without shares. A large percentage of landings from accounts without shares may indicate a disconnect between those who held shares and those who were harvesting fish. However, these results must be interpreted with caution, as accounts without shares may be related to accounts with shares. Conversations with industry have indicated that some fishermen separate their assets by holding the shares in a separate account than the account that harvests fish.

Active accounts can be further divided by type of activity: those that only traded allocation and those that landed (and may or may not trade) allocation. There are a variety of reasons why an account holder may have only traded allocation: account holder could not harvest allocation (e.g., no permit, vessel inoperative), allocation was transferred to a related account, account holder had insufficient allocation to harvest (e.g., shares resulted in only a few pounds of allocation), and/or greater profit could be earned from selling than harvesting the allocation. The number of accounts only trading allocation remained similar to the previous years, with values ranging from 26% to 51% (Table 14). The majority (66-69%) of accounts that only traded allocation held both a Gulf commercial reef fish permit and shares (Table 14). A relatively small percentage of accounts (11-18%) that only traded allocation held a permit but did not hold shares (Table 14). These accounts may have been acting as brokerage accounts, obtaining

allocation solely in order to trade it to other accounts, or these accounts may have related accounts and are being used to temporarily hold allocation. Currently, there is no method to determine which accounts are related or any established method to distinguish accounts that act as brokers.

Commercial Quota and Landings

Quota

Each share category has a commercial quota that may be adjusted annually or during the fishing year, based on stock assessments and other new information. The GT-IFQ program tracks landings in pounds of gutted weight (gw) and landings are reported in this report as such. Quotas for 2014 increased for the GG, RG, and SWG categories, remained the same for the TF and DWG categories (Table 15). There were no mid-year quota releases in 2014.

Landings

Table 14: Percentage of accounts only trading allocation

DWG	N	Shares & permit	Shares, no permit	No shares, with permit	GG	N	Shares & permit	Shares, no permit	No shares, with permit
2010	182 (36%)	148 (81%)	7 (4%)	27 (15%)	2010	183 (23%)	156 (85%)	14 (8%)	27 (15%)
2011	212 (41%)	142 (67%)	30 (14%)	40 (19%)	2011	223 (29%)	165 (74%)	34 (15%)	40 (18%)
2012	209 (42%)	147 (70%)	30 (14%)	32 (15%)	2012	215 (29%)	156 (73%)	37 (17%)	32 (15%)
2013	182 (39%)	126 (69%)	24 (13%)	32 (18%)	2013	174 (24%)	123 (71%)	33 (19%)	18 (10%)
2014	186 (41%)	128 (69%)	29 (16%)	29 (16%)	2014	199 (27%)	137 (69%)	38 (19%)	24 (12%)
RG	N	Shares & permit	Shares, no permit	No shares, with permit	SWG	N	Shares & permit	Shares, no permit	No shares, with permit
2010	174 (23%)	144 (83%)	12 (7%)	18 (10%)	2010	203 (27%)	172 (85%)	14 (7%)	17 (8%)
2011	211 (29%)	157 (74%)	36 (17%)	18 (9%)	2011	227 (30%)	162 (71%)	36 (16%)	29 (13%)
2012	191 (27%)	136 (71%)	34 (18%)	21 (11%)	2012	214 (29%)	155 (72%)	37 (17%)	22 (10%)
2013	180 (26%)	122 (68%)	31 (17%)	27 (15%)	2013	190 (26%)	121 (64%)	34 (18%)	35 (18%)
2014	187 (27%)	127 (68%)	39 (21%)	21 (11%)	2014	190 (26%)	126 (66%)	39 (21%)	25 (13%)
TF	N	Shares & permit	Shares, no permit	No shares, with permit	Note: N indicates the number of accounts only trading allocation. The percentage under N indicates the percentage of these accounts out of all accounts with allocation. The percentage in the remaining column indicates the percentage of accounts only trading allocation.				
2010	132 (44%)	105 (80%)	3 (2%)	24 (18%)					
2011	164 (53%)	112 (68%)	19 (12%)	33 (20%)					
2012	146 (50%)	105 (72%)	18 (12%)	23 (16%)					
2013	136 (48%)	97 (71%)	11 (8%)	28 (21%)					
2014	142 (51%)	98 (69%)	18 (13%)	26 (18%)					

Landings increased in 2014 for all share categories except SWG (Table 16). The greatest increase in landings occurred in RG, which increased by just under 1 mp from the previous year (Table 16). With the exception of SWG, more than 83% of the quota was landed per share category. Landings for SWG have consistently been low since the start of the program with only 30% to 59% per share category of the quota having been landed. The nature of this multi-species fishery was observed in the different landing peaks both within and among share categories. In 2014, GG and RG landings peaked early in the year (Feb through June), while peak DWG landings occurred in the summer (Jun – Aug), and peak

TF landings occurred in the latter part of the year (July-Oct; Table 17, Figure 2). With the exception of 2010 when landings were influenced by the Deepwater Horizon (DWH) oil spill and the subsequent fishery closures (Appendix 3), the landings patterns have been consistent with increased GG and RG landings in the early part of the year, followed by increased DWG and TF landings mid to late year (Figure 2). SWG landings are consistent through most of the year. Increased landings in December were observed in all share categories as commercial fishermen sought to harvest unused allocation before the end of the fishing season.

Table 15: IFQ commercial quota

DWG	Jan 1	Quota Increase	Increase Date	Dec 31	GG	Jan 1	Quota Increase	Increase Date	Dec 31
2010	1,020,000			1,020,000	2010	1,410,000			1,410,000
2011	1,020,000			1,020,000	2011	100,000	330,000	6/1	430,000
2012	1,020,000	107,000	1/30	1,127,000	2012	430,000	137,000	3/12	567,000
2013	1,118,000			1,118,000	2013	708,000			708,000
2014	1,110,000			1,110,000	2014	835,000			835,000

RG	Jan 1	Quota Increase	Increase Date	Dec 31	SWG	Jan 1	Quota Increase	Increase Date	Dec 31
2010	5,750,000			5,750,000	2010	410,000			410,000
2011	4,320,000	910,000	11/2	5,230,000	2011	410,000			410,000
2012	5,370,000			5,370,000	2012	410,000	99,000	1/30	509,000
2013	5,530,000			5,530,000	2013	518,000			518,000
2014	5,630,000			5,630,000	2014	523,000			523,000

TF	Jan 1	Quota Increase	Increase Date	Dec 31
2010	440,000			440,000
2011	440,000			440,000
2012	440,000	142,000	1/30	582,000
2013	582,000			582,000
2014	582,000			582,000

Table 16: Annual Landings (% of quota)

	2010	2011	2012	2013	2014
DWG	624,762 (61%)	779,519 (76%)	963,835 (86%)	912,923 (82%)	1,048,142 (94%)
GG	493,938 (35%)	320,137 (74%)	525,066 (93%)	579,664 (82%)	689,528 (83%)
RG	2,913,858 (51%)	4,782,194 (91%)	5,217,205 (97%)	4,594,672 (83%)	5,498,754 (98%)
SWG	158,234 (30%)	186,235 (45%)	300,367 (59%)	307,846 (59%)	263,251 (50%)
TF	249,708 (57%)	386,134 (88%)	451,121 (78%)	440,091 (76%)	517,268 (89%)
ALL	4,440,500 (49%)	6,454,219 (86%)	7,457,594 (91%)	6,835,196 (81%)	8,016,943 (92%)

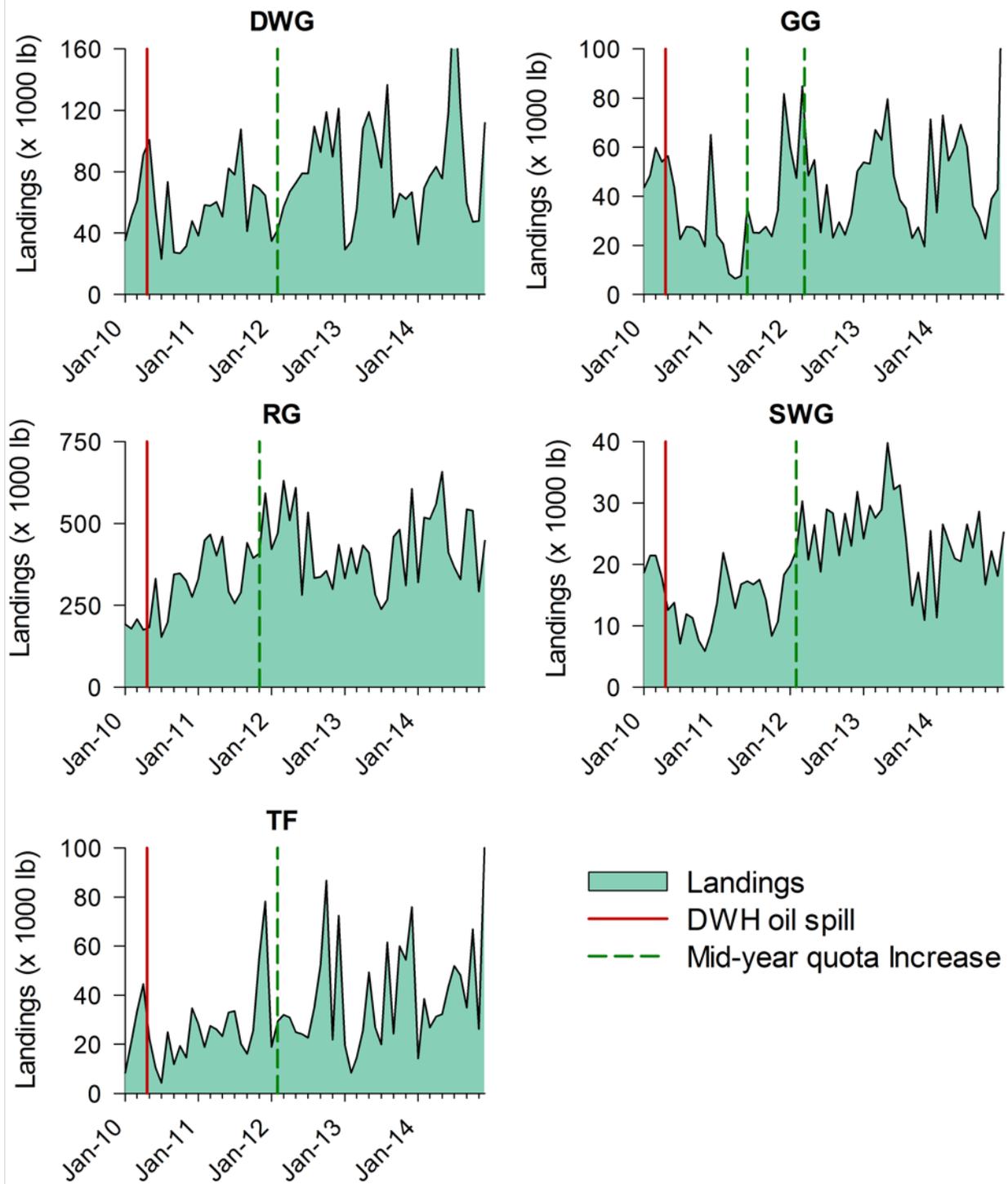


Figure 2. Monthly landings by share category

Table 17: 2014 Monthly landings

	DWG	GG	RG	SWG	TF
Jan	32,717	33,365	320,089	11,348	14,271
Feb	69,426	72,979	518,127	26,529	38,503
Mar	77,186	54,496	513,430	23,814	26,818
Apr	83,354	59,966	559,446	20,973	31,315
May	75,556	69,165	658,187	20,476	32,253
Jun	118,921	60,321	411,045	26,542	43,517
Jul	202,172	36,146	366,587	22,743	51,868
Aug	121,783	31,287	329,075	28,620	48,118
Sept	59,900	22,746	543,291	16,704	34,918
Oct	47,439	38,902	539,281	22,184	66,799
Nov	47,896	42,836	292,391	18,084	26,247
Dec	111,792	167,319	447,805	25,234	102,641

Multi-use Flexibility

A portion of the gag or red grouper allocation may be reserved each year for multi-use allocation, which may be used to land either gag or red grouper. The multi-use provision is to ensure that there may allocation to use if either gag or red grouper are landed as incidental catch. The percentage of multi-use may change each year and may even be zero (Table 18)). Since 2013, the red grouper multi-use (RGM) and gag multi-use (GGM) allocation was based formulas (see below) utilizing the commercial quota and the annual catch limits for gag and red grouper.

Table 18: Multi-use allocation

Year	GGM	RGM
2010	8%	4%
2011	8%	NA
2012	8%	NA
2013	70%	NA
2014	47%	NA

$$RGM \text{ allocation} = 100 * \frac{(Gag \text{ ACL} - Gag \text{ Commercial Quota})}{Red \text{ Grouper Commercial Quota}}$$

$$GGM \text{ allocation} = 100 * \frac{(Red \text{ Grouper ACL} - Red \text{ Grouper Commercial Quota})}{Gag \text{ Commercial Quota}}$$

If either stock is under a rebuilding plan, the percentage of the other species multi-use allocation will equal zero. Multi-use allocation can not be used until all the species-specific allocation has been landed or transferred, including allocation in shareholder and all associated vessel(s) accounts. For example, gag may not be landed under GGM or RGM unless there is no GG allocation remaining in the shareholder and associated vessel(s) accounts. Similarly, multi-use allocation may only be transferred

after landing or transferring all the corresponding species-specific allocation in the shareholder and associated vessel(s) accounts.

In 2014, the percentage of GGM that was used to harvest red grouper was the greatest to date at 35% (Table 19). This was considerably higher than the previous year when only 1% of GGM was used to harvest red grouper. These percentages may be misleading, as in 2013, over 70% of the gag quota was allocated to multi-use, the highest percentage to date. When viewed as the percentage of all red grouper landed, the amount of red grouper landed under GGM was negligible, with values between 0.03% and 1.84%.

