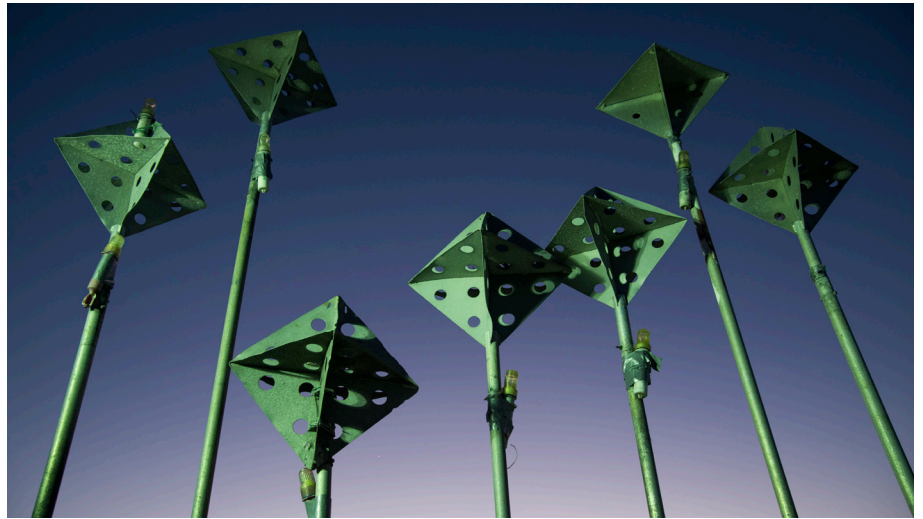


## Document 3 of 6:

These materials include important information for participating in the repose and preparing a quote. Please review them carefully. This document only pertains to eligible vessel owners that did not participate in the 2021 repose or who did not renew their participation in the project. Vessel owners that participated in the 2021 repose had an opportunity to apply to renew existing contracts.



NFWF



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### Have questions about the project?

Please contact the community liaison assigned to your region if you need assistance.

#### Community Liaison in Louisiana:

**Coastal Community Consulting, Inc.**

Phone: 504-393-0066

Email: [christina@ccc-nola.org](mailto:christina@ccc-nola.org)

#### Community Liaison in other Gulf States or on the Atlantic Coast:

**Gary Graham**

Phone: 979-292-6120

Email: [glgshrimp@embarqmail.com](mailto:glgshrimp@embarqmail.com)

To view and download the materials in either English or Vietnamese, please go to [www.nfwf.org/programs/deepwater-horizon-oceanic-fish-restoration-project](http://www.nfwf.org/programs/deepwater-horizon-oceanic-fish-restoration-project).

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## 2022 DEEPWATER HORIZON OCEANIC FISH RESTORATION PROJECT

### Compensation and Auction Details

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Two different and separate forms of compensation are available to participants in the *Deepwater Horizon* Oceanic Fish Restoration Project:

1. Repose compensation to offset revenue lost as a result of participating in the repose period;
2. Alternative gear compensation to help offset the costs of alternative gear fishing trips during the repose period.

Each component will have its own, uniquely determined level of compensation and payment schedule. While participation in the alternative gear portion of the project is optional, it is only available if you participate in the repose. (See table on page 2.)

**You will be compensated for participating in the repose and may receive up to \$60,000 additional and separate compensation to help offset the costs of alternative gear fishing trips during the repose period. Additional revenue can be made through the sale of fish landed with the alternative gear.**

	Repose	Alternative Gear
<b>How much could I be compensated for participating?</b>	<b>Set by auctions:</b> NFWF and NOAA will select no more than 14 participants for the 2022 repose: up to eight from the western Gulf of Mexico (Louisiana, Mississippi, Alabama, and Texas) and up to six from the eastern Gulf of Mexico (Florida and the Atlantic Coast). In all cases, participant compensation for the repose period will be determined based on offerors' quotes. Compensation will not exceed the reserve price, i.e., the maximum undisclosed amount any participant in the repose could be paid.	Up to \$60,000 per vessel. All repose participants, regardless of location, will be eligible to receive up to \$60,000 in additional compensation to fish with alternative gear.
<b>How is the price set?</b>	<b>Pay-As-Bid Reverse Auction:</b> This is an auction in which potential participants name their price to participate in the repose. Offerors responding to this solicitation are selected based on the lowest quotes received in the auction. Successful offerors are then compensated at an amount equal to their quote.	Alternative gear trips will be compensated at a flat rate of \$1,000 per sea-day, up to 60 sea-days (up to 10 sea-days per month).

Please see below for several frequently asked questions and answers about the project's compensation as well as more details about the auction process.

## Compensation Q&A

### How much will I be compensated for participating in the project?

#### Repose

Compensation for participation in the repose will be determined through two separate Pay-As-Bid reverse auctions, one in each of two regions in the Gulf of Mexico — one in the western Gulf of Mexico (Louisiana, Mississippi, Alabama, and Texas) and one in the eastern Gulf of Mexico (Florida and the Atlantic Coast). Interested pelagic longline vessel owners, or “offerors,” will name their price for participating. For a detailed description of the auction, please see the project's auction details below.

