# Golden Crab Permit Holders Meeting

Hilton Key Largo Resort
Key Largo, FL

August 10, 2012

Background:
For the past several years the South Atlantic Fishery Management Council (Council) has been working on developing a catch share program for the golden crab fishery through Amendment 6 to the Golden Crab Fishery Management Plan. The amendment was developed with input from the Council's Golden Crab Advisory Panel and Interdisciplinary Plan Team.

During public comment periods at Council meetings held in March and June of 2012, the Council heard from several fishery participants that they did not support the catch share program as outlined in Golden Crab Amendment 6.

At the March 2012 meeting, the Council instructed Council staff to query permit holders as to their support of a catch share program. Permit holders who had at least one pound of landings in two of three years, from 2008, 2009, and 2010, were allowed to express their interest in participating in a catch share program. Only five of the 11 permits (equating to 4 of the 7 permit holders) qualified to indicate their interest. Three of permits that were allowed to express their interest were in favor of establishing a catch share program for the fishery. The remaining two were not in favor of the catch share program.

After further discussion of Amendment 6 at the June 2012 meeting, the Council decided to seek input from all seven entities holding the 11 golden crab permits prior to the September 2012 meeting. All permit holders were invited to attend a meeting on August 10, 2012 in Key Largo, Florida (see Appendix A for agenda). All seven permit holders attended and participated in the meeting.

Approximately two weeks prior to the August 10$^{th}$ meeting, each permit holder was sent a document showing the initial allocation the permit would be allocated based on Actions 1, 2 and 5 and all of their alternatives in Amendment 6. The allocation based on the Council's preferred alternatives at the were highlighted. Each permit holder was contacted individually by telephone to discuss their concerns and issues regarding the Council's proposed actions and to voice any questions prior to the meeting.

Discussion:
The meeting began with introductions and a discussion of the goals of the meeting. The conversation then focused on current and future management and the issues that the fishery faces now and may face in the future. It was very clear that the permit holders did not agree on the issues in the fishery. Some stated they did not think the fishery would become a derby because demand for the product is moderated by a limited market. They also stated that the largest portion of the market is shipped through a single buyer who exports the crab to China. However, some were worried that as the fishery is facing tariffs from the Chinese government, their buyer will become discourage from purchasing their product in the future as it will no longer be profitable. Two permit holders stated they are in the process of lining up other buyers for their product. Those who participate in the fishery part-time were not concerned with the development of a derby fishery but rather a loss in a buyer for their product.

Others were concerned that a derby could develop in the future, citing an increase in the number of vessels participating, as well as participants are creating relationships with new buyers in order to create new market opportunities.

Four participants were adamant that there are no problems currently with the way the fishery is managed. Those same participants stated they are against the catch share program as outlined in Amendment 6 and gave seven main reasons for their objections:

- There is no biological purpose for a catch share program. Golden crabs are not undergoing overfishing, nor are they overfished.
- There are no gear conflicts and no user conflicts because permit holders fish by zone.
- There is no derby in the golden crab fishery.
- There are not currently any safety at sea issues to be addressed.
- The Council and SSC decided the stock must be healthy as they set ABC = ACL = 2 million pounds.
- Implementation of a catch share program in this fishery would require the majority of permit holders to lease or buy shares in order to maintain or grow their businesses.
- A catch share program would convey private ownership of a publicly held natural resource to just a few individuals.

Others who were in favor of the catch share program thought that the fishery needs to be more forward thinking and consider a catch share program as a way to provide at least a degree of security to grow their business and allow them to plan for the future. They cited six main reasons why they thought a catch share program is warranted for management in the golden crab fishery:

- There is inadequate monitoring and enforcement of the fishery.
- There is inadequate monitoring of landings.
- There are awkward and inefficient administrative rules.
- There are antiquated and irrelevant rules for how the fishery works today.
- The fishery was capped with the ACL but no other management has been implemented to ensure that landings stay under the ACL. Recent increases in demand have caused prices to increase, which means the fishery needs to be managed by more than just an overall production cap because permit holders now have an incentive to increase their production.
- Preventing a derby from starting could afford protection for the habitat and biomass. If all the vessels operating in the fishery started working at capacity, the ACL will likely be exceeded.

During the discussion it became clear that there was no overall support among the permit holders for the implementation of a catch share program in this fishery at this time. Those who were in disagreement with the catch share program in Amendment 6 were not universal in their objections. A few participants were in favor of the catch share program as proposed in Amendment 6.

Some permit holders did have concerns with the catch share program as proposed. In many cases, this was due to the fact they thought they would not be allocated enough shares in the beginning of the program to operate at current levels or expand their business.

Others had a fundamental, philosophical objection with catch shares in any form as a means for managing a fishery, specifically a fishery that is not overfished or undergoing overfishing. Many permit holders thought at this time, it is premature to establish a catch share program in this fishery.

All permit holders strongly supported a stock assessment for golden crab and a possible increase in the ACL.

Amendment 6 Actions:
Following the general discussion about the current state of the fishery and how they would like the fishery to be managed in the future, the permit holders were asked to discuss the specific actions the Council is considering in Amendment 6.

**Actions 1 – 7, 9, 12-15** are as they are currently stated in Amendment 6 are specifically related to the establishment of a catch share program. Those who were against the establishment of a catch share program recommended the Council select **Alternative 1 (No Action)** as their preferred alternative for each of these actions. Those in favor of the catch share program agreed with the Council's current preferred alternatives.

