what kind of faith should we have in an **allocation** that was set using data from **30 years ago**?

The information in this pamphlet lays out the case for **reallocation** of **Gulf red snapper**, and addresses some of the common arguments used by opponents of reallocation.

**During its February 2014 meeting** in Houston, the Gulf of Mexico Fishery Management Council approved moving ahead with an amendment to update the allocation of Gulf red snapper between the commercial and recreational sectors. By a vote of 9-6, the Council approved sending Amendment 28 out for public hearings in all the Gulf States and selected Alternative 5 as its preferred alternative (see page 3).

Encouragingly, the representatives of **all five of the Gulf state fishery management agencies** voted for this measure. Allocation decisions are always contentious and the Council should be commended for continuing its efforts to set the allocation based on modern criteria.

**It has been 30 years** since this allocation was last set and there will be stiff opposition from the commercial fishing industry, restaurant associations and environmental groups that don’t believe there is sufficient reason to change an allocation that was derived during the Reagan presidency. Your participation as a recreational angler at these public hearings is critical to bringing this process to a successful conclusion.
What YOU need to do:

The public hearing phase is critical for Amendment 28 – Red Snapper Reallocation. The relatively small group of people with direct financial ties to the red snapper fishery will be motivated to turn out to oppose modifying this 30-year-old allocation. It would not be at all surprising if the same group of people travel to every public hearing to deliver their message, much as they do at every Gulf Council meeting. The time and money to do so is simply a business expense to keep as much red snapper harvest in their wallets as possible.

As a member of the vast community of recreational anglers, you may use the information in this pamphlet to help set right a 30-year-old injustice. As things stand, the commercial industry and the environmental community are more than willing to paint the recreational sector as greedy pillagers in this fishery. The truth of the matter is that our quota was never set properly in the first place, and until that is rectified the problems of short seasons and recreational overages will only grow worse, even as the red snapper stocks continue to improve.

The public hearings listed below are coming to a venue near you. Please make the effort to attend one and go on the record in support of Alternative 5 (see following page). There is considerable support for larger allocation shifts to the recreational sector, but this is a critical first step after 30 years of inaction. Alternative 5 is the most politically viable alternative at this time. As overwhelming as the evidence is, the final vote at the Council to reallocate still hangs in the balance. The turnout at these public hearings could be the deciding factor.

If you cannot attend the hearings, comments on Reef Fish Amendment 28 will also be accepted online at http://bit.ly/MS14UDO or may be emailed to gulfcouncil@gulfcouncil.org. If you choose to email the Council, please send a copy to CCANL@JoinCCA.org so there is an independent record of your comments. However, Council members and staff are quick to say that in-person comments carry far more weight than electronic submissions. Be there if you can.

**MARCH 10, 2014**
Fairfield Inn & Suites
3111 Loop Road
Orange Beach, AL 36561

**MARCH 11, 2014**
Renaissance Riverview Plaza
64 South Water Street
Mobile, AL 36602

**MARCH 12, 2014**
Holiday Inn Select
2001 N. Cove Boulevard
Panama City, FL 32405
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Courtyard Marriott Gulfport
1600 East Beach Boulevard
Gulfport, MS 39501

**MARCH 13, 2014**
La Quinta Inn & Suites
2610 Williams Boulevard
Kenner, LA 70062

**MARCH 17, 2014**
Hilton Garden Inn
6717 South Padre Island Drive
Corpus Christi, TX 78412

**MARCH 18, 2014**
Embassy Suites San Antonio
10110 US Highway 281 N
San Antonio, TX 78216

**MARCH 19, 2014**
Hilton Garden Inn
750 W. Texas Avenue
Webster, TX 77598

**MARCH 20, 2014**
Call-in Session/Webinar
https://www4.gotomeeting.com/register/670076495

**MARCH 24, 2014**
Hilton Carillon St. Petersburg
950 Lake Carillon Drive
St. Petersburg, FL 33716
Amendment 28: 
RED SNAPPER REALLOCATION

Contains the following 7 alternatives. Alternative 5 was selected by the Gulf Council as its preferred alternative.

Alternative 1: No Action – Maintain the allocation set in Amendment 1 to the Reef Fish Fishery Management Plan. The commercial and recreational red snapper allocations remain at 51% and 49% of the red snapper quota respectively. Based on a red snapper quota of 11 million pounds (mp), resulting allocations to the commercial and recreational sectors are 5.610 mp and 5.390 mp, respectively.

Alternative 2: Increase the recreational sector’s allocation by 3 percent; allocate 48% of the red snapper quota to the commercial sector and 52% of the quota to the recreational sector.

Alternative 3: Increase the recreational sector’s allocation by 5 percent; allocate 46% of the red snapper quota to the commercial sector and 54% of the quota to the recreational sector.

