

# **Discussion Paper on Separation of King and Spanish Mackerel Permits**

South Atlantic Fishery Management Council  
Mackerel Committee  
September 28, 2014  
Charleston, SC

## **(Proposed Amendment 26 to the Fishery Management Plan for Coastal Migratory Pelagic Resources of the Gulf of Mexico and South Atlantic)**

### **Proposed Purpose and Need**

The *purpose* of Amendment 26 is to separate the federal commercial permits for king mackerel and Spanish mackerel into permits for each region. The *need* for action in Amendment 26 is to allow the Gulf of Mexico and South Atlantic Fishery Management Councils (Councils) to more effectively manage commercial participation in the respective regions, and make changes to participation that will not unnecessarily affect the other region.

### **Introduction**

The National Marine Fisheries Service (NMFS) issues king mackerel limited access permits and Spanish mackerel open access permits. These permits are valid for fishing in the Gulf, South Atlantic, and Mid-Atlantic regions and are required for commercial fishermen to retain fish in excess of the bag limit and to sell their harvest. However, both species have separate regulations for two migratory groups, Gulf and Atlantic, which are developed by the respective Councils.

In recent years, increased restrictions on other species may have resulted in more individuals fishing for king and Spanish mackerel. In Amendment 20A (2013), the Councils considered ways to remove inactive king mackerel permits, but Council members and the public were divided on the issue. Some historical king mackerel fishermen were concerned that permit holders who have not been fishing regularly or fishing at low levels may begin participating more fully. More vessels fishing under the same quota could mean lower catches for each vessel. On the other hand, many king mackerel fishermen diversify and harvest species from multiple fisheries. Although they may be considered “part-time” king mackerel fishermen, king mackerel may contribute a large portion of their income. The migratory nature of the fish promotes this part-time participation for those who do not want to travel long distances. Thus, elimination of permits with low levels of landings could eliminate full-time fishermen that are only part-time king mackerel fishermen because of their diversification.

The Councils chose not to remove permits through Amendment 20A, but the South Atlantic Council requested that staff begin a new amendment to explore creating separate king and Spanish mackerel permits for the Gulf and South Atlantic. The South Atlantic Council is particularly concerned with king mackerel fishing effort off the east coast of Florida; also, fishing effort for Spanish mackerel has increased in the South Atlantic. The Gulf Council has not yet voted to consider separate permits. Separate permits for the Gulf and South Atlantic would allow the South Atlantic Council to proceed with permit reduction in their jurisdictional area without affecting Gulf fishermen.

The following sections describe possible methods for separating permits and the issues the Councils need to consider. King mackerel permits and Spanish mackerel permits will be addressed separately because the former are limited access and the latter are open access.

## **King Mackerel Permits**

### *Background*

A moratorium on the issuance of king mackerel permits was implemented in 1998 (Amendment 8), extended in 2000 (Amendment 12), and made permanent through a limited access system in 2005 (Amendment 15). The intent of these actions was to prevent an increase in permittees that could force the need for additional regulations and jeopardize the Councils' ability to manage the fishery to achieve optimum yield. Although the quotas would prevent increased commercial harvest if permits were open access, additional participation could result in reduced catch for individual vessels and earlier closures.

Although the king mackerel commercial permit is limited access, a large number of permits were issued, and some fishermen have continued to renew their permits even if they were not actively fishing for king mackerel. When the moratorium was first implemented, 2,172 king mackerel permits were issued. As of July 30, 2014, 1,379 king mackerel permits were valid, and 91 permits were expired but renewable (within one year of expiration) for a total of 1,470. In recent years, the number of valid (fishable) permits ranges from approximately 1,350 - 1,600, depending on the number that has been renewed when data are accessed from the SERO Permits Office; however, the total number of permits (valid and renewable) cannot increase.