Table 19: Percentage of Multi-use Landings

Year	RGM		GGM	
	Red Grouper	Gag	Red Grouper	Gag
2010	73% (13,833 lb)	27% (5,091 lb)	28% (2,203 lb)	72% (5,654 lb)
2011	NA	NA	14% (1,474 lb)	86% (8,700 lb)
2012	NA	NA	6% (1,928 lb)	94% (32,230 lb)
2013	NA	NA	1% (4,329 lb)	99% (376,528 lb)
2014	NA	NA	35% (103,151 lb)	65% (188,950 lb)

Landings by Species

In each of the three multi-species share categories, one species comprised the majority of the landings (Table 20). In 2014, these species were yellowedge grouper (74% of DWG), scamp (64% of SWG), and golden tilefish (84% of TF). Note that pre-IFQ landings (average of 2007-2009) were heavily influenced by the existing regulations (trip limits, closures, etc.). When compared to the pre IFQ landings, 2014 landings have decreased for eight species: all the SWG species, yellowedge grouper, gag, and blueline tilefish (Table 20). Decreases in gag and the SWG species landings were the result of the decreased quotas, although fishermen behavior or dealer demand might also have affected landings. The percentage of species landings within each category changed when comparing pre-IFQ and 2014 landings for SWG and TF. In the SWG category, scamp landing increased from 61% in pre-IFQ years to 73% of SWG in 2014 (Table 20). In previous GT-IFQ years, scamp comprised 80-87% of the SWG catch. Within the TF category, golden tilefish remains the predominate species landed under the TF category. Golden tilefish increased from 74% of the pounds landed to 84%, while the percentage of blueline tilefish pounds landed decreased from 26% to 14% (Table 20). Goldface tilefish has decreased appreciably since the start of the program (Table 20). Within the DWG category, the percentage of landings by species has not changed much between the start of the program and 2014.

Table 20: Annual Landings by Species

Cat.	Species	Pre-IFQ ¹	2010	2011	2012	2013	2014
DWG	Snowy grouper	161,175	90,180	132,971	168,759	108,689	159,857
	Speckled hind	47,913	15,359	24,925	43,344	34,922	72,241
	Warsaw grouper	74,476	56,496	61,661	86,212	103,074	75,426
	Yellowedge grouper	792,055	443,887	558,908	667,785	673,349	773,621
GG	Gag	952,555	496,826	318,663	523,138	575,335	586,377
RG	Red grouper	3,910,083	2,910,970	4,783,668	5,219,133	4,599,001	5,601,905
SWG	Black grouper	156,778	20,905	34,970	47,537	56,750	60,555
	Scamp	266,193	153,533	149,286	249,320	242,170	167,840
	Yellowfin grouper	10,122	1,394	945	739	856	568
	Yellowmouth grouper	466	85	548	506	959	1,285
TF	Blueline tilefish	123,072	22,555	44,841	82,025	49,454	74,221
	Golden tilefish	352,080	169,031	311,848	356,846	381,947	436,921
	Goldface tilefish ²	NA	57,169	29,445	12,250	8,690	6,126

¹ Pre-IFQ data from the SEFSC Coastal Logbook records as of 4/2/2015 and therefore may not contain the complete 2014 data. RS-IFQ annual values were averaged over three years: 2007-2009.

² Goldface tilefish were grouped with unclassified tilefish prior to the start of the GT-IFQ program.

³ Pounds are by species and not the share category the species of landing.

Remaining Allocation

At the end of each year, any remaining allocation in an account expires. In 2014, 41-64% of the accounts had at least one pound of allocation remaining (113-461 accounts), a decrease compared to previous years (Table 21). The total amount of remaining allocation decreased in the DWG, RG, and TF categories (Table 21). However, remaining allocation in GG and SWG categories increased in 2014, and, with the exclusion of 2010 due to the DWH oil spill closures, had the highest amount of remaining allocation to date (Table 21). The remaining allocation for all share categories was between 2% and 50% of the quotas. Accounts which had remaining allocation can be classified as active (those that traded and/or landed allocation) or inactive. Inactive accounts comprised between 40-53% of the accounts with remaining allocation, but consisted of 4-35% of the remaining pounds (Table 21). The amount of pounds in the inactive accounts decreased for most share categories in 2014.

Table 21: Remaining allocation

DWG	Lb	Acct	% quota	Inact. lb	Inact. Acct	GG	Lb	Acct	% quota	Inact. lb	Inact. Acct
2010	395,615	390	39	64,601	169	2010	916,034	706	65	113,353	244
2011	240,703	283	24	15,731	140	2011	109,780	531	26	17,192	221
2012	163,126	235	14	11,177	103	2012	41,976	424	7	10,796	184
2013	205,088	253	18	14,192	115	2013	128,358	468	18	20,248	206
2014	62,405	195	6	5,406	103	2014	145,639	418	17	16,959	187
RG	Lb	Acct	% quota	Inact. lb	Inact. Acct	SWG	Lb	Acct	% quota	Inact. lb	Inact. Acct
2010	2,835,405	666	49	339,893	222	2010	251,503	630	61	33,961	277
2011	448,926	501	9	64,216	184	2011	223,743	513	55	22,514	261
2012	152,249	356	3	38,159	167	2012	208,450	441	41	22,711	220
2013	935,776	442	17	62,605	171	2013	210,129	493	41	20,999	233
2014	132,172	317	2	46,907	153	2014	259,689	461	50	20,948	208
TF	Lb	Acct	% quota	Inact. lb	Inact. Acct						
2010	190,857	219	43	59,798	101						
2011	53,920	142	12	5,343	77						
2012	130,903	130	22	5,951	59						
2013	141,968	148	24	11,614	70						
2014	64,855	113	11	2,380	54						

In contrast to remaining allocation, accounts that hold shares can land in excess of their allocation once per year through the 10% overage flexibility measure. These overages are then deducted from the shareholder's allocation in the next year. A small number of accounts in 2014 (n = 3-6 accounts per category) had overages that accounted for 14 - 833 lb per share category.

Effort and Discards

Effort was categorized by analyzing the number of trips that caught at least one pound of GT-IFQ species, days away, and the average landings of GT-IFQ species on those trips. Note, values were not adjusted for misidentified species (e.g., gag grouper as black grouper). Analysis used the Southeast Fisheries Science Center's (SEFSC) coastal logbook records for 2007-2014 accessed on 4/2/2015 and may be incomplete for 2014. The total number of trips taken to harvest GT-IFQ species and the days away on a trip decreased in 2014, while the number of days per trip and pounds per trip remained similar (Table 22). Because this is a multi-species fishery, effort data on a share category may be influenced by the targeted species for each trip. This information was not utilized in this analysis because the analysis was for share category and not species. Within share categories, in 2014 the number of trips decreased from the previous year between 1% and 10% (Table 22). As in previous years, the least number of trips was taken in the TF category (n = 370) and the greatest number of trips taken occurred in RG category (n = 3,654; Table 22). The number of days away also decreased in 2014 between 1% and 11% within each share category (Table 22). Average days per trip remained similar for all share categories

compared to the previous year, and did not differ much from pre-IFQ years. The average pounds per trip increased for the program slightly in 2014, and increased in all share categories except SWG and GG (Table 22).

Table 22: Effort harvesting GT-IFQ species

DWG	Trips	Days away	Avg. days/trip	Avg. lb/trip	GG	Trips	Days away	Avg. days/trip	Avg. lb/trip
Pre-IFQ	921	7,274	7.9	1,192	Pre-IFQ	4,015	21,348	5.3	236
2010	808	5,812	7.2	745	2010	3,067	16,639	5.4	156
2011	924	6,907	7.5	822	2011	2,514	13,589	5.4	123
2012	1,181	8,863	7.5	779	2012	3,073	15,629	5.1	166
2013	1,034	7,960	7.7	866	2013	2,940	16,423	5.6	189
2014	931	7,127	7.7	959	2014	2,906	16,197	5.6	166

RG	Trips	Days away ¹	Avg. days/trip	Avg. landing per trip	SWG	Trips	Days away	Avg. days/trip	Avg. landing per trip
Pre-IFQ	5,004	25,732	5.1	780	Pre-IFQ	3,331	20,220	6.1	131
2010	3,534	18,650	5.3	796	2010	2,081	13,200	6.3	92
2011	3,764	19,523	5.2	1,218	2011	2,424	14,887	6.1	77
2012	3,916	19,898	5.1	1,262	2012	2,839	17,549	6.2	106
2013	3,722	19,434	5.2	1,156	2013	2,426	16,192	6.7	120
2014	3,654	18,830	5.2	1,271	2014	2,237	14,467	6.5	86

TF	Trips	Days away	Avg. days/trip	Avg. lb/trip	ALL	Trips	Days away	Avg. days/trip	Avg. lb/trip
Pre-IFQ	489	4,108	8.4	970	Pre-IFQ	6,601	33,792	5.1	1,039
2010	311	2,459	7.9	819	2010	4,429	22,898	5.2	980
2011	390	3,093	7.9	969	2011	4,675	24,269	5.2	1,330
2012	476	3,827	8.0	865	2012	4,935	25,321	5.1	1,437
2013	382	3,202	8.4	1,076	2013	4,634	24,265	5.2	1,400
2014	370	3,077	8.3	1,636	2014	4,604	23,585	5.1	1,482

¹ Data from the SEFSC Coastal Logbook records as of 4/2/2015 and therefore may not contain the complete 2014 data. Pre-IFQ data is the average from 2007-2009.

GT-IFQ species are harvested throughout the Gulf using three main gear types: longlines (13.6% by trip), vertical lines (78.8% by trip), and spearfishing (7.6% by trip). Fishing effort may differ based on these attributes. The number of vertical line and longline trips decreased at the start of the program, but then leveled out (Figure 3B). Spearfishing trips were consistent pre- and post-IFQ (Figure 3B). The average pounds per trip remained similar for vertical line and spearfishing trips both pre- and post-IFQ (~200-500 lb/trip). For longline gear trips, the average pounds per trip increased each year, culminating in nearly 7,000 lb/trip in 2014 compared to the pre-IFQ average of 3,600 lb/trip (Figure 3D). The average number of days per trip remained similar for all gear types pre- and post-IFQ, with the longline gear trips having a slight increase in days per trip in 2013 and 2014 (Figure 3F). The average length of longline trips were the longest at about 10 days per trip, followed by vertical lines (~4.5 days/trip), and spearfishing trips (~1.5 days per trip).

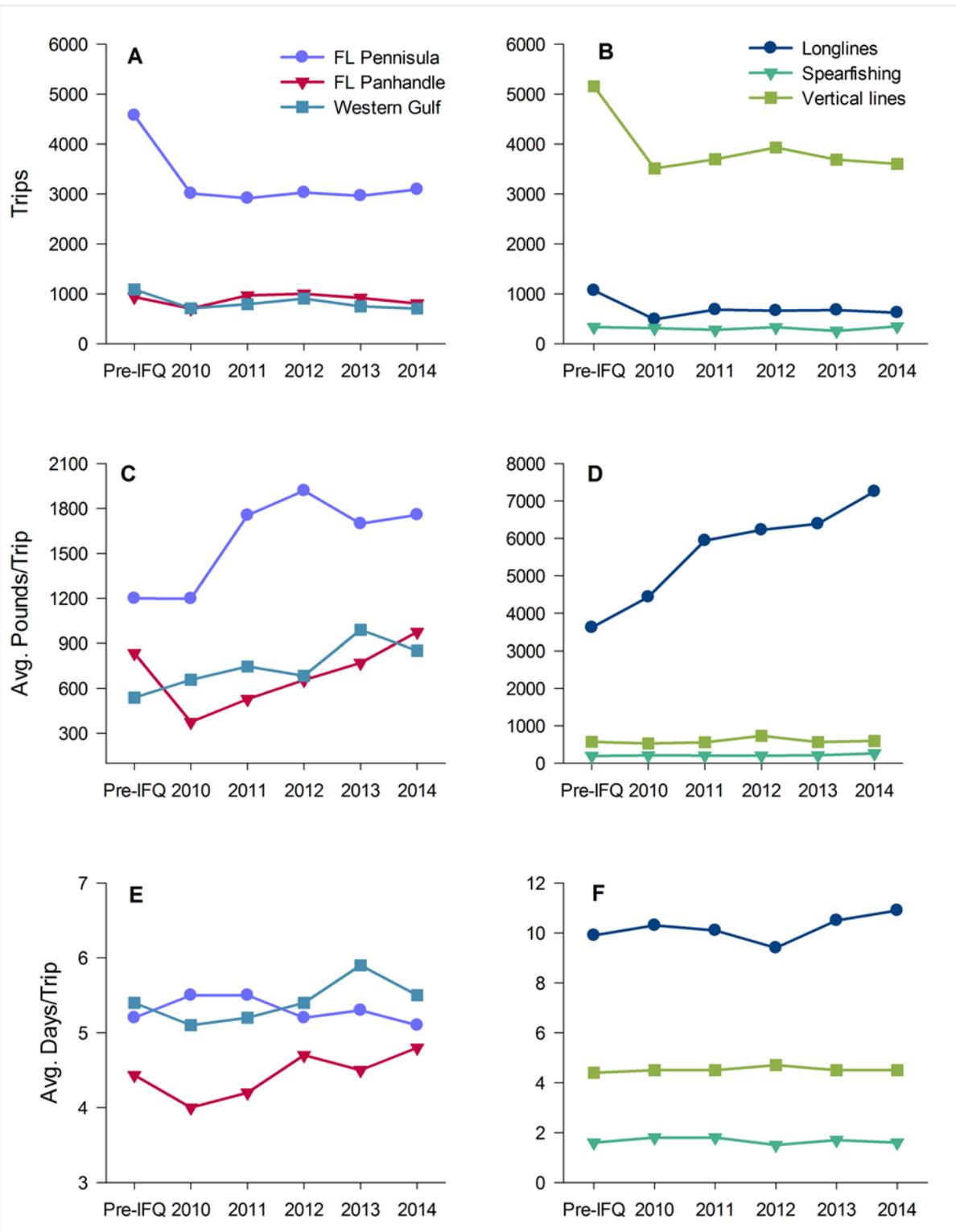


Figure 3. Effort by harvesting region or gear

Effort can also be categorized by region: Florida peninsula, Florida panhandle, and the western Gulf. In all three regions, the number of trips decreased with the start of the GT-IFQ program. The Florida peninsula had the greatest number of trips both pre- and post-IFQ, with approximately 3,000 trips since the start of the program (Figure 3A). The Florida panhandle and the western Gulf had fewer trips post IFQ compared to pre-IFQ, averaging around 700-1,000 trips per year during IFQ years (Figure 3A). The average pounds per trip changed appreciably for all regions after the GT-IFQ program began (Figure 3C). Average pounds per trip in the Florida peninsula region increased from ~1,200 lb/trip in 2010 to ~1,700 lb/trip in 2011 (Figure 3C), and thereafter remained similar. In contrast, trips in the Florida panhandle region had a decrease in average pounds/trip at the start of the GT-IFQ program, but have since increased gradually each year (Figure 3C). It was not until 2014, that the post-IFQ average pounds/trip exceeded the pre-IFQ value for the Florida panhandle. In the western Gulf, the average pounds per trip had an increase nearly every year, and went from ~500 lb/trip pre-IFQ to ~850 lb/trip post-IFQ (Figure 3C). The average days per trip remained similar for the trips in the Florida regions (~5-5.5 days/trip), while the western Gulf trips increased in length nearly every year (Figure 3E).