Alternative 4: Increase the recreational sector’s allocation by 10 percent; allocate 41% of the red snapper quota to the commercial sector and 59% of the quota to the recreational sector.

Alternative 5: If the red snapper quota is less than or equal to 9.12 million pounds (mp), maintain the commercial and recreational red snapper allocations at 51% and 49% of the red snapper quota, respectively. If the red snapper quota is greater than 9.12 mp, allocate 75% of the amount in excess of 9.12 mp to the recreational sector and 25% to the commercial sector. Based on a red snapper quota of 11 mp, resulting allocations to the commercial and recreational sectors are 5.121 mp and 5.879 mp, respectively.

Alternative 6: If the red snapper quota is less than or equal to 9.12 million pounds (mp), maintain the commercial and recreational red snapper allocations at 51% and 49% of the red snapper quota, respectively. If the red snapper quota is greater than 9.12 mp, allocate 100% of the amount in excess of 9.12 mp to the recreational sector. Based on a red snapper quota of 11 mp, resulting allocations to the commercial and recreational sectors are 4.651 mp and 6.349 mp, respectively.

Alternative 7: If the red snapper quota is greater than 10 mp, 75% of the amount in excess of 10 mp to recre., and 25% to comm.

Alternative 7 was not one of the original alternatives in this amendment – it was added by the Council at its February 2014 meeting. Alt. 7 would allocate 75% of red snapper quota amounts in excess of 10 mp to the recreational sector and 25% to the commercial sector.
According to the 1989 Amendment 1 to the Reef Fish Management Plan, the current Gulf red snapper allocation of 51% commercial: 49% recreational was set based on commercial and recreational landings from 1979-1987, a time when the stock was at or near its lowest point (see Total Biomass table below). Under those conditions, commercial fishermen motivated to find a payday scoured the Gulf for red snapper, while recreational anglers were discouraged from even trying due to the lack of fish.

Furthermore, this 30-year-old allocation is based on landings data gathered by the Marine Recreational Fisheries Statistics Survey (MRFSS), which the government first began using in 1979. So not only is the data used to set this allocation pulled from the lowest point in the time series, it was gathered using a brand new, unknown survey system that has since been replaced due to questions about its accuracy.

The allocation of 51/49 most likely represents a severely artificially inflated commercial share.

In addition, the recreational survey system has even been questioned by the designers due to unreliable data collection methods that lacked appropriate calibration and testing. There are questions about the quality of harvest data even today, which makes the accuracy of an allocation set from the early 1980s using the MRFSS system extremely suspect.

It is almost certain that the allocation of this fishery has never been correct and that would explain some of the issues anglers are grappling with today, such as reconciling shrinking seasons with a booming red snapper population.
The net present value of the stream of economic benefits from all sectors in the Gulf shrimp and reef fish fisheries 2009-2032:

- $833 million
- $27 million
- $1.6 billion
- $9.1 billion

**Bioeconomic Analysis of the Red Snapper Rebuilding Plan and Transferable Rights Policies in the Gulf of Mexico.**
The data used in this project was provided by the National Marine Fisheries Service (NMFS).

An analysis done by the Gulf Council’s Socio-Economic Science and Statistical Committee (SESC) was completed this year. It showed that economic benefits to the nation increase as red snapper quota is shifted to the recreational sector. The SESC never found the ceiling for how much quota should be shifted, but the economic benefits were still increasing with shifts of up to 10 percent of the quota to the recreational sector, which was the largest shift analyzed.

A number of other independent economic studies have shown over the years that the current allocation makes no sense, including a groundbreaking “bioeconomic” report by Wade L. Griffin and Richard T. Woodward of Texas A&M University in 2009. In that report, the economics of the entire reef fish complex, of which red snapper is a significant component, were analyzed, as well as the four segments of the fishery that impact the complex — private boat recreational anglers, shrimping, commercial fishing and charter/for-hire. The report found that the present value of the total economic value of the shrimp and reef fish fisheries for the period 2009 to 2032 is $11.8 billion. Of that total, private boat recreational anglers account for $9.1 billion, clearly the most economically vibrant part of these fisheries.
When the total allowable catch was raised to more than 9.12 rmp in 2013, the commercial sector was given the largest quota in its history under federal management.

In 2006, the Gulf Council took the controversial step of implementing a catch-share program for the red snapper commercial sector. Under this system, each commercial operator was gifted with a portion of the red snapper resource to use as its own based on that boat’s catch history. The operators paid nothing for privatizing this public natural resource, and to this day their administrative fees do not even cover the cost to operate this federally supported program.

Under the catch-share program, shareholders are allowed to buy and sell shares only from other shareholders, and today fewer than 400 businesses own 51 percent of the entire public resource. Fewer commercial fishermen than ever are catching as much red snapper as have ever been caught commercially under federal management.