### *Options for Separating Permits – Number of Permits Granted per Vessel*

If the Councils establish two king mackerel permits, they must develop criteria for determining which of those permits each vessel with a current permit would be granted. These criteria would determine the total number of king mackerel permits issued. On one end of the spectrum, each vessel could be granted both new permits, resulting in a doubling of the number of total permits. On the other end, each vessel could be granted only one permit each and only if they meet some specific qualifying criteria, such as a landings threshold. This would reduce the number of permits by an amount depending on the qualifying criteria.

The Councils must determine if a vessel could be granted both permits or if they would be limited to one permit during the initial granting period. If the Councils choose to allow two permits to be granted, any vessel with a current permit meeting the qualifications for each new permit would receive both permits. If the Councils choose to allow only one permit to be granted, and a vessel with a current permit meets the qualifications for both, a determination would be made as to which permit would be granted to that vessel. This determination could be based on a secondary qualification (such as homeport) or could be left to the permit holder to choose. Even if only one permit is granted during the initial granting period, fishermen could purchase the additional permit later.

Any qualifying criteria that result in a vessel not receiving either permit would have economic and social impacts. A valid permit has value to the permit holder, which is represented by dockside revenues from sales of king mackerel that are harvested by the permit holder. A permit also has an exchange value, which is represented by the value that the permit holder could receive from transferring the permit. Because king mackerel are migratory, most king mackerel permit holders do not fish exclusively for king mackerel, although king mackerel may make up a substantial portion of their income in a year. Revoking a permit based on a particular level of

landings may penalize fishermen that diversify when king mackerel are not present in their area, rather than fishing in other zones.

*Options for Separating Permits – Qualification Criteria*

In Amendment 20A, the Councils established landings thresholds when considering elimination of permits. Table 1 shows the number of permits that qualified under each of those landings thresholds. However, these numbers are based on total landings for each permit, and more permits would not qualify if landings in only one Council’s jurisdiction are considered for qualification for a permit. In general, the higher the necessary pounds to qualify, the fewer permits that would be granted.

**Table 1.** Estimated number of king mackerel permits qualifying and not qualifying under landings thresholds from Amendment 20A. Permits are those valid or renewable as of April 4, 2013 (total number of permits = 1,488).

2002-2011 Landings	Qualifying	Not Qualifying	% Permits Eliminated
Avg $\geq$ 500 lb	934	554	37%
Avg $\geq$ 1,000 lb	732	756	51%
At least 1 yr $\geq$ 500 lb	1,210	278	19%
At least 1 yr $\geq$ 1,000 lb	1,102	386	26%

Source: SEFSC logbooks and SERO Permits database.

The Gulf and Atlantic have different seasons, and different zones and subzones have different quotas and trip limits (Table 2). Consequently, setting qualifications based on landings is biased by region because management may not allow fishermen to participate at the same level in different places. For this reason, if the Councils choose to use landings thresholds for permit qualification, separate thresholds should be set for the two permits. Further, the landings threshold to qualify for the Gulf permit would need to be low enough not to penalize fishermen from subzones with low quotas and low trip limits. The Councils should also consider how the change to permits would affect requirements for the gillnet endorsement.

**Table 2.** Quotas and trip limits for king mackerel zones and subzones.

	2014/2015 Quotas (pounds)	Trip Limit
<b>Gulf Group</b>		
Western Zone	1,071,360	3,000 lbs
Eastern Zone		
Florida West Coast Subzone Northern	178,848	1,250 lbs
Florida West Coast Subzone Southern (hook-and-line)	551,448	1,250 lbs
Florida West Coast Subzone Southern (gillnet)	551,448	25,000 lbs
Florida East Coast Subzone	1,102,896	50 fish
<b>Atlantic Group*</b>	3,880,000	3,500 lbs
Northern Zone (proposed)	1,292,040	
Southern Zone (proposed)	2,587,960	

\*The quota would be divided between the Northern and Southern Zones, if Amendment 20B is implemented.