Data from the SEFSC reef fish observer (RFOB) program was used to evaluate changes in gag and red grouper discards. The RFOB program began in mid-2006. RFOB data were categorized by gear: longline (LL) and vertical line (VL; handlines and bandit reels). LL trips primarily occurred off the Florida peninsula, while VL trips occurred throughout the entire Gulf. In 2009, RFOB coverage shifted effort towards vessels using LL gear increasing the total number of trips sampled from 2010 through 2012 (Table 23). Total trips observed decreased in 2013 and again in 2014 (Table 23). In 2014, there were 138 trips with observer coverage; 71 trips caught gag and 63 trips caught red grouper (Table 23). As in previous years, more of the observed trips fished with VL gear than LL gear, and more trips were observed off the Florida peninsula than the rest of the Gulf (Table 23). RFOB observers record disposition status as: landed/kept, discarded alive, discarded dead, and unknown. These disposition

Table 23: Reef fish observer trips¹

Year	Trips			Gears		Regions ²	
	Total	w/gag	w/red grouper	LL trips	VL trips	FL Peninsula trips	Other Gulf
2007	108	66	71	9	75	61	53
2008	59	33	36	5	54	35	28
2009	79	51	55	33	46	56	29
2010	110	71	74	54	56	81	37
2011	187	138	146	81	106	129	65
2012	274	179	197	19	255	160	126
2013	209	132	148	84	125	142	80
2014	138	71	63	28	110	84	57

¹ Data from the Reef Fish Observer Program accessed as of 03/31/2015 and may be incomplete for 2014.

² One trip may include multiple regions, and therefore the sum of regions may be greater than the total trips.

statuses were used to calculate discard ratios by gear and region. The discard ratio is the number of

discarded fish for each fish landed. A higher value indicates that more fish are being discarded. Discard ratios may be influenced by the amount of allocation available to the vessels that were observed. Discussions at several stock assessments indicated that fishermen behavior, particularly with regards to discards, varies with the amount of allocation available both during a trip and throughout the year as well as the species the fishermen were targeting.

From 2007 through 2011, the minimum size limit for gag was 24 inches total length (TL). Starting in 2012, the minimum size limit was reduced to 22 inches TL (Appendix 4.1). The gag discard ratio was generally greater in the VL fleet relative to the LL fleet (Table 24). The discard rate in the VL fleet peaked at the start of the GT-IFQ program in 2010, but then steadily decreased. In 2014, 0.19 gag were discarded for every gag landed (Table 24). In the LL fleet, gag discards peaked in 2011 to 2.06 gag discarded for each gag landed, but then steadily decreased to 0.04 gag discarded for each gag landed in 2014. The discard ratio for gag in the LL fleet in 2014 is equivalent to pre-IFQ values. Discard ratio patterns by region show a similar pattern for both the Florida peninsula and the rest of the Gulf (Table 24). The discard ratio was greatest in 2011, but decreased thereafter (Table 24). The increased discards in 2011 are most likely correlated to the extreme drop in gag quota that year, from 1.41 mp in 2010 to 0.430 mp in 2011. The decreased discards after 2011 are likely correlated with changes in fishermen behavior due to the decreased gag quota and the slight increases in gag quotas in each subsequent year.

Until 2008, the red grouper minimum size limit was 20 inches TL, in 2009 the minimum size limit decreased to 18 inches TL (Appendix 4.2). Red grouper discard ratios were greater in the LL fleet relative to the VL fleet (Table 24). Discard ratios for both gear types peaked in 2011, which corresponds with a lower quota for the first three quarters of the year. Discard ratios for both gear types continued to decrease each year and were considerably lower than pre-IFQ years (Table 24). Discard rates were slightly higher in the Florida peninsula region than the rest of the Gulf (Table 24), but both regions had decreased discards when compared to pre-IFQ time periods.

Table 24: Discard ratio (x discarded: 1 landed)

Gag	VL	LL	FL peninsula	Other Gulf	Red grouper	VL	LL	FL peninsula	Other Gulf
2007	0.61	0.02	0.48	0.20	2007	0.70	1.27	0.96	0.45
2008	0.27	0.08	0.35	0.08	2008	0.76	1.16	1.07	0.29
2009	1.49	0.08	0.85	0.28	2009	0.78	1.13	1.04	1.11
2010	1.60	0.09	0.62	0.20	2010	1.44	1.11	1.14	0.63
2011	1.14	2.06	1.64	0.92	2011	0.63	0.84	0.82	0.35
2012	0.47	0.32	0.63	0.09	2012	0.42	0.82	0.61	0.11
2013	0.25	0.49	0.51	0.13	2013	0.35	0.50	0.51	0.08
2014	0.19	0.04	0.15	0.03	2014	0.23	0.57	0.51	0.00 ²

¹ Data from the Reef Fish Observer Program accessed as of 8/5/2014 and may not contain all 2014 data.

² Indicates that all fish were landed and no fish were discarded.

Price Information

Price information is important for evaluating the performance of a catch share program. Economic theory suggests that, when fishermen no longer have to engage in a “race for fish,” their profits will increase as they adjust their operations to take advantage of weather, market, and other business conditions. The elimination of “derby” fishing results in increased market stability while increased profits lead to higher prices for quota shares and allocations, as more efficient and profitable operators are willing to pay higher prices to purchase additional shares and/or allocation from less efficient and profitable operators. Theoretically, allocation prices should reflect the expected annual profit from harvesting one unit of quota, whereas share prices should reflect the net present value of the expected profit from harvesting one unit of quota in the long-run. Dockside or ex-vessel prices are anticipated to increase as well because fishermen no longer have to race to fish, which in turn should reduce market gluts and generate higher quality products.

Share Transfer Prices

Share transfer prices were not required until mid-2010, when a minimum transfer price of \$0.01 was required for all share transfers. Each year, some share transactions are either missing price information or have under-reported price information (e.g., \$0.01/lb). Transactions that had unreasonably low prices could be due, but not limited to, any of the following: entering a price per pound equivalent³ instead of the transaction price, reluctance to enter price information, gifts, transferring to a related account, part of a package deal (e.g., sale of shares with a permit, vessel, and/or other equipment), and/or unrecorded bartering of shares within the GT-IFQ or RS-IFQ program. Misreported prices led to the additional reporting requirement of share transfer reasons for each share transfer in 2013. One of the following seven share transfer reasons must be selected for each share transaction: “Barter trade for allocation”, “Barter trade for shares”, “Gift”, “Transfer to a related account”, “Sale to another shareholder”, “Package Deal”, and “No Comment”.

In 2014, 60% of share transactions were listed as a “Sale to another shareholder”, followed by “No comment” (17%), “Transfer to a related account” (11%), “Package deal” (5%), “Gift” (3%), and “Bartered trade for shares” (2%) or “Barter trade for allocation” (2%; Table 25). Transactions listed as “Sale to another shareholder” had the greatest amount of shares transferred (40%; Table 25).

Both transferor (‘seller’) and transferee (‘buyer’) prices were collected for share transfers starting in 2013. There was agreement between the transferor

Table 25: 2014 Share Transfer Reasons

Reason	N	Share %
Barter trade for allocation	7	0.97277
Barter trade for shares	10	4.61624
Gift	11	2.48705
No comment	68	10.675
Package deal	22	3.3993
Transfer to a related account	44	11.0617
Sale to another shareholder	247	39.725

³ A price per pound equivalent is the share percentage that would equal one pound under the commercial quota at that particular point in time. The exact share percentage that is equivalent to one pound depends on the total commercial quota and will change as the quota changes.

and transferee on 69% of the transfer prices in 2014, up 4% from 2013. Prices that were in disagreement generally fell into the following categories: one account entered price per pound instead of total price, one account entered an unreasonable total price (e.g., \$0.01 or \$1.00), or one party made typographical mistakes when entering the price (e.g., adding or deleting a zero to the transfer price). The percentage of buyers and sellers for these price disagreement categories were generally split equally as to who reported the higher price.

For share price analysis, the data were limited to share transfers with reasonable price per pound equivalents (see Appendix 5: Price Analysis Rationale). From 2013 onward, when prices differed between the transferor and transferee, a final price was decided based on the most reasonable total price entered. For example, a reasonable total price was selected over a non-reasonable price (e.g. price per pound). All values were weighted by the pounds instead of on a transactional basis. Overall, the number of share transfers with no or low prices decreased each year, with only 33% of the transfers having no or low prices in 2014. Improvements in price reporting were seen in every share category in 2014, except SWG, which may have been related to a reduced number of transactions compared to previous years (Table 26). Improvements in share price reporting may in part be a result of IFQ support staff's effort to reach out and clarify the importance of price information, as well as explaining why information on the reason for the share transfer was being requested.

Table 26: Reasonable share transfer prices (\$/lb)

DWG	N	%	Avg.	Median	Inf.-adj. avg	GG	N	%	Avg.	Median	Inf.-adj. avg
2010	53	33%	\$8.19	\$9.00	\$8.76	2010	105	41%	\$5.38	\$6.00	\$5.76
2011	44	46%	\$11.35	\$12.02	\$11.90	2011	47	34%	\$24.25	\$25.00	\$25.42
2012	34	44%	\$10.78	\$12.00	\$11.10	2012	68	53%	\$25.92	\$30.00	\$26.69
2013	30	57%	\$12.58	\$12.00	\$12.76	2013	52	59%	\$31.40	\$30.02	\$31.86
2014	38	61%	\$13.04	\$12.00	\$13.04	2014	78	74%	\$30.18	\$30.01	\$30.18
RG	N	%	Avg.	Median	Inf.-adj. avg	SWG	N	%	Avg.	Median	Inf.-adj. avg
2010	111	42%	\$3.73	\$3.30	\$3.99	2010	76	39%	\$6.91	\$6.49	\$7.39
2011	76	45%	\$6.24	\$5.97	\$6.54	2011	42	40%	\$9.93	\$11.99	\$10.41
2012	124	61%	\$8.02	\$8.00	\$8.26	2012	40	41%	\$7.90	\$7.99	\$8.13
2013	106	73%	\$13.16	\$13.70	\$13.35	2013	49	60%	\$8.30	\$7.25	\$8.42
2014	107	74%	\$13.06	\$13.00	\$13.06	2014	33	52%	\$7.36	\$7.50	\$7.36
TF	N	%	Avg.	Median	Inf.-adj. avg	ALL	N	%			
2010	37	41%	\$3.12	\$2.15	\$3.34	2010	382	39%			
2011	24	41%	\$5.76	\$5.14	\$6.04	2011	233	41%			
2012	12	27%	\$8.22	\$9.00	\$8.46	2012	278	51%			
2013	13	45%	\$8.44	\$8.00	\$8.56	2013	250	63%			
2014	17	50%	\$8.75	\$8.75	\$8.75	2014	273	67%			

* Note: Prices data was updated with information from a mailout survey and therefore these values differ from the previous reports.

In 2014, the share equivalent price per pound decreased by more than \$1/lb for both GG and SWG (Table 26). These decreases in prices may be related to the increases in quota for both of these categories. The share equivalent price per pound for the other share categories were similar to their 2013 values (Table 26). GG has the largest equivalent price per pound average at approximately \$30/lb. Both DWG and RG prices are near \$13/lb, while the TF and SWG are between \$7 and \$9/lb (Table 26). The category with the greatest increase in share equivalent price per pound since the start of the program was GG; the 2014 average share equivalent price per pound was 423% greater than the 2010 value (Table 26). Average share equivalent prices per pound for both RG and TF increased by more than 150% since 2010, while DWG share prices increased by 49% since 2010. The observed increases in share equivalent prices per pound suggest that fishermen have confidence in the GT-IFQ program and expect profits from the program to increase in the future. SWG prices are now slightly less than prices at the start of the program (Table 26). The decrease in the SWG prices may be influenced by the low landings associated with this category, since 50% of the quota was not landed in 2014 (Table 15).