#### Alternative Gear

You may receive compensation for fishing with alternative gear for up to 60 sea-days during the six-month repose.

For the purposes of the project, a “sea-day” is defined as a 24-hour period during which fishing for BAYS tunas and/or swordfish occurred, and alternative gear was actively deployed and monitored for eight hours or more during the times of day and in habitat where the target is likely to occur. For a single trip, no more than two travel days – in total – may be counted as sea-days.

A flat rate of \$1,000 per sea-day<sup>1</sup> will be applied for each trip taken with alternative gear during the repose period (January 1 – June 30, 2022). You will only receive compensation for trips taken during the repose period, up to a monthly cap of 10 sea-days and a total repose period cap of 60 sea-days. Trips taken outside the repose period or in excess of monthly or total sea-day cap will not be compensated.

NFWF may consider exemptions to the number of sea-days per month requirement if weather, vessel/gear maintenance, or other extenuating circumstances prevent a participant from safely fishing 10 sea-days in a given month. Participants may roll over unused sea-days into a subsequent month, with approval from NFWF. Similarly, if such conditions prevent a participant from safely fishing

<sup>1</sup> Should major changes in operational costs occur due to external market fluctuations, NFWF may consider modifications to the sea-day compensation rate.

eight hours in a given sea-day, NFWF may consider extenuating circumstances in determining compensation.

## When will I get compensated?

### Repose

Payments for participation in the repose will be administered in monthly installments. The first installment will be provided at the beginning of the repose period in January 2022. Compliance with the terms and conditions of the project will be monitored throughout the repose period; any payment is contingent on verification of full compliance with the Participant Agreement.

### Alternative Gear

Trips taken with the alternative gear will be compensated on a per sea-day basis (\$1,000 per sea-day, up to 10 sea-days per month, for a maximum of 60 sea-days during the repose). Participants are required to submit fishing trip reports to NFWF for each alternative gear trip taken, in addition to all NOAA reporting requirements such as logbooks. These fishing trip reports may be submitted monthly or following each trip and are used to determine compliance and alternative gear compensation. Payments will be disbursed monthly upon confirmation that all trips reported comply with the definition of an eligible sea-day.

For example, if you submit a trip report documenting January fishing trips on February 1, the report would be reviewed by mid-February and, provided no compliance issues are raised, payments would be disbursed by March 1. (Please see an example of the payment process below.)

## Will I be responsible for purchasing and installing the alternative gear?

No. If you are interested in using the alternative gear, NFWF will cover the cost of the gear components needed for up to two of the three following gear types: greenstick, buoy, and deep drop rod and reel gear. You will indicate your preference on the Request for Quotation form.<sup>2</sup>

The project will also cover all costs associated with installation of and training on the alternative gears.

You will be responsible for proper maintenance and/or replacement of all major gear components and subject to vessel inspections and/or regular checks of inventory. While NFWF will cover the cost of terminal gear for the 2022 repose, you will be financially responsible for replacing these items on an as-needed basis throughout the repose. Applicants should consider these costs when planning their participation in the project.

Project participants may be eligible to take permanent possession of alternative gear following the final repose year. More information will be provided in spring 2022.

## When will alternative gear installations begin?

In advance of the repose, NFWF will work with qualified contractors to deliver and install the alternative gear on your vessel (if applicable) and provide gear training. NFWF and the contractors will work with you to schedule installation. Alternative gear installation will not occur until you have provided proof of insurance to NFWF.

### Buoy Gear

Installation is not required for buoy gear. Upon receipt of proof that you hold the necessary permit(s)<sup>3</sup> and have met insurance requirements, NFWF will authorize the gear contractor to send all necessary gear directly to you. If using buoy gear to fish for BAYS tunas, you must demonstrate to NFWF that you have received approval from NOAA for an Exempted Fishing Permit (EFP). It is your sole responsibility to apply for an EFP and NFWF cannot guarantee EFP approval.

### Deep Drop Rod and Reel Gear

In most cases, minimal installation is required for deep drop rod and reel gear; upon proof that insurance requirements have been met, NFWF will authorize the gear contractor to send all necessary gear directly to you in advance of the repose and provide installation services as needed.

### Greenstick Gear

In order to ensure that gear installation is tailored to your specific vessel, the gear contractor may contact you to

<sup>2</sup> NFWF maintains the right to distribute alternative gear based on availability.

<sup>3</sup> Please see more information in the "Project Details and Eligibility Requirements" document.

discuss your vessel configuration, request a picture of your vessel, and/or may schedule a time to visit the vessel. Once the specific configuration and installation needs for your vessel are determined, initial inspection is completed and proof of insurance is provided, NFWF will authorize the gear contractor to schedule and complete installations, beginning as early as November 2021, with installations expected to be completed between November and December 2021.

