

Amendment 45 to the Fishery Management Plan for
the Snapper Grouper Fishery of the South Atlantic
Region

Amendment 31 to the Fishery Management Plan for
the Coastal Migratory Pelagics Fishery of the Gulf of
Mexico and Atlantic Region

Amendment 11 to the Fishery Management Plan for
the Dolphin Wahoo Fishery of the Atlantic Region

Draft Options Paper

December 2016



Amendment 45 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region, Amendment 31 to the CMP Fishery of the GOM/Atlantic Region, and Amendment 11 to the Fishery Management Plan for the Dolphin Wahoo Fishery of the South Atlantic Region, address the issue of for-hire permit limited entry.

Written comments on these amendments will be accepted until 5:00 p.m. on _____, 2017.
Comments may be submitted in writing at the Council website or via fax (843-769-4520).

Why is the Council Considering Action?

The issue of limiting the number of for-hire (Charter/Headboat) permits was raised in the past by the Snapper Grouper Advisory Panel (AP) and in the visioning process public comments the South Atlantic Fishery Management Council (Council) received in 2014-2015. In 2016, the Council is considering limiting the number of for-hire (Charter/Headboat) permits that could be issued at any one time. Some members of the Council thought that limited access permits might help with:

- Logbook reporting compliance
- Business planning
- Vessel overcapacity
- Data quality issues
- Reduce resource concerns

However, the Council thought that the issues might not be the same for each of the for-hire permits. For example, the Council does not have the same resource concerns for dolphin as they do for red snapper.

Likewise, the Council has considered whether limiting entry for the for-hire permits is the best way to address the issues and concerns. It was discussed that there might be other ways to address logbook reporting compliance, such as changing reporting requirements.

Additionally, the Council had concerns with issues that might arise as a result of moving forward with considering limited entry for the for-hire permits.

- Conflicts between those who do and don't get permits
- Issues with the current control date such as what will happen to permits obtained after the control date
- Sector separation conflicts such as between individual recreational fishermen and the for-hire fleet

Draft Purpose for Action

The *purpose* of this amendment is to establish a limited entry permit system for the three for-hire permits in the South Atlantic: Snapper Grouper For-Hire Permit, Coastal Migratory Pelagics For-Hire Permit, and the Dolphin-Wahoo For-Hire Permit..

Draft Need for Action

The *need* for the amendment is to minimize adverse social and economic impacts in the fisheries, improve logbook reporting compliance/data quality, reduce vessel overcapacity, and reduce fishing pressure.

Background

For-hire vessels (headboats and charter vessels) that fish in the federal waters off the South Atlantic and for species under the purview of the South Atlantic Fishery Management Council are required to possess a federal for-hire fishing permit for the species they wish to catch. The NMFS Southeast Regional Office administers these fishing permits. There are three types of for-hire permits available. They are for the snapper grouper fishery, the coastal migratory pelagics fishery, and the dolphin wahoo fishery. Currently, all three for-hire permits are open access.

Table 1 shows the history of the snapper grouper for-hire permit from 2007-2016 each year by state and then for all states together. The least number of snapper grouper for-hire permits issued occurred in 2014 at 1,427 permits. The greatest number of snapper grouper for-hire permits issued occurred in 2016 at 1,543 permits.

Table 1. South Atlantic federal snapper grouper for-hire permits issued, 2007-2016.

Year*	North Carolina	South Carolina	Georgia	Florida	Other States	All States
2007	241	108	23	949	123	1,444
2008	289	110	21	953	154	1,527
2009	279	126	23	949	160	1,537
2010	269	102	24	941	152	1,488
2011	272	105	22	927	164	1,490
2012	253	110	22	937	157	1,479
2013	246	127	24	884	151	1,432
2014	241	134	28	878	146	1,427
2015	262	157	32	886	132	1,469
2016	286	169	49	899	140	1,543

Source: NMFS SERO Permits Dataset.

*For 2007-2015, permit numbers are based on permit numbers for December 31 of each year. For 2016, permit numbers are based on accessing the permit database on Nov 15, 2016.

Table 2 shows the history of the coastal migratory pelagic for-hire permit from 2007-2016 each year by state and then for all states together. The least number of coastal migratory pelagic for-hire permits issued occurred in 2014 at 1,426 permits. The greatest number of coastal migratory pelagic for-hire permits issued occurred in 2016 at 1,563 permits.

Table 2. South Atlantic federal coastal migratory pelagic for-hire permits issued, 2007-2016.