Allocation Transfer Prices

Allocation transfer prices are collected on a per pound basis, but are not required to complete a transfer. Fifty-two percent or more of the allocation transactions each year are either missing or have under-reported price information (e.g., \$0.01/lb). Transactions that had low or no price information may be due to, but not limited to, any of the following: reluctance to enter price information, gift, transferring to a related account, part of a package deal, or bartering for shares and/or allocation within the GT-IFQ or the RS-IFQ program.

For allocation price analysis, the data were limited to allocation transfers with reasonable prices per pound (See Appendix 5: Price Analysis Rationale). All statistics were weighted by pounds rather than on a transactional basis. The percentage of reasonable prices for allocation transfers increased each year (Table 27). In 2014, 48% of the transfers had reasonable prices, a 7% increase since the previous year and a 34% increase since the start of the program (Table 27). RG had the greatest percentage of reasonable prices (58%), while TF had the lowest (36%; Table 27). Allocation prices increased in the GG category by more than \$0.75/lb since 2010, but decreased steadily for the DWG and SWG categories (Table 28). TF prices have remained relatively constant (Table 27). RG prices were typically near \$1/lb except in 2011 (\$0.57/lb; Table 27). Allocation prices reflect the current market conditions at the time of transfer, since allocation is annual and may be transferred at any point in time during that year.

Misreported low prices led to the addition of allocation transfer reasons for each allocation transfer starting in 2013. One of the following seven share transfer reasons must be selected for each allocation transaction: “Barter trade for allocation”, “Barter trade for shares”, “Gift”, “Transfer to a related account”, “Sale to another shareholder”, “Package Deal”, and “No Comment”. Reasonable prices were typically entered only on transfers that listed “Sale to another shareholder” as the transfer reason (88% with reasonable prices; Table 28). The package deal reason contained the least number of transfers with reasonable prices information (5%; Table 28), which is understandable, as the parties involved in the transfer probably did not calculate the value of the transaction’s individual components. In 2014, 46%

of allocation transactions listed “No comment” as the allocation transfer reason, followed closely by “Sale to another shareholder” (34%; Table 28). The “Transfer to a related account” reason accounted for 15% of all transactions, and the remaining categories account individually for less than 3% of the transactions (Table 28). Transfers that selected the “No comment” reason accounted for the greatest total pounds transferred (5.36 mp; Table 28). The “Sale to another shareholder” and “Transfer to a related account” reasons accounted for 3.76 mp and 2.6 mp, respectively, while all other transfer reasons account for less than 0.5 mp (Table 28).

Table 27: Reasonable allocation transfer prices (\$/lb)

DWG	N	%	Avg.	Median	Inf.-adj. avg	GG	N	%	Avg.	Median	Inf.-adj. avg
2010	68	14%	\$1.32	\$1.50	\$1.41	2010	150	16%	\$1.18	\$1.00	\$1.26
2011	116	18%	\$1.36	\$1.40	\$1.42	2011	303	24%	\$1.74	\$1.50	\$1.82
2012	213	28%	\$1.19	\$1.25	\$1.22	2012	631	36%	\$2.27	\$2.25	\$2.34
2013	215	35%	\$1.14	\$1.15	\$1.16	2013	705	41%	\$2.40	\$2.50	\$2.43
2014	325	38%	\$1.11	\$1.10	\$1.11	2014	1,017	46%	\$2.04	\$2.00	\$2.04
RG	N	%	Avg.	Median	Inf.-adj. avg	SWG	N	%	Avg.	Median	Inf.-adj. avg
2010	153	14%	\$0.92	\$1.00	\$0.98	2010	75	12%	\$1.15	\$1.00	\$1.23
2011	482	31%	\$0.54	\$0.50	\$0.57	2011	117	21%	\$1.25	\$1.40	\$1.31
2012	746	39%	\$0.79	\$0.75	\$0.81	2012	279	31%	\$1.15	\$1.00	\$1.19
2013	828	47%	\$0.97	\$1.00	\$0.98	2013	354	39%	\$0.83	\$0.75	\$0.84
2014	1,341	58%	\$0.97	\$1.00	\$0.97	2014	443	44%	\$0.73	\$0.60	\$0.73
TF	N	%	Avg.	Median	Inf.-adj. avg	ALL	N	%			
2010	35	13%	\$0.65	\$0.50	\$0.69	2010	481	14%			
2011	62	19%	\$0.67	\$0.70	\$0.70	2011	1,080	25%			
2012	93	24%	\$0.66	\$0.65	\$0.68	2012	1,962	34%			
2013	88	30%	\$0.67	\$0.65	\$0.68	2013	2,190	41%			
2014	153	36%	\$0.72	\$0.75	\$0.72	2014	3,279	48%			

Table 28: 2014 Allocation Transfer Reasons

Reason	N	Pounds	% with Prices	% without Prices
Barter trade for allocation	98	175,545	22%	78%
Barter trade for shares	19	56,675	37%	63%
Gift	126	81,314	29%	71%
No comment	3,148	5,362,720	34%	67%
Package deal	77	467,153	5%	95%
Transfer to a related account	1,043	2,651,134	29%	71%
Sale to another shareholder	2,317	3,763,044	88%	12%

Ex-vessel Prices

While ex-vessel prices are required to complete a landing transaction, prices have been variable. Ex-vessel prices may differ depending on species, location, and season. Ex-vessel prices may also be under-reported for a variety of reasons: to minimize cost recovery fees and/or capital gains, contractual arrangements between dealers and shareholders, or deductions for transferred allocation, goods (e.g. bait, ice, fuel) and/or services (e.g. repairs, machinery replacement). In June of 2011, regulations modified the definition for ex-vessel price and explicitly prohibited the deduction of allocation costs, goods, and/or services. For ex-vessel price analysis, the data were limited to landings with reasonable prices per pound (See Appendix 5: Price Analysis Rationale). All statistics were weighted by pounds rather than on a transactional basis. Share category ex-vessel prices are the average of all species landed under that share category, including species landed using flexibility measures (e.g., scamp landed under the flexibility measure for DWG are part of the DWG average).

Nearly all reported ex-vessel prices were within the reasonable price range determined for each share category (Table 29). There were slight changes in the inflation-adjusted average ex-vessel prices in 2014, with DWG and RG increasing by \$0.08/lb and \$0.18/lb, respectively, and the remaining categories decreasing by \$0.14/lb (GG), \$0.05/lb (SWG), and \$0.01/lb (TF; Table 29). Ex-vessel prices can also be evaluated at the species level, which can reveal which species are driving the average ex-vessel prices. When ex-vessel prices were calculated at the species level rather than the landing share category, there will be slight differences for species that can be landed in multiple categories (i.e., red

Table 29: Valid ex-vessel prices (\$/lb)

DWG	N	%	Avg.	Median	Inf.-adj. avg	GG	N	%	Avg.	Median	Inf.-adj. avg
2010	1,529	94%	\$3.61	\$3.70	\$3.86	2010	3,226	99%	\$4.27	\$4.25	\$4.57
2011	1,961	96%	\$3.80	\$3.75	\$3.98	2011	2,811	98%	\$4.59	\$4.75	\$4.81
2012	2,450	96%	\$4.06	\$4.00	\$4.18	2012	3,562	98%	\$4.69	\$4.75	\$4.83
2013	2,006	97%	\$4.30	\$4.50	\$4.36	2013	3,509	99%	\$4.90	\$5.00	\$4.97
2014	2,090	97%	\$4.44	\$4.50	\$4.44	2014	3,941	98%	\$4.83	\$5.00	\$4.83
RG	N	%	Avg.	Median	Inf.-adj. avg	SWG	N	%	Avg.	Median	Inf.-adj. avg
2010	3,803	99%	\$3.05	\$3.00	\$3.26	2010	2,282	98%	\$4.06	\$4.10	\$4.34
2011	4,563	99%	\$3.15	\$3.24	\$3.30	2011	2,782	97%	\$4.14	\$4.00	\$4.34
2012	4,587	99%	\$3.21	\$3.25	\$3.31	2012	3,273	97%	\$4.33	\$4.25	\$4.46
2013	4,383	100%	\$3.54	\$3.55	\$3.59	2013	2,954	98%	\$4.48	\$4.50	\$4.55
2014	4,897	99%	\$3.77	\$3.80	\$3.77	2014	3,188	98%	\$4.50	\$4.50	\$4.50
TF	N	%	Avg.	Median	Inf.-adj. avg	<p>Note that prices are based on the category under which a species was landed. Under flexibility measures, when a species is landed under its secondary category, the price is captured for that category (e.g., red grouper landed under gag multi is counted in the GG price per pound.)</p>					
2010	357	100%	\$2.07	\$2.11	\$2.21						
2011	411	100%	\$2.31	\$2.40	\$2.42						
2012	529	99%	\$2.27	\$2.25	\$2.34						
2013	447	98%	\$2.58	\$2.75	\$2.62						
2014	512	94%	\$2.61	\$2.80	\$2.61						

grouper and gag) when compared to the category average prices. In 2014, yellowedge grouper had the greatest ex-vessel price in the DWG category at \$4.66/lb and was nearly \$1/lb more than the other species in DWG (Table 30). Black grouper had the greatest 2014 ex-vessel price in the SWG category at \$4.71/lb (Table 30). Scamp, which had the greatest pounds landed, had a 2014 ex-vessel price (\$4.57/lb) slightly lower than black grouper's (Table 28). Goldface tilefish had the greatest 2014 ex-vessel price within the TF category, but this price should be used with caution because there were very few goldface tilefish transactions throughout the year and the three greatest goldface tilefish landing transactions (in pounds) had greater ex-vessel prices than the remaining transactions. Golden tilefish 2014 ex-vessel price (\$2.81/lb) was more than double the blueline tilefish ex-vessel price (\$1.35/lb; Table 30).

Table 30: Species average inflation adjusted ex-vessel price

Cat.	Species	2007-2099 avg	2010	2011	2012	2013	2014
DWG	Snowy grouper	\$3.40	\$3.36	\$3.63	\$3.55	\$3.76	\$3.88
	Speckled hind	\$3.20	\$3.25	\$3.32	\$3.36	\$3.59	\$3.72
	Warsaw grouper	\$3.15	\$2.78	\$2.83	\$3.20	\$3.64	\$3.75
	Yellowedge grouper	\$3.99	\$4.10	\$4.20	\$4.49	\$4.59	\$4.66
GG	Gag	\$4.25	\$4.58	\$4.81	\$4.83	\$4.98	\$4.98
RG	Red grouper	\$3.16	\$3.25	\$3.30	\$3.31	\$3.59	\$3.78
SWG	Black grouper	\$4.14	\$4.26	\$4.36	\$4.47	\$4.57	\$4.71
	Scamp	\$4.11	\$4.38	\$4.40	\$4.53	\$4.62	\$4.57
	Yellowfin grouper	\$3.36	\$3.64	\$3.31	\$3.70	\$4.20	\$4.42
	Yellowmouth grouper	\$3.09	\$4.20	\$4.07	\$4.56	\$3.74	\$4.03
TF	Blueline tilefish	\$1.10	\$1.01	\$1.18	\$1.36	\$1.52	\$1.35
	Golden tilefish	\$2.12	\$2.32	\$2.62	\$2.57	\$2.76	\$2.81
	Goldface tilefish	\$1.90	\$2.42	\$2.23	\$2.14	\$2.47	\$3.02

Note: Ex-vessel prices are on a species level, not a share category level, and therefore average price for red grouper and gag species will differ compared to the RG and GG categories.

Pre-IFQ annual average ex-vessel prices from the SEFSC's accumulated landings system (ALS) were adjusted for inflation based on the Gross Domestic Product (GDP) deflator⁴ (Figure 5). The GDP deflator was chosen as the measure of inflation because it includes prices for all domestically produced goods and services and thus is broader than other indexes. In general, ex-vessel prices were fairly stable for most species since the late 1990s onward and then increased with the start of the GT-IFQ program (Figure 5). The exceptions were yellowmouth grouper, which had highly variable prices, and blueline tilefish, which decreased slightly each year until the GT-IFQ program began (Figure 5). Ex-vessel prices were considerably greater (+\$2-3/lb) than allocation prices.