The Councils should consider qualification criteria other than landings. One option would be to use the vessel homeport to grant a permit. A complication to this option is that historically, some vessels from the Atlantic have fished in the Gulf region, particularly in the western zone and the northern subzone off Florida. Other options include thresholds for number of trips or days fished.

*Important Issues to Consider*

- Should separate commercial permits be established for king mackerel in the Gulf and Atlantic regions?
- Should current permit holders be allowed to receive both permits, or only one?
- If only one permit is granted per current permit holder, how will the determination be made if a permit holder qualifies for both?
  - Secondary qualification criteria
  - Permit holder chooses
- What qualifying criteria should be used for each permit?
  - Landings threshold
  - Trips threshold
  - Days at sea threshold
  - Homeport
- Does either Council wish to establish qualifying criteria that will reduce the number of permits?

## Spanish Mackerel Permits

Creating separate Gulf and Atlantic permits for Spanish mackerel is less complicated than for king mackerel because the permits are open access. Anyone can purchase a Spanish mackerel permit from NMFS with no qualifiers. Therefore, NMFS could simply replace the current Spanish mackerel permit with two new permits: a Gulf Spanish mackerel permit and an Atlantic Spanish mackerel permit. A fisherman could choose to purchase one or both of the permits when their current permit expires.

The South Atlantic Council may wish to establish a limited access system for the Atlantic Spanish mackerel permit. As of July 30, 2014, NMFS had issued 1760 Spanish mackerel permits. For other limited access permits in the southeast, including the king mackerel permit, all permits held as of a certain date were valid and no others were issued after that. This type of moratorium would not actively reduce the number of permits, but would set a maximum and allow for passive reduction. If the Council wanted to immediately reduce the number of permits, qualifying criteria would be needed, as discussed for king mackerel permits. However, landings are not associated with open access permits, so landings thresholds would need to be based on vessel landings. This may be complicated for those individuals who have recently changed vessels. The Council could consider a moratorium period during which landings would be associated with the permit, before establishing a permanent limited access system.

### *Important issues to consider*

- Should separate commercial permits be established for Spanish mackerel in the Gulf and Atlantic regions?
- Does either Council wish to establish a limited access system for Spanish mackerel permits?
  - Cap the number of permits at the current level
  - Set qualifying criteria
  - Establish temporary moratorium during which qualifying criteria could be met
- What qualifying criteria should be used for limited access permits?
  - Landings threshold
  - Trips threshold
  - Days at sea threshold

## **Other Considerations**

The Councils may wish to set more recent control dates in anticipation of this action. The current control dates are:

- 6/30/2009 Gulf king mackerel
- 3/31/2010 Gulf Spanish mackerel
- 9/17/2010 South Atlantic king and Spanish mackerel

The king mackerel stocks in the Gulf and South Atlantic are undergoing an assessment through SEDAR 38. Preliminary decisions by participants in the Data and Analysis Workshops reduce the winter mixing zone to the area of Monroe County south of the Florida Keys. If this decision stands, the East Coast Subzone of the Gulf migratory group may be eliminated, and that area would be part of the Atlantic year-round. The Gulf Council voted to postpone consideration of separate permits until after the stock assessment so that the implication of the results could be included in the analysis.

The Councils may wish to consider alternatives to permit separation. One option would be to establish endorsements for the zones or regions considered to have overcapacity. Qualifying criteria would need to be established for endorsements. Another option would be to create separate FMPs for each Council. If permits are separated, and the current mixing zone is drastically reduced, little would remain to jointly manage.

The South Atlantic Council manages king and Spanish mackerel through the Mid-Atlantic region. Thus, fishing in those areas would likely be included under the South Atlantic permit, if separate permits are established. However, the Mid-Atlantic Council would need to be consulted.