Year*	North Carolina	South Carolina	Georgia	Florida	Other States	All States
2007	283	109	23	919	139	1,473
2008	316	117	20	910	172	1,535
2009	301	129	21	909	179	1,539
2010	283	108	24	903	169	1,487
2011	285	115	23	887	186	1,496
2012	268	118	22	904	178	1,490
2013	251	133	24	855	170	1,433
2014	253	138	29	841	165	1,426
2015	271	160	33	840	161	1,465
2016	292	168	50	876	177	1,563

Source: NMFS SERO Permits Dataset.

*For 2007-2015, permit numbers are based on permit numbers for December 31 of each year. For 2016, permit numbers are based on accessing the permit database on Nov 15, 2016.

Table 3 shows the history of the dolphin wahoo for-hire permit from 2007-2016 each year by state and then for all states together. The least number of dolphin wahoo for-hire permits issued occurred in 2007 at 1,561 permits. The greatest number of dolphin wahoo for-hire permits issued occurred in 2016 at 1,699 permits.

Table 3. Atlantic federal dolphin wahoo for-hire permits issued, 2007-2016.

Year*	North Carolina	South Carolina	Georgia	Florida	Other States	All States
2007	305	102	21	853	280	1,561
2008	347	109	20	849	318	1,643
2009	331	125	22	859	343	1,680
2010	320	102	21	872	340	1,655
2011	323	111	20	873	358	1,685
2012	297	107	21	895	330	1,650
2013	281	117	22	844	313	1,577
2014	281	121	25	843	303	1,573
2015	292	142	23	858	286	1,601
2016	313	150	34	873	299	1,699

Source: NMFS SERO Permits Dataset.

*For 2007-2015, permit numbers are based on permit numbers for December 31 of each year. For 2016, permit numbers are based on accessing the permit database on Nov 15, 2016.

Table 4 shows the history of all three permits combined from 2007-2016 each year by state and then for all states together. The least number of permits issued occurred in 2014 at 4,426 permits. The greatest number of permits issued occurred in 2016 at 4,775 permits.

Table 4. Combined number of South Atlantic federal snapper grouper for-hire permits, South Atlantic federal coastal migratory pelagic for-hire permits, and Atlantic federal dolphin wahoo for-hire permits issued, 2007-2016.

Year*	North Carolina	South Carolina	Georgia	Florida	Other States	All States
2007	829	319	67	2,721	542	4,478
2008	952	336	61	2,712	644	4,705
2009	911	380	66	2,717	682	4,756
2010	872	312	69	2,716	661	4,630
2011	880	331	65	2,687	708	4,671
2012	818	335	65	2,736	665	4,619
2013	778	377	70	2,583	634	4,442
2014	775	393	82	2,562	614	4,426
2015	825	459	88	2,584	579	4,535
2016	891	487	133	2,648	616	4,775

Source: NMFS SERO Permits Dataset.

*For 2007-2015, permit numbers are based on permit numbers for December 31 of each year. For 2016, permit numbers are based on accessing the permit database on Nov 15, 2016.

The variability in the number of each of the permits issued ranges from approximately 8% to 10%, depending on permit type, between the highest and lowest values in 2007 through 2016. Permit numbers tended to decrease throughout the time series, with a spike in permit numbers in 2016 for all three permit types.

Reporting Compliance

At the March 2016 Council meeting, the NMFS Southeast Fishery Science Center reported on the timeliness of headboat reporting for 2015. The SEFSC presented the reporting non-compliance procedures that were developed in conjunction with Office of Law Enforcement (OLE) and NOAA General Counsel. Reports are due 1 week after the end of the fishing week. Once a report is more than 14 days overdue, an email is sent. Once a report is 22 days overdue, a delinquency notice is sent and vessel permits are placed on hold. Once a report is more than one month overdue, OLE is notified.

The spring and summer months, March through August report the most number of trips occurring and consequently, the fewest number of weekly inactivity reports filed. Of the 21,000+ weekly reports received, approximately 30% were received late with about 5% being more than 5 weeks late. What was not reported were the number of reports for 2015 that are overdue and not yet submitted; this information will be presented at the December 2016 Council meeting.

Establishing a Control Date and Limited Entry for South Atlantic For-Hire Permits

The Council has discussed at recent meetings the possibility of establishing a control date for for-hire permits. In the past, control dates were established on November 18, 1998 and updated on March 8, 2007. Neither control date was acted upon in a timely manner.