⁴ <http://www.bea.gov/national/index.htm#gdp>

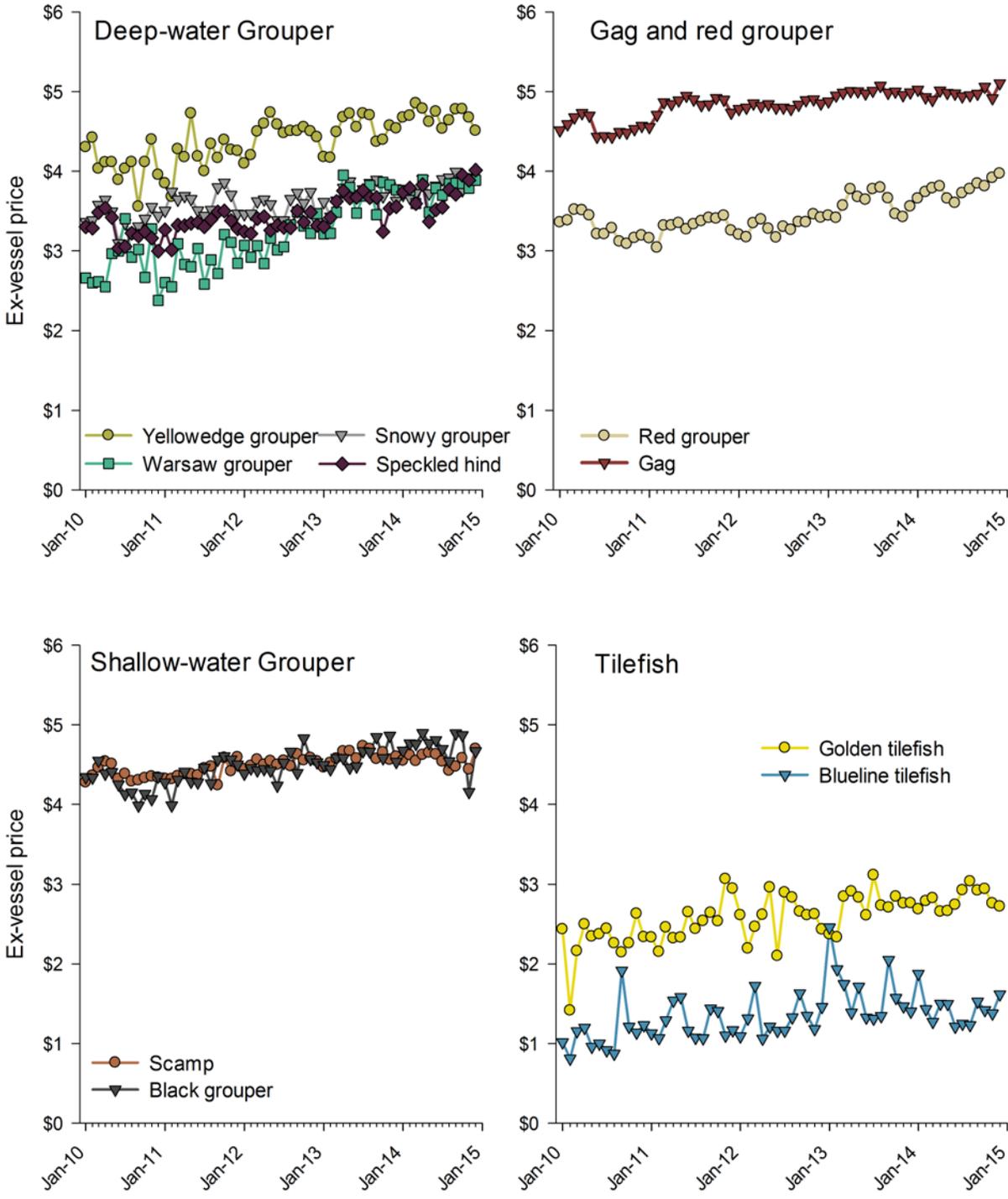


Figure 4. Monthly inflation adjusted ex-vessel prices by species for IFQ years.

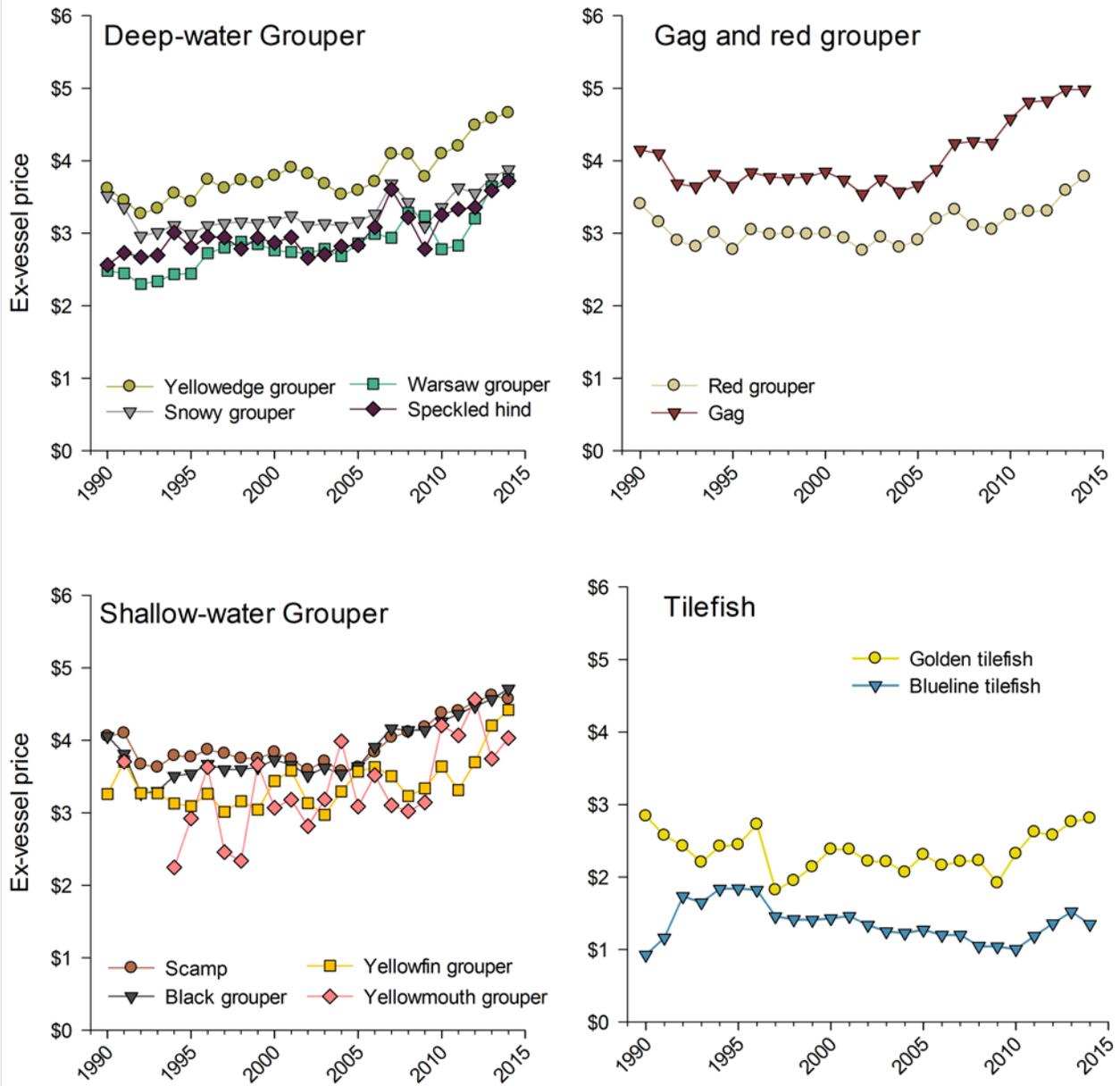


Figure 5. Annual inflation adjusted ex-vessel prices by species since 1990. 1990-2009 data from the ALS system accessed on 6/11/2013.

Cost Recovery and Ex-vessel Value

The Magnuson-Stevens Act requires the Secretary to adopt regulations implementing a cost recovery program to recover the actual incremental costs of managing and enforcing IFQ programs. The cost recovery fee established for the GT-IFQ was 3% of the actual ex-vessel value of species in the program. GT-IFQ allocation holders who completed a landing transaction with a dealer were responsible for payment of the fee. The dealer who received the species was responsible for collecting and submitting the fee on a quarterly basis. Monies collected were used for administration of the program, maintenance

and upkeep of the online system and software, enforcement of the GT-IFQ program, and scientific research.

Cost recovery fees were calculated from the reported ex-vessel value and therefore changes in ex-vessel prices and landings will affect the amount of cost recovery fees collected (Tables 31-33). Total cost recovery fees collected increased substantially in 2014 (+\$171,763; Table 31). This was primarily due to an increase in RG ex-vessel value (+\$134,410). Landings in the second quarter generated the greatest total cost recovery fee (28% of all cost recovery fees), followed by landings in the fourth quarter, third quarter, and first quarter (Table 31). The 2014 ex-vessel value for the GT-IFQ program totaled \$31,223,885.

Table 31: Cost recovery fees by share category

Year	DWG	GG	RG	SWG	TF	Total
2010	\$66,184	\$63,156	\$266,260	\$19,115	\$15,531	\$430,246
2011	\$88,479	\$43,899	\$451,488	\$22,960	\$26,809	\$633,634
2012	\$117,288	\$73,722	\$502,196	\$38,555	\$30,711	\$762,472
2013	\$117,381	\$84,932	\$487,546	\$41,060	\$34,037	\$764,958
2014	\$139,423	\$99,523	\$621,957	\$35,401	\$40,417	\$936,722

Table 32: Cost recovery fees by quarter

Year	Jan – Mar	Apr – June	Jul- Sept	Oct - Dec	Total
2010	\$102,449	\$121,876	\$90,329	\$115,592	\$430,246
2011	\$148,158	\$149,079	\$142,120	\$194,277	\$633,634
2012	\$200,790	\$193,166	\$182,086	\$186,430	\$762,472
2013	\$166,637	\$216,317	\$173,640	\$208,363	\$764,958
2014	\$213,786	\$263,037	\$224,189	\$235,709	\$936,722

Table 33: Ex-vessel value by share category

Year	DWG	GG	RG	SWG	TF	Total
2010	\$2,206,106	\$2,105,130	\$8,875,259	\$637,127	\$517,706	\$14,341,283
2011	\$2,949,252	\$1,463,237	\$15,049,541	\$765,285	\$893,616	\$21,120,932
2012	\$3,909,578	\$2,457,341	\$16,739,801	\$1,285,110	\$1,023,692	\$25,415,521
2013	\$3,912,673	\$2,831,039	\$16,251,478	\$1,368,639	\$1,134,578	\$25,498,408
2014	\$4,647,386	\$3,317,394	\$20,731,861	\$1,180,005	\$1,347,240	\$31,223,885

Enforcement and Administrative Audits

Law Enforcement Activities

Law enforcement is a crucial component of the IFQ programs. Agents and officers from NOAA/NMFS Office of Law Enforcement (OLE) Southeast Division, the U.S. Coast Guard (USCG) and participating Joint Enforcement Agreement (JEA) states enforce the regulated activities mandated under the Gulf IFQ programs. State wildlife officers and game wardens contribute to the enforcement of the IFQ programs under the auspices of the Cooperative Enforcement Agreement, by patrolling the waterfront, meeting vessels upon landing, and monitoring offloads. OLE Special Agents conduct random monitoring of vessels; assist state wildlife officers and game wardens with violations requiring further investigation; and conduct independent investigations, primarily those involving the undocumented landing and sale of IFQ species and the trafficking of illegally harvested red snapper and grouper-tilefish entered into interstate commerce. During offshore boardings, the USCG and JEA partners with long range capabilities ensure that vessels harvesting grouper-tilefish species have a valid IFQ account.

During patrol, OLE agents correct problems identified and educate fishermen on the use of technology used to monitor the program. In other instances, OLE agents take enforcement action by way of warnings (verbal and written), citations, and follow-up investigation by NOAA's Special Agents. Major violations since implementation of the IFQ program, include the false reporting of species harvested, under reporting of total weights landed, and selling to an unlicensed dealer. Typical violations include landing prior to the three-hour minimum landing notice, landing at a unspecified or unapproved location, insufficient allocation, transporting an IFQ species without an approval code, completing a landing transaction without a landing notification, and offloading after approved hours. Typical dealer violations include misreporting IFQ species, failure to provide a current dealer permit and/or IFQ dealer endorsement, and failure to enter IFQ species landed.

NOAA Agents working with Florida Fish and Wildlife Conservation Commission and Alabama Marine Resources Division investigators and officers recently completed an undercover investigation leading to the criminal indictments of eight individuals involved in the illegal commercial harvest, sale and filing of false landing reports for IFQ species in the Florida panhandle and Alabama. In 2014, JEA partners dedicated approximately 5,087 hours to the enforcement of the Gulf catch share programs. NOAA OLE agents and officers conducted approximately 27 patrols, offload monitorings, and investigations involving IFQ program regulations, including the seizure of IFQ regulated species. The 2014 cases resulted in the issuance of verbal warnings, fix-its, written warnings and violations, including 4 seizures totaling 4,501 pounds of illegally harvested or landed GT-IFQ species with a corresponding value of \$18,789 (Table 34).

Table 34: IFQ seizures

Year	IFQ cases	GT-IFQ Cases	Total Pounds	Total Value
2010	9	2	3,011	\$9,347
2011	10	7	19,059	\$63,570
2012	6	4	4,893	\$19,988
2013	6	3	4,255	\$15,861
2014	4	3	4,501	\$18,789

Administrative Audits

IFQ administrative staff regularly audit landing notifications and transactions. Phone and/or audit letters may be sent to dealers and fishermen notifying them of outstanding transactions. If transactions are not completed or are considerably late, they are referred to NOAA OLE for further investigation. In 2014, IFQ staff resolved 129 unmatched landing notifications that resulted in 94,991 lb of GT-IFQ species. Four unresolved notifications needed to be forwarded to law enforcement for further action.

Synopsis

Summation

In the fifth year of the GT-IFQ program, there has been progress toward meeting the program's objectives: reducing overcapacity, increasing harvesting efficiency, and mitigating derby-fishing conditions. As anticipated, there was continued consolidation of shareholders and allocation holders. In 2014, there were 18% fewer shareholder accounts than at the start of the program. The reduction in shareholders mainly occurred in accounts holding small share percentages. Despite reductions, the majority of shareholder accounts hold only a small (<0.05%) share amount. The number of large shareholders ($\geq 1.5\%$) increased since the start of the program for all share categories except TF. In 2014, there were three times as many large GG shareholders than at the start of the program, although the total number of accounts was low ($n=9$). There were 29 new shareholders to the GT-IFQ program in 2014, with nearly half obtaining shares in more than one category. The number of new shareholders was similar among share categories. Since the start of the IFQ program, the number of total allocation holders decreased from 816 to 796. In 2014, the number of allocation holders increased slightly for the GG, RG, and SWG share categories, and decreased in the other categories. In contrast, the number of dealers increased by 16 in 2014, and the majority of dealers were considered small in relation to the percentage of those total landings by that dealer. The number of vessels harvesting GT-IFQ species increased in 2014, to 435 vessels, 21 more vessels than the previous year. The number of vessels was still well below the number of pre-IFQ vessels ($n = 630$).