It is impossible to argue that the remaining commercial fishermen are “losing” money in this Amendment under Alternative 5. The catch share program made them millionaires, they are still getting 25% of the increases over their historic high, and they still aren’t paying enough to manage their own program. Meanwhile, millions of recreational anglers, and the businesses that depend on them, have struggled with shrinking seasons and reduced access.
There has been a lot of discussion about “fairness” in this allocation debate, with opponents to reallocation often citing National Standard 5, which states that economics cannot be the sole criteria used for allocation. Examining “fairness” addresses these concerns.

Another way to think about “fairness” is “fixing past unfairness.” Using 30-year-old landings to set a modern allocation is inappropriate. The current allocation was set using the first nine years of MRFSS recreational data collection, 1979-1987, which we now know to have had significant bias. Reallocation of red snapper increases to the recreational sector would increase fairness by righting the wrongs of this flawed initial allocation.

One of the key differences between commercial and recreational fishermen is the motivation to go fishing. The commercial fishery is motivated by profit; when a stock declines, the fish become more valuable and commercial fishermen may actually increase effort to harvest the more valuable product. Conversely, recreational effort is motivated by the opportunity to encounter a fish; thus when a stock declines, so does effort. The current allocation was set when the red snapper population was at its lowest, when recreational fishermen would have had a difficult time encountering them in any abundance and their catch was depressed. In fact, 4 of the 9 lowest recreational landings in the 33-year time series were used to set the recreational allocation.

The commercial sector was made whole once their quota reached 4.65 million pounds in 2013. This represents their harvest high-water mark under federal management (see graph). Beyond that, they were granted (for free) ownership rights to a proportional share of the quota when the catch share system was put in place in 2007. Since then, the fleet has shrunk and the remaining fishermen have become wealthy. Arguably, they have already been treated more than fairly.

Amendment 28, Alternative 5, is focusing only on reallocating increases; the commercial sector loses nothing. Their incomes will not fall. The fleet won’t shrink. Jobs will not be lost. But on the recreational side, under ever-shrinking seasons, tourism dollars from red snapper fishing have shrunk, threatening businesses that depend on red snapper fishing. Jobs have been lost. Incomes have been decreasing.

The commercial sector likes to claim that the gains in the red snapper stock are due to their sacrifices. This is misleading. The sector has already been rewarded with private ownership and a massive wealth transfer. The vast majority of the gains in the red snapper stock are from efforts to end the bycatch of juvenile red snapper in the shrimp fishery and reductions in fishing pressure carried largely on the backs of recreational anglers.

The fair thing is to reallocate increases in the allowable catch to the recreational sector to reach a proper balance. Jobs and incomes would increase. Value would increase. When “fairness” is examined, the case for reallocating fish to the recreational sector becomes even stronger.
Opponents to reallocation, primarily commercial fishermen and environmental groups that seek to limit access to this public natural resource, will argue that the Council should not shift allocation unless and until the recreational sector can be made fully accountable for its harvest. What they are trying to blur with this argument is that this is an ALLOCATION amendment, not a recreational management amendment.

The accountability issue is simply a red herring in this context. Keeping an allocation from a time when the stock was severely depleted to today, when the stock is rebounding wildly, virtually guarantees that the recreational sector will go over its outdated allocation. Following this line of thinking, if the stock was still so depleted that the recreational sector could not catch its allocation, would it be interpreted as a sign of management success?

Insisting that the recreational sector allocation remain static until anglers can be forced to stay under an outdated, 30-year-old allocation is like buying a pair of shoes for a 5-year-old and then refusing to buy him another pair ever again unless he can prove he can still fit into his old shoes first. The allocation has to be meaningfully addressed before any other accountability solutions can be assessed.
**MYTH:** Commercial fishermen helped rebuild the fishery and deserve a higher quota.

**Truth #1**
Catch share proponents are quick to claim that it was the implementation of their program in 2006 that sparked the recovery of Gulf red snapper. But, according to the Framework Action to Set the 2013 Red Snapper Commercial and Recreational Quotas and Modify the Recreational Bag Limit prepared by NOAA Fisheries and the Gulf Council, the commercial sector was under its quota for the period from 1996 to 2005 already.

SEE TABLE>>

**Truth #2**
Since the commercial sector was already staying within its quota for the 10 years prior to the implementation of the catch share program, then the catch share program made no meaningful difference in the overall health of the stock. All the catch share program has done is greatly consolidate the commercial snapper industry and make a few lucky winners in this fishery very wealthy.

**Truth #3**
The only meaningful change in management of this fishery was a significant reduction in juvenile red snapper mortality in the shrimp fishery in 2005-07 which was finally achieved by the combined effects of lawsuits by recreational anglers, the hurricane season of 2005, high fuel costs and low prices on imported shrimp. The dramatic gains in the snapper fishery are tied directly to that reduction, not the introduction of an exclusive rights harvesting program.