The Council requested that the National Marine Fisheries Service (NMFS) issue a control date of June 15, 2016. On September 27, NMFS published an advanced notice of proposed rulemaking to set a control date of June 15, 2016, for the federal for-hire sector for the three fisheries. A control date is a means to inform current and future fishermen that the Council is considering restrictions to limit participation in these fisheries. That is, fishermen who enter the federal for-hire recreational sector for these fisheries after June 15, 2016, will not be assured of future access should a management approach that limits participation in the sector be developed and implemented.

However, a control date does not commit the Council to any particular management regime. The Council may or may not make use of this control date as part of the requirements for participation in these fisheries. The Council may make provisions to include individuals who obtained a for-hire permit after the control date but can document for-hire landings prior to the control date. The Council may also take action that would affect participants who were in these fisheries prior to the control date, or the Council may choose to take no further action to control entry or access.

For-Hire Limited Entry as a part of Snapper Grouper Visioning

Limited entry as a management tool for the for-hire permits came up as a part of the Snapper Grouper Visioning process in both the 2014 port meetings and the 2015 visioning public input sessions. In the port meetings consideration of limited entry for the for-hire sector came up at least once as an issue in both North Carolina and Florida meetings. Potential solutions offered included:

- Make for-hire permits 2-for-1 like they are with the snapper grouper unlimited permits
- Establish a control date for for-hire permits (Requested for June 15, 2016)
- Establish a moratorium for new for-hire permits
- Entities getting a for-hire permit must show evidence of landings history in for-hire fisheries
- Establish an income requirement from for-hire fisheries to be eligible to get a for-hire permit
- Require education or training as a requirement to keeping a for-hire permit valid
- Establish a maximum limit of for-hire permits and when a permit is retired, it would go back into the pool of eligible permits

At the 2015 visioning public input sessions, there was comment received that limited entry was not needed with for-hire permits, at least in some areas. In other areas, attendees at the public input session expressed the need for capping the number of for-hire permits because there were too many already.

Snapper Grouper Advisory Panel Input

The Council's Snapper Grouper Advisory Panel (AP) has voted several times since 2012 in support of making the snapper grouper for-hire permit a limited entry permit. During the most recent meeting that occurred from October 31st to November 1, 2016, the Snapper Grouper AP discussed limited entry in the for-hire sector with highlights from the discussion below:

Regarding the question "Do you think limiting entry into the for-hire sector is warranted at this time?"

- Some AP members were not in favor of limiting entry for the for-hire sector because it could lead to sector separation like in the Gulf of Mexico.
- It was stated that the number of for-hire operators in the region is not the issue; data collection and management are the issues. Another issue that will have significant issues on the for-hire sector is Red Snapper management. There is concern among the for-hire industry that if large areas are closed because of Red Snapper, there will not be a charter business anymore.
- Why is there a for-hire permit if for-hire businesses are lumped in with the private recreational sector for management and monitoring purposes? The for-hire sector needs to be made accountable and managed in a way that will allow charter captains to stay in business.
- Concern that for-hire sector is being harmed due to "unaccountability" of the private recreational sector. In that sense, sector separation seems like a good idea. However, this needs to be explained very clearly to the public.
- There is continued concern that the MRIP survey is not adequate for managing the for-hire sector. Council staff clarified that the MRIP sampling methodology will continue for charter vessels until after the proposed logbook program for charter vessels is implemented and validated. So, there will be some overlap. Also, states would need to require a logbook program for their for-hire vessels as well before the methodology could shift from the current MRIP sampling to an MRIP-certified logbook-sampling program.
- AP members felt that as soon as a control date is set on an open access permit, it is no longer perceived as an open access permit. Permits should be numbered because there is no way to identify permits that were in existence prior to the control date.

Regarding the question "What impact do you think the upcoming weekly electronic requirement for the for-hire sector will have on limiting entry?"

- Can't have one without the other because otherwise there will be no compliance and a lot of effort will be spent setting up the program but the benefits will be minimal.
- As long as the weekly reporting requirement goes in to place at the federal and state levels, there is no need for limiting entry. The reporting requirement will take care of identifying the number of users in the charterboat industry. If we then find that there are too many fishermen, then limited entry can be considered at that time.
- The most important thing is to get accurate data. Implementing limited entry is not going to keep some fishermen from engaging in charter fishing without a permit. Currently there are many charterboat captains that are not aware of the requirement for a federal permit.