As participants adjust to the program, there were changes in how participants interact within the program and with other participants, including changes in the percentages of shareholders without reef fish permits, the percentage of accounts without shares, and change in account activity (number accounts inactive, landing or trading allocation). Of the 628 accounts in the system with shares, 163 (26%) of those accounts did not have an associated Gulf reef fish permit. The percent of accounts with shares but without permits has been increasing each year, although the percentages vary within share categories from 17% to 26%. The amount of shares held by these accounts also increased in 2014 across all share categories, but the overall amount remained low (4.60% to 7.69%). The number of accounts that held allocation but did not hold shares increased again in 2014, with 20% of the 796 accounts acquiring allocation through allocation transfers. This percentage was similar among the share categories with between 20-22% acquiring allocation through transfers. The number of inactive accounts continued to decrease each year and now account for only 19% of all allocation holders. Within share categories, the

percentage of accounts landing fish range between 30% (TF) to 51% (RG). For nearly all share categories, less than half of the accounts were not harvesting fish, but instead may be transferring allocation or were inactive. Caution must be taken when interpreting these percentages as the accounts not harvesting IFQ species may be related to the accounts that were harvesting IFQ species. At this time, determining relations between accounts was not possible, although industry representatives have mentioned that they may keep their shares (and the allocation received from those shares) separate from their accounts that harvest fish. The percentage of accounts that are only transferring allocation (no landings) increased slightly in nearly all the share categories. The TF category has the greatest number of accounts that are only transferring allocation (51%), followed closely by DWG at 41%. The remaining share categories have between 26-27% of the accounts only transferring allocation, and this value is similar to previous years' values (23-30%). Both share and allocation transfers increased in 2014. The amount of shares transferred on average per share category in 2014 were low (0.10-0.48%) as was the total amount transferred (10.6-19.2%). Total allocation transfers per share category exceed the quota for DWG, GG, RG, and TF. This is the first year that GG allocation transfers exceeded the quota. SWG allocation transfers equaled 97% of the SWG quota. The average amount of pounds transferred was around 500 lb for GG and SWG, but between 2,800-3,000 lb for DWG, RG, and TF.

Quotas increased for GG, RG, and SWG in 2014, while the quota for DWG decreased. The percentage of quota landed in 2014 increased for all share categories except SWG. SWG landings represented 50% of the quota (and have been low in relation to the quota for the entirety of the program), showing that this share category was under-utilized with respect to the quota level. Landings varied monthly, yet all categories had lower landings in January, and increased landings in December as account holders attempted to use their remaining annual allocation. Landings of DWG and SWG species were greater in the middle of the year, while GG landings were greater in early months. In 2014, there was a change in the amount of red grouper landed under GGM, with the highest percentage (35%) and highest total pounds (103,151 lb) since the start of the program. Comparable to other years, the main species landed in the DWG category was yellowedge grouper, scamp for the SWG category, and golden tilefish for the TF category. Goldface tilefish landings continued to decrease in 2014, as did yellowfin grouper. These decreases may be an unintended consequence of the GT-IFQ program and will be explored more in the upcoming five-year review.

There was very little change in effort from 2013 to 2014, with slight decreases in trips and days away, and a slight increase in average pounds per trip. By harvesting gear, the average pounds per trip and average days per trip continued to increase in the longline sector, while the spearfishing and handlines remained similar. By region, the Florida panhandle increased the average pounds per trip and days per trip. Discard information from the RFOB program indicated that the amount of gag discarded for each gag caught had decreased across the fleet regardless of region or harvesting gear. Currently, between 0.03 to 0.19 gag are discarded for each gag landed. For red grouper, there was a slight increase in discarded red grouper for the longline fleet, while the ratio remained the same for the fleet off of the Florida peninsula, and decreased for the remaining Gulf region and the vertical line fleet. Discards are likely due to insufficient allocation and effort should be expended on ways to reduce discards.

When accurate, price information (share, allocation, and ex-vessel price) can indicate how successful an IFQ program has been. Price reporting continually improved for all type of price data since the program's implementation, although further improvements are still needed for share and allocation prices (67% and 48% reasonable prices). The inclusion of transfer reasons for share and allocation transactions helped to explain some of the low prices. Average share equivalent price per pound was the greatest for GG, consistent with the previous 3 years. In general, 2014 share equivalent prices per pound decreased slightly relative to 2013 prices. Allocation prices decreased in 2014 for nearly all share categories. While the decreases were relatively small in comparison, this is a cause for some concern and should be monitored closely in the upcoming years. Ex-vessel prices in 2014 remained similar to 2013 with a slight increase in DWG and RG categories. Ex-vessel prices by share category are often complicated by the amount of species and the ex-vessel price per species within a share category. The species with ex-vessel prices greater than \$4/lb were gag (GG), black grouper (SWG), yellowedge grouper (DWG), scamp (SWG), yellowfin grouper (SWG), and yellowmouth grouper (SWG). Differences in species' average weight and amount landed influenced the overall average ex-vessel price per share category as well as allocation prices. This relationship should be investigated in further detail for the upcoming five-year review.

Looking Ahead

The Gulf gag benchmark stock assessment was completed in 2014, and concluded that the stock was no longer overfished or undergoing overfishing. The Gulf Council began development of an amendment in late 2014 to modify the gag quota. A red grouper benchmark stock assessment is scheduled for 2014-2015. The completed stock assessment will be reviewed by the Gulf Council's Scientific and Statistical Committee and presented at a future Gulf Council meeting. In 2015, there will be red grouper multi-use available again, the first since the start of the program. The Grouper-Tilefish Five-Year review will begin in 2015. If you have a suggestion on how the online system can be further improved, please call or e-mail SERO Catch Share customer support.

Appendices

Appendix 1: Program history

Development of the Grouper-Tilefish Individual Fishing Quota (GT-IFQ) program began in 2008, when a majority of eligible voters, Gulf of Mexico (Gulf) reef fish permit holders having annual average grouper and tilefish landings of at least 8,000 lb during 1999-2004, supported the formation of the GT-IFQ program through a referendum. During 2008, the Gulf of Mexico Fishery Management Council (Gulf Council) developed Amendment 29 to the Fishery Management Plan for Reef Fish Resources of the Gulf of Mexico (Amendment 29), outlining the key components of the GT-IFQ program. In January 2009, the Gulf Council approved Amendment 29 by a vote of 14 to 3. Amendment 29⁵ was approved by NOAA's National Marine Fisheries Service (NMFS) in July 2009. Implementation of the program began in fall 2009 and the first fishing year of the program began on January 1, 2010. For the first five years of the program, shares and allocation could only be sold to and fished by an entity that owns a valid commercial Gulf reef fish permit and has an active GT-IFQ online account. After January 1, 2015, all U.S. citizens and permanent resident aliens were eligible to purchase GT-IFQ shares and allocation, although a valid Gulf reef fish permit was still required to harvest, possess, and land any allocation.

Prior to implementation of the GT-IFQ program, commercial grouper-tilefish species were managed with limited access fishing permits, trip limits, size limits, closed seasons, and quotas. This resulted in overcapitalization of the commercial grouper-tilefish segment of the reef fish fishery. The collective harvesting capacity of fishing vessels was in excess of that required to harvest the commercial grouper-tilefish quotas, resulting in quota overages and early closures. In 2004 and 2005, the shallow-water grouper fishing season was shortened by 6-10 weeks, and between 2003 and 2009, the deep-water grouper and tilefish seasons were shortened by more than 50%. It was anticipated that under the prevailing management regime incentives for derby fishing would persist.

Initial shares were issued based on the amount of grouper-tilefish logbook landings reported under each entity's qualifying permit during 1999 through 2004, with an allowance for dropping one year of data. Initial shares were issued in five different GT-IFQ categories: deep-water grouper, gag, red grouper, other shallow-water grouper, and tilefish (Table 1). There were 766 GT-IFQ shareholder accounts created based on the number of entities (unique individual[s] and/or corporations) that qualified for initial shares in one or more share category. Initial quota shares issued to an account ranged from 2.35 to 14.7% depending on the share category (Table 2). The minimum amount of shares issued for any share category was 0.000001%.

⁵ <http://sero.nmfs.noaa.gov/sf/pdfs/Amendment%2029%20Final%20Rule.pdf>

Appendix 2: Monthly landings by share category

DWG	2010	2011	2012	2013	GG	2010	2011	2012	2013
Jan	35,392	38,204	34,848	29,235	Jan	43,562	24,071	60,119	53,809
Feb	50,751	58,313	42,385	34,613	Feb	48,530	20,557	47,387	53,261
Mar	61,150	57,849	57,181	55,393	Mar	59,766	8,535	84,824	67,014
Apr	91,009	60,320	66,874	108,063	Apr	54,033	6,470	48,400	62,902
May	100,750	50,734	72,627	118,960	May	56,455	7,542	54,861	79,613
Jun	55,413	82,159	78,863	102,574	Jun	43,773	35,315	25,247	48,369
Jul	23,210	78,053	78,803	82,606	Jul	22,486	25,211	44,672	38,466
Aug	73,442	107,643	109,564	136,636	Aug	27,624	25,077	23,116	35,058
Sept	27,411	41,232	92,812	50,247	Sept	27,371	27,614	29,441	22,929
Oct	26,855	71,477	118,894	65,751	Oct	25,727	23,666	24,270	27,367
Nov	31,500	68,986	89,764	62,209	Nov	19,537	34,324	32,495	19,533
Dec	47,879	64,549	121,212	66,636	Dec	65,074	81,755	50,224	71,343
RG	2010	2011	2012	2013	SWG	2010	2011	2012	2013
Jan	192,597	331,276	421,337	332,092	Jan	18,664	13,712	19,805	24,189
Feb	178,559	448,858	470,532	425,215	Feb	21,420	21,907	22,302	29,567
Mar	207,862	466,548	630,864	347,683	Mar	21,456	17,805	30,298	27,567
Apr	174,968	401,810	509,247	433,049	Apr	17,821	12,847	20,776	28,918
May	183,095	459,804	609,515	410,599	May	12,579	16,762	26,444	39,789
Jun	331,751	291,691	281,429	282,794	Jun	13,769	17,283	18,799	32,217
Jul	152,992	256,111	533,947	238,039	Jul	7,091	16,725	28,985	32,899
Aug	199,203	289,854	333,414	267,511	Aug	11,915	17,534	28,351	24,286
Sept	344,546	440,791	337,003	459,665	Sept	11,266	14,286	21,451	13,299
Oct	347,699	394,506	355,110	481,298	Oct	7,618	8,353	28,290	18,703
Nov	324,820	408,189	299,272	310,562	Nov	5,880	10,693	23,001	10,924
Dec	275,766	592,756	435,535	606,062	Dec	8,755	18,328	31,856	25,488
TF	2010	2011	2012	2013					
Jan	8,394	28,302	18,918	19,636					
Feb	21,028	18,835	29,397	8,331					
Mar	33,462	27,464	31,960	14,501					
Apr	44,533	26,043	30,920	25,456					
May	22,382	23,297	24,966	49,315					
Jun	10,397	32,987	24,185	26,924					
Jul	4,229	33,504	22,632	19,910					
Aug	24,940	20,209	34,894	61,498					
Sept	11,826	16,098	52,189	24,329					
Oct	19,335	25,582	86,750	59,911					
Nov	14,521	55,566	21,861	54,381					
Dec	34,661	78,247	72,449	75,899					

Appendix 3: Deepwater Horizon oil spill closures

Closure Date	Area (sq mi)	Area (sq km)	% Coverage of Gulf EEZ	% Change in Coverage
2-May	6,817	17,648	2.8	N/A
7-May	10,807	27,989	4.5	58.5
11-May	16,027	41,511	6.6	48.3
12-May	17,651	45,717	7.3	10.1
14-May	19,377	50,187	8.0	9.8
17-May	24,241	62,784	10.0	25.1
18-May	45,728	118,435	18.9	88.6
21-May	48,005	124,333	19.8	5.0
25-May	54,096	140,109	22.4	12.7
28-May	60,683	157,169	25.1	12.2
31-May	61,854	160,200	25.6	1.9
1-Jun	75,920	196,633	31.4	22.7
2-Jun	88,522	229,270	36.6	16.6
4-Jun	78,182	202,491	32.3	-11.7
5-Jun	78,603	203,582	32.5	0.5
7-Jun	78,264	202,703	32.3	-0.4
16-Jun	80,806	209,286	33.4	3.2
21-Jun	86,985	225,290	35.9	7.6
23-Jun	78,597	203,564	32.5	-9.6
28-Jun	80,228	207,790	33.2	2.1
4-Jul	81,181	210,259	33.5	1.2
12-Jul	84,101	217,821	34.8	3.6
13-Jul	83,927	217,371	34.7	-0.2
22-Jul	57,539	149,026	23.8	-31.4
10-Aug	52,395	135,703	21.7	-8.9
27-Aug	48,114	124,614	19.9	-8.2
2-Sep	43,000	111,369	17.8	-10.6
3-Sep	39,885	103,303	16.5	-7.2
21-Sep	31,915	82,659	13.2	-20.0
1-Oct	26,287	68,083	10.9	-17.6
5-Oct	23,360	60,502	9.7	-11.1
15-Oct	16,481	42,686	6.8	-29.4
22-Oct	9,444	24,461	3.9	-42.7
15-Nov	1,041	2,697	0.4	-89.0

