



Attachment 7b: Summary Presentation of White Paper* on Limited Entry For-Hire Permits for the Snapper Grouper Fishery

Kari MacLauchlin

South Atlantic Fishery Management Council

June 2017

Ponte Vedra, FL

****White paper is SG Attachment 7a***

Presentation Outline

- Introduction
- How limited entry could address issues in the for-hire sector of the Snapper Grouper fishery
- Summary of public input
- Design options for a limited entry program

*NOTE: This presentation is a summary of the information provided in the full document. Please see Attachment 7a for the complete white paper.



Introduction- Snapper Grouper Federal Charter/Headboat Permits

- Open access
- Must be obtained from NMFS each year

Table 1. South Atlantic federal snapper grouper for-hire permits by homeport 1/9/17

State	# Permits
North Carolina	285
South Carolina	164
Georgia	50
Florida- East Coast	352
Florida- Keys	326
Florida- West Coast	220
AL/MS/LA/TX	51
Mid-Atlantic	72
New England	8
TOTAL	1,528



Introduction- Snapper Grouper Federal Charter/Headboat Permits

- Approximately 4-6 % of vessels (~60-70) with SG for-hire permits are headboats
- Headboat “hotspots”: Calabash NC, Little River SC
- Other HB locations:
 - NC: MHC, Hatteras, Nags Head, Swansboro NC
 - SC: Hilton Head, N. Myrtle Beach, Mt Pleasant/Charleston, Murrells Inlet
 - GA: Savannah
 - FLE: Jax, St. Augustine, Canaveral, Jupiter, Stuart, Ft. Lauderdale, Ft. Pierce, Hollywood, Riviera Beach
 - FL Keys: Key Largo, Islamorada, Marathon, Key West
 - Few in Destin, PCB Florida, Pt Aransas TX
- Charter boat “hotspots”:
 - NC: MHC, Hatteras, Manteo, Wanchese
 - SC: Charleston, Murrells Inlet, Little River, Hilton Head
 - GA: Savannah
 - FLE: Canaveral, Miami, St Augustine, Sebastien, Ponce Inlet, Ft Pierce
 - FLK: Key West, Islamorada, Marathon
 - FLW: Marco Island, Naples



Limited Entry to address issues in the for-hire component of the SG fishery

Data quality and reporting compliance

- Proposed requirements for electronic weekly reporting for all charter boats and headboats, but an open access permit would allow non-compliant permit holders to just obtain a new permit
- More information about vessels participating in the for-hire component

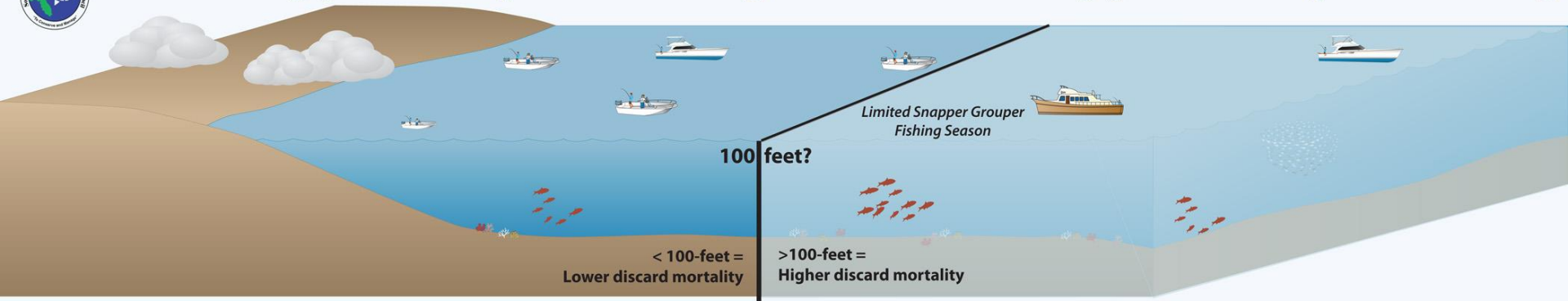
Limiting the Number of Vessels Interacting with Red Snapper

- Prevent an increase in vessels fishing for and having bycatch of red snapper
- Open access permits would allow anyone to obtain a permit





Red Snapper Adaptive Management for Snapper Grouper Fishing



Fishing less than 100-feet - Options

PRIVATE RECREATIONAL FISHERMEN*

Allowed to Fish for Snapper Grouper Species Shoreward of 100-feet Year-Round With Conditions:

- Fish Within Annual Catch Limits and Size and Bag Limits
- No Red Snapper Retention Except During Short Open Season
- Catch & Release Allowed After Any ACL Closure (Since Mortality is Lower)

***Required Electronic Permit & Electronic Logbook Reporting (Better Catch Data, Length of Discards, & Depth of Released Fish)**

NOTE: Pilot project during 2017 to design the reporting system in partnership with SAFMC, NMFS, ACCSP, and the Snook and Gamefish Foundation; Electronic reporting will contribute better data to improve future stock assessment.