### Commercial red snapper calendar days open, quotas, and landings.

Source: Commercial quotas, landings, and calendar days open from 1996 through 2006 were taken from the Red Snapper 7 Update (2009). From 2009-2012 landings were taken from Linton (2012).

*Landings for 2012 are preliminary; missing landings were projected based on 2011 landings.

<table>
<thead>
<tr>
<th>Year</th>
<th>Calendar Days Open</th>
<th>Quota</th>
<th>Landings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>65+22=87</td>
<td>4.65 mp</td>
<td>4.31 mp</td>
</tr>
<tr>
<td>1997</td>
<td>53+20=73</td>
<td>4.65 mp</td>
<td>4.81 mp</td>
</tr>
<tr>
<td>1998</td>
<td>42+30=72</td>
<td>4.65 mp</td>
<td>4.68 mp</td>
</tr>
<tr>
<td>1999</td>
<td>45+25=70</td>
<td>4.65 mp</td>
<td>4.88 mp</td>
</tr>
<tr>
<td>2000</td>
<td>38+28=66</td>
<td>4.65 mp</td>
<td>4.84 mp</td>
</tr>
<tr>
<td>2001</td>
<td>56+23=79</td>
<td>4.65 mp</td>
<td>4.63 mp</td>
</tr>
<tr>
<td>2002</td>
<td>64+27=91</td>
<td>4.65 mp</td>
<td>4.78 mp</td>
</tr>
<tr>
<td>2003</td>
<td>67+27=94</td>
<td>4.65 mp</td>
<td>4.41 mp</td>
</tr>
<tr>
<td>2004</td>
<td>70+35=105</td>
<td>4.65 mp</td>
<td>4.65 mp</td>
</tr>
<tr>
<td>2005</td>
<td>80+51=131</td>
<td>4.65 mp</td>
<td>4.10 mp</td>
</tr>
<tr>
<td>2006</td>
<td>126</td>
<td>4.65 mp</td>
<td>4.65 mp</td>
</tr>
<tr>
<td>2007</td>
<td>365 IFQ</td>
<td>3.315 mp</td>
<td>3.18 mp</td>
</tr>
<tr>
<td>2008</td>
<td>366 IFQ</td>
<td>2.55 mp</td>
<td>2.48 mp</td>
</tr>
<tr>
<td>2009</td>
<td>365 IFQ</td>
<td>2.55 mp</td>
<td>2.484 mp</td>
</tr>
<tr>
<td>2010</td>
<td>365 IFQ</td>
<td>3.542 mp</td>
<td>3.392 mp</td>
</tr>
<tr>
<td>2011</td>
<td>365 IFQ</td>
<td>3.664 mp</td>
<td>3.595 mp</td>
</tr>
<tr>
<td>2012</td>
<td>366 IFQ</td>
<td>4.121 mp</td>
<td>3.893 mp*</td>
</tr>
</tbody>
</table>
It is not uncommon at a Gulf Council meeting to hear commercial fishermen state the importance of their work providing **protein for America** - providing fresh red snapper for the millions of people who don’t live near the coast and don’t go fishing. It’s a noble sentiment until you start to do the math on exactly how many Americans are turning to red snapper filets that often run as high as $18 to $20 per pound for their daily protein.

**Commercial Red Snapper Shareholders by State**

- TEXAS ....................... 49
- LOUISIANA ............... 28
- MISSISSIPPI ............. 9
- ALABAMA .................. 20
- FLORIDA .................. 279
- SOUTH CAROLINA ....... 3
- NEW YORK ................. 1
- NEW JERSEY ............. 1
- GEORGIA .................. 1
- IOWA ....................... 1
- MONTANA .................. 1

Compiled by the Southeast Regional Office of the National Marine Fisheries Service

How many families of six on a budget pass by the ground hamburger and choose a $100 snapper dinner instead? How many Americans depend on that weekly visit to a five-star restaurant with white tablecloths to feed their family vital protein?

Gulf red snapper fishermen are not providing protein for America. **They’re providing protein for a very few Americans.** And they’ve gotten very wealthy doing it.

With a harvest of 4.65 million pounds, Gulf red snapper is a relatively tiny, high-end, niche commercial fishery. Especially when compared to the harvest of major commercial stocks like Alaskan Pollock that really are protein for America and are measured in the millions of tons.
the latest information is the best information.

Unlike the commercial catch share program or the plans to give catch shares to the charter/for-hire industry, which are virtually unalterable, fishery allocations can and should be analyzed and evaluated regularly every few years.

Opponents of reallocation have been known to claim that the science supporting reallocation is flawed. In reality, the Council makes impactful decisions regularly based on stock assessments and harvest information that are far less reliable and out of date than the information the SESSC used to determine that a significant allocation shift is supported. The data from the SESSC supporting allocation shifts are the latest and best information available.