Appendix 4: Commercial Management Histories

Appendix 4.1 Gag commercial management history

Year	Days Open	Size Limit (" TL)	Quota ¹ (mp gw)	Harvest (mp gw)	Commercial Management Action
1990	311	20	7.8 SWG	0.79	20" TL minimum size limit SWG season: Jan 1 – Nov 7 (Amend. 1) Created deep-water and shallow-water aggregates (Amend. 1) 11 mp ww commercial quota for all groupers: 1.8 mp ww for DWG (Amend. 1) Established commercial reef fish permit (Amend. 1) Longline gear prohibited inshore of 50 fathoms depth west and 20 fathoms east of Cape San Blas, FL (Amend. 1)
1991	365	20	7.8 SWG	0.93	
1992	366	20	8.2 SWG	1.24	Establish a moratorium on issuing new reef fish permits for 3 years, but allows transfers (Amend. 4)
1993	365	20	8.2 SWG	1.48	
1994	365	20	8.2 SWG	1.28	Extends reef fish permit moratorium through 1995
1995	365	20	8.2 SWG	1.34	
1996	366	20	8.2 SWG	1.27	New reef fish permit moratorium through 2000 (Amend. 11)
1997	365	20	8.2 SWG	1.4	
1998	365	20	8.2 SWG	2.25	
1999	320	24	8.2 SWG	1.74	Increased commercial size limit to 24" TL Prohibited sale of gag from Feb 15 – Mar 15 (peak gag spawning season) Established two marine reserves
2000	320	24	8.2 SWG	1.91	Extend reef fish permit moratorium through 2005 (Amend. 17)
2001	320	24	8.2 SWG	2.78	
2002	320	24	8.2 SWG	2.66	
2003	320	24	8.2 SWG	2.29	
2004	275	24	8.8 SWG	2.88	Secretarial amendment 1 reduced the SWG quota to 8.8 mp gw
2005	320	24	8.8 SWG	2.47	Established permanent limited access system for commercial Gulf reef fish (Amend. 24) Aggregate deep-water and shallow-water grouper commercial trip limit of 6,000 lb gw
2006	320	24	8.8 SWG	1.37	Required commercially permitted reef fish vessels to be equipped with VMS
2007	320	24	8.8 SWG	1.26	
2008	320	24	8.8 SWG	1.32	
2009	320	24	1.32	0.75	Defined maximum stock size threshold and optimum yield for gag Set gag and red grouper allocations between recreational and commercial sectors Reduced SWG quota from 8.80 mp to 7.8 mp Set gag quota at 1.32 mp gw (Amend 30B) Repealed the commercial closed season (Feb 15-Mar 15) Jan – April seasonal closure at Edges 40 fathom contour and at Steamboat Lumps May – Oct: Emergency interim regulation prohibiting longlines inside of 50 fathoms Oct: Reef fish bottom longline fishing restricted inside of the 35-fathom depth contour and limited to 1,000 hooks, with no more than 750 rigged for fishing under Endangered Species Act
2010	365	24	1.410	0.497	Began the IFQ system for commercial grouper and tilefish (Amend. 29) Longline endorsement required (Amend. 31) Reef fish bottom longline fishing restricted to outside the 35-fathom depth contour from June – August (Amend. 31) Longlines limited to 1000 hooks, with no more than 750 rigged for fishing (Amend. 31)
2011	365	24	0.430	0.319	Gag quota initially set at 0.10 mp gw Mid-year quota increase of 0.33 mp gw
2012	366	22	0.567	0.523	Mid-year quota increase of 0.137 mp gw Set ACLs and ACTs for gag (Amend. 32) Established rebuilding plan for gag (Amend. 32) Adjust multi-use IFQ shares in the GT-IFQ program (Amend. 32) Reduced gag commercial size limit to 22" TL (Amend. 32)
2013	365	22	0.708	0.575	
2014	365	22	0.835	0.586	

¹ Prior to 2009, gag was included in the shallow-water groupers (SWG) quota. During this time, SWG included: black grouper, gag, red grouper, yellowfin grouper, yellowmouth grouper, rock hind, red hind, speckled hind, and scamp.

Harvest from 1990-2009 taken from the SEFSC ACL database; harvest from 2010 to current from IFQ database.

Appendix 4.2: Red grouper commercial management history

Year	Days Open	Size Limit (" TL)	Quota ¹ (mp gw)	Harvest (mp gw)	Commercial Management Action
1990	311	20	7.8 SWG	4.74	SWG season: Jan 1 – Nov 7 (Amend. 1) Created deep-water and shallow-water aggregates (Amend. 1) 11 mp ww commercial quota for all groupers: 1.8 mp ww for DWG (Amend. 1) Established commercial reef fish permit (Amend. 1) Longline gear prohibited inshore of 50 fathoms depth west and 20 fathoms east of Cape San Blas, FL (Amend. 1)
1991	365	20	7.8 SWG	5.07	
1992	366	20	8.2 SWG	4.46	Establish a moratorium on issuing new reef fish permits for 3 years, but allows transfers (Amend. 4)
1993	365	20	8.2 SWG	6.36	
1994	365	20	8.2 SWG	4.89	Extends reef fish permit moratorium through 1995
1995	365	20	8.2 SWG	4.65	
1996	366	20	8.2 SWG	4.34	New reef fish permit moratorium through 2000 (Amend. 11)
1997	365	20	8.2 SWG	4.67	
1998	365	20	8.2 SWG	3.70	
1999	320	20	8.2 SWG	5.80	Prohibited sale of red grouper from Feb 15 – Mar 15 (peak gag spawning season) Established two marine reserves
2000	320	20	8.2 SWG	5.70	Extend reef fish permit moratorium through 2005 (Amend. 17)
2001	320	20	8.2 SWG	5.80	
2002	320	20	8.2 SWG	5.79	
2003	320	20	8.2 SWG	4.83	
2004	319	20	5.31	5.64	
2005	282	20	5.31	5.38	Established permanent limited access system for commercial Gulf reef fish (Amend. 24) Aggregate deep-water and shallow-water grouper commercial trip limit of 6,000 lb gw Secretarial Amendment 1 to the Reef Fish FMP set red grouper quota at 5.31 mp gw
2006	365	20	5.31	5.10	
2007	365	20	5.31	3.64	
2008	366	20	5.31	4.75	
2009	365	18	5.75	3.70	Set gag and red grouper allocations between recreational and commercial sectors Reduced SWG quota from 8.90 mp to 7.8 mp Increased red grouper quota from 5.31 to 5.75 mp Repealed the commercial closed season (Feb 15-Mar 15) Jan – April seasonal closure at Edges 40 fathom contour and at Steamboat Lumps May – Oct: Emergency interim regulation prohibiting longlines inside of 50 fathoms Oct: Reef fish bottom longline fishing restricted inside of the 35-fathom depth contour and limited to 1,000 hooks, with no more than 750 rigged for fishing under Endangered Species Act
2010	365	18	5.750	2.911	Began the IFQ system for commercial grouper and tilefish (Amend. 29) Longline endorsement required (Amend. 31) Reef fish bottom longline fishing restricted to outside the 35-fathom depth contour from June – August (Amend. 31) Longlines limited to 1000 hooks, with no more than 750 rigged for fishing (Amend. 31) Set red grouper TAC at 5.68 mp gw for 2011 (76% commercial = 4.32 mp gw)
2011	365	18	5.230	4.784	Mid-year quota increase of 0.91 mp gw Regulatory amendment allows red grouper TAC to increase until 2015, as long as TAC not exceeded in previous years
2012	366	18	5.370	5.219	Set ACLs and ACTs for red grouper (Amend. 32) Adjust multi-use IFQ shares in the GT-IFQ program (Amend. 32)
2013	365	18	5.530	4.599	
2014	365	18	5.630	5.602	

¹ Prior to 2004, red grouper was included in the shallow-water groupers (SWG) quota. During this time, SWG included: black grouper, gag, red grouper, yellowfin grouper, yellowmouth grouper, rock hind, red hind, speckled hind, and scamp.

Harvest from 1990-2009 taken from the SEFSC ACL database; harvest from 2010 to current from IFQ database.

Appendix 4.3: SWG commercial management history

Year	Days Open	Quota ¹ (mp gw)	Harvest (mp gw)	Commercial Management Action
1990	311	7.8	6.94	SWG season: Jan 1 – Nov 7 (Amend. 1) Created deep-water and shallow-water aggregates (Amend. 1) 11 mp ww commercial quota for all groupers: 1.8 mp ww for DWG (Amend. 1) Established commercial reef fish permit (Amend. 1) Longline gear prohibited inshore of 50 fathoms depth west and 20 fathoms east of Cape San Blas, FL (Amend. 1) Minimum size limit: Nassau grouper, yellowfin grouper, and black grouper = 20" TL
1991	365	7.8	7.07	Speckled hind moved from shallow-water grouper to deep-water grouper (Amend. 3)
1992	366	8.2	6.58	Establish a moratorium on issuing new reef fish permits for 3 years, but allows transfers (Amend. 4) Scamp is shallow-water until closed, then deep-water Conversion from ww to gw modified to 1.05 for DWG and SWG
1993	365	8.2	8.61	
1994	365	8.2	6.80	Extends reef fish permit moratorium through 1995
1995	365	8.2	6.50	
1996	366	8.2	6.12	New reef fish permit moratorium through 2000 (Amend. 11)
1997	365	8.2	6.53	Prohibited the harvest of Nassau grouper (Amend. 14).
1998	365	8.2	6.38	
1999	320	8.2	8.11	Established two marine reserves
2000	320	8.2	8.18	Extend reef fish permit moratorium through 2005 (Amend. 17)
2001	320	8.2	9.19	
2002	320	8.2	9.05	
2003	320	8.2	7.77	
2004	319	8.88	8.88	
2005	282	8.88	8.18	Established permanent limited access system for commercial Gulf reef fish (Amend. 24) Aggregate deep-water and shallow-water grouper commercial trip limit of 6,000 lb gw
2006	365	8.88	6.74	
2007	365	8.88	5.19	
2008	366	8.88	6.35	
2009	365	7.48	4.70	Reduced SWG quota from 8.90 mp to 7.8 mp Jan – April seasonal closure at Edges 40 fathom contour and at Steamboat Lumps May – Oct: Emergency interim regulation prohibiting longlines inside of 50 fathoms Oct: Reef fish bottom longline fishing restricted inside of the 35-fathom depth contour and limited to 1,000 hooks, with no more than 750 rigged for fishing under Endangered Species Act Began the IFQ system for commercial grouper and tilefish (Amend. 29) Longline endorsement required (Amend. 31) Reef fish bottom longline fishing restricted to outside the 35-fathom depth contour from June – August (Amend. 31) Longlines limited to 1000 hooks, with no more than 750 rigged for fishing (Amend. 31) Reduced SWG quota to 0.41 mp Multi-use flexibility allows warsaw grouper and speckled hind to be landed with SWG allocation
2010	365	0.410	0.176	
2011	365	0.410	0.187	
2012	366	0.509	0.298	Increased TAC to 0.51 mp Minimum size limits: black grouper = 24" TL; yellowfin grouper = 20" TL; Scamp = 16" TL
2013	365	0.518	0.301	
2014	365	0.523	0.230	

¹ In 1990-1996, shallow-water grouper included: black grouper, gag, red grouper, yellowfin grouper, yellowmouth grouper, rock hind, red hind, scamp, speckled hind, and Nassau grouper. In 1991, speckled hind was moved to deep-water grouper. In 1997, Nassau grouper was removed from shallow-water grouper and harvest was prohibited. From 2004-2010, while red grouper had its own quota, it was also part of the aggregate SWG quota. In 2009, both gag and red grouper had their own quota, which was also part of the aggregate SWG quota. Beginning in 2010, gag and red grouper quotas were removed. In 2012, red hind and rock hind were removed.

Harvest from 1990-2009 taken from the SEFSC ACL database; harvest from 2010 to current from IFQ database.

Appendix 4.4: DWG commercial management history

Year	Days Open	Quota ¹ (mp gw)	Harvest (mp gw)	Commercial Management Action
1990	365	1.52	1.03	Created deep-water and shallow-water aggregates (Amend. 1) 11 mp ww commercial quota for all groupers: 1.8 mp ww for DWG (Amend. 1) Established commercial reef fish permit (Amend. 1) Longline gear prohibited inshore of 50 fathoms depth west and 20 fathoms east of Cape San Blas, FL (Amend. 1)
1991	365	1.52	1.00	Speckled hind moved from shallow-water grouper to deep-water grouper (Amend. 3)
1992	366	1.6	1.28	Establish a moratorium on issuing new reef fish permits for 3 years, but allows transfers (Amend. 4) Scamp is shallow-water until closed then deep-water Conversion from ww to gw modified to 1.05 for DWG and SWG
1993	365	1.6	0.95	
1994	365	1.6	1.27	Extends reef fish permit moratorium through 1995
1995	365	1.6	0.97	
1996	366	1.6	0.63	New reef fish permit moratorium through 2000 (Amend. 11)
1997	365	1.6	0.90	
1998	365	1.6	0.77	
1999	365	1.6	1.20	Established two marine reserves
2000	366	1.6	1.39	Extend reef fish permit moratorium through 2005 (Amend. 17)
2001	365	1.6	1.04	
2002	365	1.6	1.07	
2003	365	1.6	1.54	
2004	177	1.02	1.25	Reduced commercial quota for DWG (Secretarial Amend. 1)
2005	130	1.02	1.14	Established permanent limited access system for commercial Gulf reef fish (Amend. 24) Aggregate deep-water and shallow-water grouper commercial trip limit of 6,000 lb gw Closed on June 23, 2005
2006	152	1.02	1.07	Closed on June 27, 2006
2007	173	1.02	1.16	Closed on June 2, 2007
2008	142	1.02	1.11	Closed on May 10, 2008; re-opened DWG Nov 1-10, 2008
2009	196	1.02	1.13	Jan – April seasonal closure at Edges 40 fathom contour and at Steamboat Lumps May – Oct: Emergency interim regulation prohibiting longlines inside of 50 fathoms Oct: Reef fish bottom longline fishing restricted inside of the 35-fathom depth contour and limited to 1,000 hooks, with no more than 750 rigged for fishing under Endangered Species Act
2010	365	1.020	0.606	Began the IFQ system for commercial grouper and tilefish (Amend. 29) Longline endorsement required (Amend. 31) Reef fish bottom longline fishing restricted to outside the 35-fathom depth contour from June – August (Amend. 31) Longlines limited to 1000 hooks, with no more than 750 rigged for fishing (Amend. 31) Reduced DWG quota to 1.02 mp Multi-use flexibility allows scamp to be landed with DWG allocation
2011	365	1.020	0.779	
2012	366	1.127	0.966	Increased TAC to 1.13 mp; misty grouper removed from Reef Fish FMP and IFQ program
2013	365	1.118	0.920	
2014	365	1.110	1.081	

¹ Deep-water grouper in 1990 included: misty grouper, snowy grouper, yellowedge grouper, and warsaw grouper. In 1991, speckled hind was moved from shallow-water grouper to deep-water grouper and scamp was included as deep-water grouper once the shallow-water grouper quota was filled. In 2010, the IFQ system was established and included: misty grouper, snowy grouper, yellowedge grouper, warsaw grouper, and speckled hind. While scamp may be landed with deep-water allocation, it is not included in the quota. In 2012, misty grouper was removed from the deep-water grouper.