FOR-HIRE FISHERMEN

Open Access Fishery

(No limit on # of Headboats & # of Charterboats)

Allowed to Fish for Snapper Grouper Species Shoreward of 100-feet Year-Round With Conditions:

- Fish Within Annual Catch Limits and Size and Bag Limits
- No Red Snapper Retention Except During Short Open Season
- Catch & Release Allowed After Any ACL Closure (Since Mortality is Lower)

SHORT RED SNAPPER OPEN SEASON - OPTIONS

1-month season (Differ by state/region?)

Low Bag/Trip Limit (1/person; 2-3/vessel?)

Possible Size Limit?

Require Use of Descending Devices in > 100-feet

FOR-HIRE FISHERMEN

Limited Access Fishery

(Cap on # of Headboats & # of Charterboats)

Allowed to Fish for Snapper Grouper Species in All Depths (Longer Fishing Season) With Conditions:

- Fish Within Annual Catch Limits and Size and Bag Limits
- No Red Snapper Retention Except During Short Open Season
- Longer Fishing Season in Deeper Water Because of Cap on Effort
- Required to Use Descending Device in > 100-feet

COMMERCIAL FISHERMEN

Allowed to Fish for Snapper Grouper Species in All Depths With Conditions:

- Fish Within ACLs and Size and Trip Limits
- No Red Snapper Retention Except During Short Open Season
- Required to Use Descending Device in > 100-feet

Open
vs.
Limited
Access

Fishing greater than 100-feet - Options

PRIVATE RECREATIONAL FISHERMEN*

Only Allowed to Fish for Snapper Grouper Species in Greater Than 100-feet During Red Snapper Open Season With Conditions:

- Fish Within Annual Catch Limits and Size and Bag Limits
- Retain Red Snapper and Other Species within Bag Limits

***Required Electronic Permit & Electronic Logbook Reporting (Better Catch Data, Length of Discards, & Depth of Released Fish)**
Required to Use Descending Device

FOR-HIRE FISHERMEN

Open Access Fishery

(No limit on # of Headboats & # of Charterboats)

Only Allowed to Fish for Snapper Grouper Species in Greater Than 100-feet During Red Snapper Open Season With Conditions:

- Fish Within Annual Catch Limits and Size and Bag Limits
- Retain Red Snapper and Other Species within Bag Limits
- Required to Use Descending Device

Open
vs.
Limited
Access

Limited Entry to address issues in the for-hire component of the SG fishery

Overcapacity in the for-hire sector

- Overcapacity and excess capacity → more boats than needed to reach the ACLs, or more boats than needed to meet demand for charter and HB services
- Localized increases in different areas in the region
- Cap or reduce the number of vessels

Professionalize the For-Hire Fleet

- Unlicensed operators are a concern for permit holders/full-time operators
- Limited entry would result in a more professionalized fishery because there would be more investment.
- Cap or reduce the number of potential vessels offering charter/headboat services to fish for SG species in the EEZ



Public Input

Snapper Grouper Advisory Panel

- The AP has discussed limited entry in the for-hire sector at several meetings
 - Approved (with some opposed) motions to recommend limited entry for SG for-hire permits in Apr 2011, Nov 2012, Apr 2013, and Oct 2014
- Oct/Nov 2016 discussion:
 - Concern that limited entry could lead to sector separation, but there was also some support for sector separation
 - Opposition due to allowing free markets
 - Main concern is data collection and management
 - Concern about red snapper management and open access for-hire permits
 - For-hire sector should be held accountable
 - MRIP is not appropriate for managing the for-hire sector
 - Limited entry necessary for reporting compliance
 - Permits will be more expensive
 - Approved Motion to support limited entry for the SG For-Hire permit (13 in favor, 3 opposed)



Public Input

Snapper Grouper Advisory Panel

April 2017 discussion:

- Concern about number of charter vessels operating without federal permits in federal waters; vessels not meeting safety requirements
- Recommendation to start with assigning numbers to the permits first, so that they can be tracked, before considering limited entry.
- Catch history cannot be tracked without at least a permit number
- Consider the concept of “vesting” in the fishery to promote stewardship.
- Concern over for-hire industry being tied to private recreational component and resulting accountability issues.