### **What should I consider in preparing my quotation?**

Repose compensation is to offset revenue lost as a result of participating in the repose period. Vessel owners should also consider general operating costs associated with participation.

Based on participation to date, the 2022 repose will likely be the last year of the project although a final decision has

not yet been made. If the project continues beyond the 2022 repose, and you choose to renew, your compensation in future years will be based upon the quote provided in response to the 2022 Request for Quotation, with a potential modest increase. Please see more details below.

If you intend to participate in the alternative gear portion of the project, you should consider the expected cost of your insurance premium when developing your quote. When requested you must take observers on board during alternative gear trips. You are responsible for the costs of food and drink for observers and must ensure observers are provided living quarters and amenities comparable to crew members. You should consider these costs when planning your participation in the project.

Vessel owners should also take into account uncertainty associated with COVID-19 and how the pandemic may affect your business. If you have questions or concerns, please contact your liaison.

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## **PAYMENT PROCESS**

**Repose payments will be issued monthly, with the first installment issued in early January. In order to receive repose payments, you must comply with all terms and conditions of the project, but you do not need to submit any paperwork.**

**Alternative gear payments will also be issued monthly, based on fishing activity. Each month, you must submit a trip report by the due date. For example, if you take alternative gear trips in January, you must submit your trip report in early February. It will take approximately one month to review trip reports and process payments. Therefore, for trips taken in January, the earliest you can receive your first alternative gear payment is late February or early March.**

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# AUCTION DETAILS

## How the auction will work

**For the 2022 repose, NFWF will once again use an auction format known as a “Pay-As-Bid” reverse auction. This is an auction in which potential participants name their price to participate in the repose. Only eligible vessels owners that have not renewed their contracts are eligible to participate in the auction. Offerors responding to this solicitation are selected based on the lowest quotes received in the auction. Successful offerors are then compensated at an amount equal to their quote.**

Compensation for participation in the repose will be determined through two separate auctions, based on the location of the vessel registration: one in each of two regions in the Gulf of Mexico — one in the western Gulf (Louisiana, Mississippi, Alabama, and Texas) and one in the eastern Gulf (Florida and the Atlantic Coast). Holding auctions for two regions accounts for operational differences between the two areas and encourages broad geographic distribution of participants.

As described above, all interested offerors will propose their price for participating in the 2022 repose by submitting a quote. During the project’s selection process, offerors will be ranked in their respective regions based on the cost quotes received in the auction. New participants and interest in using alternative gear will also be factors considered, in the event of identical quotes.

## Number of Participants

NFWF and NOAA will select no more than 14 vessel owners to participate in the 2022 repose: up to eight from the western Gulf of Mexico (Louisiana, Mississippi, Alabama, and Texas) and up to six from the eastern Gulf of Mexico (Florida and the Atlantic Coast).

NFWF and NOAA will use cost and earnings survey data and logbook data to determine the maximum amount any participant in the repose could be paid (the “reserve price”). The reserve price, which will not be disclosed to potential participants, has been established to ensure that restoration funds are used cost-effectively in the event that quotes exceed the budget allocation. The budget, reserve price, and information provided in the Request for Quotation form will be used to select new participants for the 2022 repose period, as explained further below.

## Submitting a Compensation Quote

By completing the Request for Quotation form, potential project participants will be asked to submit their desired price through a confidential quote. Request for Quotation forms must be notarized. All notarized quotes must be received by NFWF no later than **October 12, 2021**. Quotes should indicate a monthly rate and the corresponding total level of compensation for the entire six-month repose period that you are willing to accept. (See example in the “How to Place an Auction Quote” document.) Offerors should review their quotes carefully before submitting; incomplete, illegible, or unsigned forms may be deemed ineligible for consideration.

NFWF and NOAA will review all completed Request for Quotation forms received by the deadline and select new participants based on their quote for compensation. Quotes received from the western Gulf of Mexico auction and those received from the eastern Gulf of Mexico auction will be evaluated separately. New participants will be selected from among the offerors in each region based on the level of renewal and the number of open positions available per each region (up to eight from the western Gulf and up to six from the eastern Gulf, in total).

If there are two identical quotes for compensation in the same region, NFWF and NOAA will give preference to those participants who have not participated in past project years and are willing to use the alternative gear. Gear may be used in any combination; no preference will be given for any particular gear type or combination of gear types.

## Selected Participants

**All selected participants in each region will receive compensation equal to their offered quotes. Thus, each participant selected will receive a different level of compensation, consistent with their quote.**

Based on participation to date, the 2022 repose will likely be the last year of the project although a final decision has not yet been made. If the project continues beyond the 2022 repose, selected participants will have the option to renew their contract for an additional year pending compliance and performance review. All quotes are irrevocable and may not be adjusted once submitted to NFWF.