Harvest from 1990-2009 taken from the SEFSC ACL database; harvest from 2010 to current from IFQ database.

Appendix 4.5: TF commercial management history

Year	Days Open	Quota ¹ (mp gw)	Harvest (mp gw)	Commercial Management Action
1990	365	NA	0.39	Established commercial reef fish permit Longline gear prohibited inshore of 50 fathoms depth west and 20 fathoms east of Cape San Blas, FL Added golden tilefish, goldface tilefish, blackline teilfish, anchor tilefish, and blueline tilefish to the FMP (Amend. 1).
1991	365	NA	0.33	
1992	366	NA	0.40	Establish a moratorium on issuing new reef fish permits for 3 years, but allows transfers (Amend. 4)
1993	365	NA	0.37	
1994	365	NA	0.49	Extends reef fish permit moratorium through 1995
1995	365	NA	0.49	
1996	366	NA	0.23	New reef fish permit moratorium through 2000 (Amend. 11)
1997	365	NA	0.44	
1998	365	NA	0.36	
1999	365	NA	0.42	Established two marine reserves
2000	366	NA	0.55	Extend reef fish permit moratorium through 2005 (Amend. 17)
2001	365	NA	0.53	
2002	365	NA	0.55	
2003	365	NA	0.48	
2004	366	0.44	0.61	Secretarial Amendment 1: established a commercial quota of 0.44 mp gw for all tilefish (equal to average annual harvest from 1996-2000)
2005	324	0.44	0.63	Established permanent limited access system for commercial Gulf reef fish (Amend. 24) Aggregate deep-water and shallow-water grouper commercial trip limit of 6,000 lb gw
2006	202	0.44	0.42	
2007	107	0.44	0.42	
2008	130	0.44	0.50	
2009	134	0.44	0.55	Jan – April seasonal closure at Edges 40 fathom contour and at Steamboat Lumps May – Oct: Emergency interim regulation prohibiting longlines inside of 50 fathoms Oct: Reef fish bottom longline fishing restricted inside of the 35-fathom depth contour and limited to 1,000 hooks, with no more than 750 rigged for fishing under Endangered Species Act
2010	365	0.440	0.250	Began the IFQ system for commercial grouper and tilefish (Amend. 29) Longline endorsement required (Amend. 31) Reef fish bottom longline fishing restricted to outside the 35-fathom depth contour from June – August (Amend. 31) Longlines limited to 1000 hooks, with no more than 750 rigged for fishing (Amend. 31)
2011	365	0.440	0.386	
2012	366	0.582	0.451	Increased TAC to 0.58 mp; Anchor and blackline tilefish removed from Reef Fish FMP and IFQ program.
2013	365	0.582	0.440	
2014	365	0.582	0.517	

¹ Tilefish included: Golden tilefish, blueline tilefish, goldface tilefish, anchor tilefish, and blackline tilefish. In 2012, anchor and blackline tilefish were removed from the GT-IFQ program.

Harvest from 1990-2009 taken from the SEFSC ACL database; harvest from 2010 to current from IFQ database.

Appendix 5: Price Analysis Rationale

Price information is crucial to the economic evaluation of the program. The Grouper-Tilefish Individual Fishing Quota (GT-IFQ) program continues to have price collection or reporting issues with respect to share transfers, allocation transfers, and ex-vessel prices, although some improvements have occurred. Since mid-year 2010, a minimum transfer price of \$0.01 has been required for all share transfers. Despite requiring participants to enter a transaction price for share transfers, many share transactions specify a transaction value of \$0.01. Allocation transfer prices are currently not required by the online system (e.g., a zero value may be entered). Ex-vessel prices have varied since the start of the GT-IFQ program. Extremely low prices have been attributed to dealers reporting ex-vessel prices after deducting for transferred or leased allocation, goods (e.g., bait, ice, fuel) and/or services (e.g., repairs, machinery replacement). The definition of actual ex-vessel price was changed through regulations in June 2011 and prohibits the cost of allocation transfers, goods, and /or services from being deducted from ex-vessel prices. Despite the new regulation in 2011, ex-vessel prices in some instances continue to be under-reported in the IFQ online system. An expected range of reasonable prices was calculated for each price variable by investigating the frequency of each price within a given year(s). Any price value outside the given range was excluded from analysis. All price information decisions were verified against averages submitted by industry representatives.

Cat.	Year	Share		Allocation	
		Min.	Max.	Min.	Max.
DWG	2010	\$2	\$30	\$0.50	\$3.00
	2011	\$2	\$30	\$0.50	\$3.00
	2012	\$2	\$30	\$0.50	\$4.00
	2013	\$2	\$30	\$0.50	\$3.00
	2014	\$2	\$30	\$0.50	\$3.00
GG	2010	\$2	\$40	\$0.50	\$5.00
	2011	\$4	\$60	\$0.50	\$5.00
	2012	\$4	\$60	\$0.50	\$5.00
	2013	\$4	\$60	\$0.50	\$5.00
	2014	\$5	\$60	\$0.50	\$5.00
RG	2010	\$2	\$15	\$0.30	\$4.00
	2011	\$2	\$15	\$0.30	\$4.00
	2012	\$2	\$15	\$0.30	\$4.00
	2013	\$2	\$20	\$0.30	\$4.00
	2014	\$3	\$20	\$0.30	\$4.00
SWG	2010	\$2	\$30	\$0.30	\$5.00
	2011	\$2	\$30	\$0.30	\$5.00
	2012	\$3	\$30	\$0.30	\$5.00
	2013	\$3	\$30	\$0.20	\$5.00
	2014	\$3	\$30	\$0.20	\$5.00
TF	2010	\$1	\$20	\$0.10	\$2.00
	2011	\$1	\$20	\$0.10	\$2.00
	2012	\$1	\$20	\$0.10	\$2.00
	2013	\$1	\$20	\$0.10	\$4.00
	2014	\$1	\$20	\$0.10	\$4.00

Share prices were analyzed by years and generally resulted in right skewed distributions. Maximum share prices were selected to exclude unusually high and infrequent share prices. Minimum values were selected based on low-value outliers. Allocation prices were analyzed on a yearly basis. Allocation prices generally had a bimodal distribution that depicted a subset of transactions with low price information. The minimum allocation price was set to the valley between the bi-modal distributions. The maximum allocation prices were selected to exclude unusually high and infrequent allocation prices, including all prices in excess of the maximum ex-vessel value reported. Share and allocation prices included in the analyses were equal to or greater than the minimum value selected and equal to or less than the maximum value selected (see table above).

Ex-vessel prices were analyzed on a yearly basis. Ex-vessel price distributions were left skewed, with infrequent but unusually low prices for many of the species. Minimum prices were selected to exclude these unusually low and infrequent ex-vessel prices. It is thought that these prices reflect an additional deduction as stated above. The maximum value was selected as <\$10. \$10 is the maximum amount allowed to be entered into the system. Any values of \$10 were excluded, as they most likely resulted from typographical errors when entering the value. The table below shows the minimum price that was included in the ex-vessel price analyses.

Ex-vessel minimum price:

Cat	Species	Minimum Price				
		2010	2011	2012	2013	2014
DWG	Snowy grouper	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20
	Speckled hind	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Warsaw grouper	\$1.20	\$1.20	\$1.20	\$2.20	\$2.20
	Yellowedge grouper	\$2.20	\$2.20	\$2.80	\$2.80	\$2.80
GG	Gag	\$2.70	\$2.70	\$2.90	\$2.90	\$2.90
RG	Red grouper	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
SWG	Black grouper	\$2.80	\$2.80	\$2.80	\$2.80	\$2.80
	Scamp	\$2.50	\$2.50	\$3.20	\$3.20	\$3.20
	Yellowfin grouper	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Yellowmouth grouper	\$2.80	\$2.80	\$2.80	\$2.80	\$2.80
TF	Blueline tilefish	\$0.20	\$0.20	\$0.50	\$0.80	\$0.80
	Golden tilefish	\$0.50	\$1.00	\$1.00	\$1.00	\$1.00
	Goldface tilefish	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50

Glossary

10% Overage - A provision in the individual fishing quota (IFQ) program that allows IFQ accounts that hold shares to land 10% over their remaining allocation on the last fishing trip of the year. Any overage will be deducted from the shareholder's allocation for the next fishing year and the shareholder is restricted from selling shares that would prohibit this take back action.

Active Account - An account, in which the allocation holder has landed, bought, and/or sold allocation within that year. Accounts activity status changes yearly based on the actions taken by the account.

Allocation - Allocation is the actual poundage that an account holder is ensured the opportunity to possess, land, or sell, during a given calendar year. IFQ allocation will be distributed to each IFQ shareholder at the beginning of each calendar year, and expire at the end of each calendar year. Annual IFQ allocation is determined by the amount of the shareholder's IFQ share and the amount of the annual commercial quota. Dealer accounts may not possess allocation.

Allocation Transfer - A transfer of allocation (pounds) from one shareholder account to another shareholder account. Through January 1, 2012, allocation can be transferred only to an entity that holds a valid Gulf commercial reef fish permit.

Entity - An individual, business, or association participating in the IFQ program. Each IFQ account is owned by a unique entity.

Gulf of Mexico Commercial Reef Fish Permit Holder - An entity that possesses a valid Gulf of Mexico (Gulf) commercial reef fish permit and therefore, is eligible to be exempt from bag limits, to fish under a quota, or to sell Gulf reef fish in or from the Gulf Exclusive Economic Zone. There is an eligibility requirement and an annual fee associated with the permit.

IFQ Dealer Endorsement - The IFQ dealer endorsement is a document that a dealer must possess in order to receive Gulf of Mexico IFQ species. The dealer endorsement can be downloaded free of charge from the IFQ dealer's online account.

Inactive Account - An account, in which the allocation holder has neither landed, bought, nor sold allocation within that year, including those who never logged into their account. Accounts activity status changes yearly based on the actions taken by the account holder.

Initial Account - An account that was never logged into by the account's owner(s).

Landing Notification - A required 3-12 hour advanced landing notification stating the vessel identification, approved landing location, dealer's business name, time of arrival, and estimated pounds to be landed in each IFQ share category. Landing notifications can be submitted using either a vessel's vessel monitoring system unit, through an IFQ entity's on-line account, or through the IFQ call service. The landing notification is intended to provide law enforcement officers the opportunity to be present at the point of landing so they can monitor and enforce IFQ requirements dockside. For the purpose of these regulations, the term landing means to arrive at the dock, berth, beach, seawall, or ramp.

Landing Transaction - A landing transaction report is completed by an IFQ dealer using the online IFQ system. This report includes the date, time, and location of transaction; weight and actual ex-vessel price of IFQ fish landed and sold; and information necessary to identify the fisherman, vessel, and dealer involved in the transaction. The fisherman landing IFQ species must validate the dealer transaction report by entering his unique vessel's personal identification number when the transaction report is submitted. After the dealer

submits the report and the information has been verified, the website will send a transaction approval code to the dealer and the allocation holder.

Median - The middle value in a statistical distribution, above and below which lie an equal number of values.

Participant - An individual or corporation that is part of an IFQ entity. For example, John Smith the participant may belong to multiple entities such as John Smith, John and Jane Smith, and ABC Company. Share and allocation caps are tracked at the IFQ participant level and not the IFQ entity level.

Pound Equivalent - The share percentage that would equal one pound of the quota. The exact share percentage that is equivalent to one pound depends on the total commercial quota at that point in time. This value will change as the quota changes either among or within years.

Public Participant - A shareholder account that was opened after January 1, 2012, that does not have a permit associated with the account. Public participants may own and trade shares and allocation, but cannot harvest IFQ species.

Share - A share is the percentage of the commercial quota assigned to a shareholder account that results in allocation (pounds) equivalent to the share percentage of the quota. Shares are permanent until subsequently transferred. Dealer accounts may not possess shares.

Share Cap - The maximum share allowed to be held by a person, business, or other entity. The share cap prevents one or more IFQ shareholders from purchasing an excessive amount of IFQ shares and monopolizing the commercial sector for IFQ categories

Share Transfer - A transfer of shares from one shareholder account to another account. A shareholder must initiate the share transfer and the receiver must accept the transfer by using the online IFQ. Through January 1, 2012, shares can be transferred only to an entity that holds a valid Gulf commercial reef fish permit.

Shareholder - An account that holds a percentage of the commercial quota.

Shareholder Account - A type of IFQ account that may hold shares and/or allocation. This includes accounts that only hold allocation.