Suggestion that there is no need to cap the number of permits because the overall number has not varied much over the past ten years

- The Council should be clear about the goals of limited entry before developing the system.



Public Input

Snapper Grouper Advisory Panel

April 2017 discussion:

- Concern about permits being consolidated and acquiring a high value under a limited entry system.
- Concern about limited entry leading to sector separation and individual fishing quotas
 - Concern about the current lack of proper enforcement
- Concern that limited entry may exclude participants in other fisheries/sectors who are planning to get a SG for-hire permit in the future.
 - Concern that limited entry permits will be giving a public resource to a service provider.



Public Input

Snapper Grouper Advisory Panel

April 2017 discussion:

- Suggestion to evaluate changes in number and distribution of permits since 2012
- Suggestion to not allow permits to be sold, or that they go back into a pool for new entrants.
- Suggestion for a sunset provision in 5-10 years so that the Council can evaluate the limited entry system and remove/modify the system.
- Recommendation to include historical captains who may not have the current permit, but have worked in the for-hire sector.
- Explore concept of “decal” or some sort of identifier for vessels with federal permits?
- Suggestion to include an outreach component directed at tourists, so that they know how to identify a properly permitted for-hire vessel.



Public Input

Snapper Grouper Visioning

- Limited entry for SG For-Hire permits came up during NC/FL port meetings in 2014 and the visioning public input sessions.

Visioning comments:

- Make for-hire permits 2-for-1 like they are with the snapper grouper unlimited commercial permits,
- Establish a control date for for-hire permits
- 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 prerequisite to renewing a permit, and
- Establish a maximum limit of for-hire permits and when a permit is retired, it would go back into the pool of eligible permits



Public Input

Public Comments

- Most comments received in the last 12-18 months have been in opposition to limited entry.
 - No sharp increase in the number of permits
 - Alternatives to improving reporting compliance
 - Concern that limited entry would lead to sector separation or IFQs
- Comments in support of limited entry
 - Cap growth in the fishery
 - Improve compliance
 - Reduce loopholes of vessels without a federal permit being exempt from federal requirements



Considerations for Limited Entry

Different features and provisions of a limited entry system will address different management goals.

★ **The Council will need to first develop clear and specific goals for a limited entry system** before considering the features best suited to reach the desired outcomes. ★

- Moratorium
- Different types of permits
- Eligibility requirements
- Transferability provisions
- Other Design Features



Moratorium on Permits

- No new permits issued after a specified date
- In place for a designated time period or until a permanent limited entry system in place
- Allow time to collect information and evaluate the fleet
- King mackerel commercial permits and Gulf reef fish charter/headboat and Gulf CMP charter/headboat permits – moratorium first, then a permanent limited entry



Permit Type(s)

- **One limited entry permit** for charter/headboat to fish for SG species in the EEZ
- **One for headboats, one for charter boats**
- **Separate permits** associated with specific areas or species, in addition to general for-hire SG permit
- Limited entry permit **with conditions** (e.g., trip limits, etc)
 - Would be complicated to implement and enforce



Eligibility

- Criteria for who would get a permit, and/or who could maintain a permit
- Eligibility will affect # permits → directly tied to **management goals**

Examples

- Moratorium date- would cap # permits but not reduce
- Control date- would cap # permits but not reduce
- Double control date- help prevent “rush on permits”.



Eligibility

Examples

- Number of years with a permit- would likely reduce the # permits from the current level
- Level of Involvement (effort or landings requirement)- could be used for initial eligibility or renewal eligibility
- Reporting compliance- e.g., maximum number of late reports
- Other requirements- USCG certification, captain's license, education/training



Transferability

No transfers:

- Could result in reduced # permits (if that is a goal)
- Would remove the “exchange value”

Retirement Options when permit is not renewed:

- Permanently retired (passive reduction) OR
- Goes into a pool make available at a specified interval, and distributed by waiting list or lottery

Family transfers- if no transfers allowed, Council could define “family” and allow family transfers



Transferability

Delayed transferability- no transfers the first one/two/three years of the limited entry

Open transfers- can transfer permits to anyone or to US citizens only

2-for-1 requirement- must obtain two permits to trade in for one permit (SG Commercial Unlimited permit)- can be expensive and reduces the number of permits over time

Passenger capacity- cannot transfer permit to a vessel with a higher assigned passenger capacity

- caps fleet size and limits growth



Other Design Features

Limited entry can be designed to meet mgmt goals and mitigate potential negative effects

- Renewal requirements- Landings, reporting compliance, etc.
- Mechanism/trigger to make additional permits available – flexibility to adapt
 - Minimum threshold of permits
 - Specific biological status of stock(s)



Questions?