**Action 8** (Revise Boat Length Limit Rule) received considerable discussion. While all the permit holders were in agreement that some increase in vessel size limit ought to be allowed, they could not agree on a preferred alternative for doing so. The current **Preferred Alternative 3** would allow a permit to be transferred to a vessel up to 35% larger. There was concern that under **Preferred Alternative 3**, there is nothing to stop the permit from being transferred repeatedly to increasingly larger vessels contrary to the intent of the action. Even those in favor of the proposed 35% size limit increase thought there should be a limit on the number of times a permit could be transferred to keep this scenario from happening. Some permit holders thought that there ought to be a maximum size limit for vessels. However, there was considerable uncertainty on what would be an appropriate maximum length and whether vessel size issues should be determined separately for each of the fishing zones.

**Action 10** would modify the small vessel sub-zone restriction. During the meeting all permit holders agreed that they would like to see the Council's current **Preferred Alternative 2** approved regardless of whether the catch share program is established. In a written document passed out at the beginning of the meeting, and reiterated in an email following the meeting, fishermen in support of the Amendment 6 catch share program stated they thought that this action is part of the package that would need to be included as part of a total catch share management plan.

Action 11 (One Vessel, One Permit): Under the Council's current **Preferred Alternative 2, Preferred Sub-Alternative 2a** each vessel would be allowed up to three permits, one for each zone on a single vessel at one time. No fishery participant currently has permits for all three zones. Currently, those who have permits for more than one zone can only have one permit on the vessel and must come into port and transfer the permits in order to fish in another zone. Some permit holders would like to see this action go forward, even if the Council chooses not to implement a catch share program at this time.

**Action 12**, Vessel Monitoring System (VMS) is currently written as part of the catch share program. However, there were two permit holders would like to see VMS implemented regardless of the status of the catch share program. Opponents of **Action 12** cited concerns with the nature of the golden crab fishery and the fact that VMS does not show where the gear is located on the sea floor. Others stated issues with reliability of the technology and experience with it in other fisheries. Permit holders seemed to favor a "hail out/hail in" requirement associated with the catch share program instead of VMS.

**Action 15** (Approved landing sites) is related to the establishment of a catch share program. Having approved landing sites is only necessary to verify landings. As this was part of the catch share program, some participants were against this action. However, if the Council does go ahead with a catch share program for this fishery, the permit holders supported the Council's **Preferred Alternative 2, Preferred Sub-Alternative 2a** that would allow the landing sites to chosen by the fishermen pending law enforcement approval.

Recommendations to the Council made by the Permit Holders:
The permit holders made the following recommendations for the Council's consideration. Not all of the recommendations were discussed in full during the meeting because they were not directly relevant to the actions and discussions related to Golden Crab Amendment 6.

- The Council should reconsider the CHAPC line at latitude 29. Northern zone permit holders would like to see that line moved further north if possible and would like this issue to be addressed in a future golden crab amendment.
- The issue of revising the boat length limit rule (**Action 8**) needs to be reconsidered. Issues to be considered include a maximum vessel size or a limit on the number of times a permit can be transferred to a larger vessel. This is something the permit holders thought the AP needs to discuss.
- While there was no agreement on a single preferred alternative for **Action 9** (Modify regulations on golden crab fishing zones), all the permit holders were in agreement in their recommendation that the Council should not eliminate the three fishing zones that now exist.
- Proponents of the proposed catch share program thought that the Council should move forward with **Action 11** and **Action 12** even if they do not proceed with establishing a catch share at this time. (Presumably, they would be in favor of **Action 15** as it could be seen as part of the VMS requirement.)
- All permit holders agreed to on the need for a stock assessment for golden crab. The participants in the fishery all thought a stock assessment would show that the ABC and consequently the ACL should be higher than the current 2 million pounds.
- The permit holders in favor of the catch share program would like for the Council to consider a voluntary catch share program for those who would like to participate.
- Suggest the Council consider reducing the number of permits to only those that are active.
- The Council should request the SEFSC look into whether there might be localize depletion of golden crab stocks within a specific zone, sub-zone, or some other area within a zone.
- The Council to revisit the "Purpose and Need" of Amendment 6 and wait until there are stronger, more compelling reasons to consider implementing a catch share program or any other changes to the current management of the fishery.

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# AGENDA
# Golden Crab Permit Holders Meeting

Hilton Key Largo Resort
97000 South Overseas Highway
Key Largo, Florida

**Friday, August 10, 2012**

**9:00 A.M. to 9:20 A.M.**

- Introductions
- Why are we here? – The Council's reason for having this meeting
- What do we hope to accomplish? – The goals for this meeting
- How are we going to do it? – Ground rules and plan for the day

**9:20 A.M. to 10:30 A.M.**

- What problems do you see with how the fishery is being managed now?
- What do you see as potential future problems?
- What changes in fisheries management would you like to see?

**10:30 A.M. to 10:45 A.M.**

- Break

**10:45 A.M. to 12:15 P.M.**

- Brief overview of what is currently in Golden Crab Amendment 6
- Initial share and pound calculations
- What do you see as advantages and disadvantages with what the Council is considering in Amendment 6?
  - ✓ Potential advantages of an IFQ program
  - ✓ Potential disadvantages of an IFQ program
  - ✓ Discussion of advantages and/or disadvantages with non-IFQ related actions in Amendment 6?

**12:15 P.M. to 1:30 P.M.**

- Lunch on your own

**1:30 P.M. to 3:30 P.M.**

- What actions/alternatives in Amendment 6 can you support now?
- Considering the ones you don't support, could they be modified so you can support them?
- What other management schemes would you support
  - ✓ Discussion of traditional management measures and other approaches to catch shares

**3:30 P.M. to 3:45 P.M.**

- Break

**3:45 P.M. to 5:00 P.M.**

- Make recommendations to the Council
  - ✓ Provide majority and minority opinions for Council consideration

**5:00 P.M.**

- Adjourn