### **Mackerel AP Recommendations for CMP Amendment 26 - April 2014**

The South Atlantic Mackerel Advisory Panel reviewed the scoping document and provided feedback at their April 2014 meeting. During the discussion, AP members pointed out the potential effects on travelling fishermen who work in both regions, and that professional fishermen go where they need to go to access the resource. It was also noted that everyone is entitled to access the resource. There was some concern about latent permits in the king mackerel fishery, and increased effort in the mixing zone around Cape Canaveral.

The AP approved the following motion in regards to Amendment 26:

**MOTION: DO NOT SEPARATE THE PERMITS.**

**Approved by AP (9/0/1).**

## Comments Summary for South Atlantic Scoping for CMP Amendment 26 -January 2014

General topics from public input (including recorded testimony, written comments, and informal discussion):

- support for separating permits, primarily at the Cocoa Beach meeting so that the Councils could address specific problems in their region without impacting the other region.
- some opposition to separate permits (Key West and Jacksonville) because of fishermen harvesting in both regions, and impact on new entrants who want to work both regions
- some meeting attendees supported removal of king mackerel permits with no or low landings so that full-time mackerel fishermen could have more access to the ACL (primarily in Cocoa Beach)
- some opposition to any action that would take away king mackerel permits with no or low landings (NC, Jacksonville, Key West) because the Councils should not take away any more permits. It was also noted in Key West that a higher trip limit would increase the number of active permits, so the Councils should consider increasing trip limits before any action to address latent permits.
- some opposition to a two-for-one requirement on king mackerel permits because of impact on new entrants and increased capital required to enter the fishery
- some support for a two-for-one requirement (Cocoa Beach)
- some support for an endorsement for the king mackerel mixing zone
- if permits are split, support for qualifying for both permits if the permit holder has landings in both areas, and use a very recent control date
- South Atlantic staff plans to meet with the Cocoa Beach/Canaveral mackerel fishermen to discuss options for specific actions to address king mackerel effort of the east coast of Florida.

## History of Management

The Fishery Management Plan for Coastal Migratory Pelagic Resources of the Gulf of Mexico and South Atlantic (CMP FMP), with environmental impact statement (EIS), was approved in 1982 and implemented by regulations effective in February 1983. The CMP FMP treated king and Spanish mackerel as unit stocks in the Atlantic and Gulf. The following is a list of management changes relevant to king and Spanish mackerel permits. A full history of the management can be found in Amendment 18, and is incorporated here by reference.

**Amendment 1**, with EIS, implemented in September 1985, established commercial fishing permits and bag limits for king mackerel.

**Amendment 2**, with environmental assessment (EA), implemented in July 1987, recognized two migratory groups of king and Spanish mackerel.

**Amendment 5**, with EA, implemented in August 1990, extended the management area for Atlantic migratory groups of mackerels through the Mid-Atlantic Council's area of jurisdiction and provided guidelines for corporate commercial vessel permits.



**Amendment 8**, with EA, implemented in March 1998, established a moratorium on commercial king mackerel permits until no later than October 15, 2000, with a qualification date for initial participation of October 16, 1995.

**Amendment 9**, with EA, implemented in April 2000, established a moratorium on the issuance of commercial king mackerel gillnet endorsements; allowed transfer of gillnet endorsements to immediate family members (son, daughter, father, mother, or spouse) only; and prohibited the use of gillnets or any other net gear for the harvest of Gulf migratory group king mackerel north of an east/west line at the Collier/Lee County line, Florida.

**Amendment 12**, with EA, implemented in October 2000, extended the commercial king mackerel permit moratorium from its expiration date of October 15, 2000, to October 15, 2005, or until replaced with a license limitation, limited access, and/or individual fishing quota or individual transferable quota system, whichever occurs earlier.

**Amendment 15**, with EA, implemented in August 2005, established an indefinite limited access program for the commercial king mackerel fishery in federal waters under the jurisdiction of the Gulf, South Atlantic, and Mid-Atlantic Councils.

**Amendment 20A**, with EA, implemented in July 2014, considered removal of latent king mackerel permits; however, the Councils chose to take no action until separation of permits could be explored.