- Some charter captains feel the reporting burden should be placed on the individual fisherman, the customer.
- Concern is that private recreational fishermen could soon be looking to obtain a for-hire permit just so they can go fishing since possible closures or seasons are likely to be implemented to address management of Red Snapper.
- Some AP members felt that the for-hire sector should be separate from the overall recreational sector in order to survive. This will be contentious but necessary.
- It was noted that the number of permits outside the Council's area would complicate a limited entry program for Coastal Migratory Pelagics (CMP) and for Dolphin Wahoo (DW). Also, DW permits are open access for both the recreational and commercial sectors whereas the CMP and snapper grouper fisheries already have limited entry for the commercial sector. This would complicate things further.
- Limited entry program could create an economic incentive to consolidate permits, etc. However, in the Gulf, the limited entry permits are still inexpensive.
- The current system does not allow for tracking of permits since they are not numbered. When a permit is transferred from one boat to another, the NMFS Permits Office simply issues a new one since the permits are open access. According to an AP member, the NMFS Permits Office agrees that there should be a way of identifying the permits individually.
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The Snapper Grouper AP approved the following motion:

MOTION: SUPPORT LIMITED ENTRY FOR THE SNAPPER GROUPE FOR-HIRE PERMIT
 APPROVED BY AP (3 OPPOSED)

Past SAFMC actions regarding limited entry permits

The Council has created limited entry permits in the past, most notably in the commercial snapper grouper and king mackerel fisheries. The following list is based on a review of the actions from past Council amendments where limited entry was considered:

- Will new permits be created?
- What are the criteria for getting a limited entry permit?
 - ⇒ How many years did a vessel have to have an open access permit
 - ⇒ What years did a vessel need to have an open access permit
 - ⇒ Landings criteria
- Will there be permits that will not be transferable (e.g. SG 225 lbs permit)?
- Will limited entry permits be transferable?
 - ⇒ Can the number of allowable passengers be modified when a permit is transferred
- Will there be any endorsements tied to the limited entry permits?
- Will vessels be required to have any identifying decals or other markings?
- Will permits be permanently revoked if they are not renewed?
- Will an appeals process be set up for those who are not selected for a permit initially?
- Will there be a permit moratorium? If so, how will it work?

Additional Considerations

Given that the issues are not the same for all three current for-hire permits in the South Atlantic, the Council may want to consider each permit individually as to whether that permit is a good candidate to be made into a limited entry permit.

Other issues that the Council might want to consider if making the snapper grouper for-hire permit limited entry:

- Would provide a cap on the number of for-hire vessels that could interact with red snapper. Discards are a big issue in red snapper.
- Improved social and economic benefits for vessels in the limited entry program

Other issues that the Council might want to consider if making the coastal migratory pelagic and dolphin wahoo for-hire permits limited entry:

- Improved social and economic benefits for vessels in the limited entry program
- Including either or both of these for-hire permits would require coordination with the Mid-Atlantic and/or New England Fishery Management Councils. Including the other Councils would increase the complexity, time, and cost of the amendment.

Questions

The Council is seeking input from the public on whether or not to pursue an amendment to make the for-hire permits limited entry. Specifically, the Council wants to get opinions on:

- Do you think making for-hire permits limited entry is warranted at this time? Why or why not?
- In December 2016 the Council is expected to vote on sending to the U.S. Secretary of Commerce an amendment that will require weekly electronic reporting for all vessels operating as for-hire in the South Atlantic. Currently, only those vessels selected to participate in a survey are required to submit landings either electronically or via a logbook. What impact do you think this will have on the need to consider limited entry for the for-hire permits?
- If you are in favor of limited entry for for-hire permits in the South Atlantic, which of the following permits do you think should be made limited entry?
 - South Atlantic Snapper Grouper Charter/Headboat Permit
 - South Atlantic Coastal Migratory Pelagic Charter/Headboat Permit
 - Atlantic Dolphin Wahoo Charter/Headboat Permit
- The Council established a Control Date of June 15, 2016 for obtaining a for-hire permit. While the Council is not obligated to abide by the Control Date, do you think that new permit holders obtaining a SA for-hire permit after this date should be excluded?

What's Next?

COMMITTEE ACTION:

OPTION 1. DIRECT STAFF TO PREPARE A SCOPING DOCUMENT AND TAKE TO SCOPING IN JANUARY 2017.

OPTION 2. DIRECT STAFF TO CONTINUE WORKING ON THE OPTIONS AND DEVELOP SPECIFIC ACTIONS/ALTERNATIVES BASED ON INPUT FROM THE DECEMBER MEETING FOR CONSIDERATION AT THE MARCH 2017 MEETING.

OPTION 3. STOP WORK ON THE FOR-HIRE LIMITED ENTRY AMENDMENT.

OPTION 4. OTHERS??