

Recreational For-Hire Limited Entry Programs for the Snapper Grouper, Dolphin Wahoo, and Coastal Migratory Pelagics Fisheries in the Atlantic

Discussion Document
March 2024

Background

In 2016, the South Atlantic Fishery Management Council (Council) established a control date of June 15, 2016, with the intent to consider limiting entry into the for-hire component of the snapper grouper, dolphin wahoo, and coastal migratory pelagics fisheries. A control date is used to establish eligibility criteria for determining future access to fisheries or sectors of fisheries. What eventually became Snapper Grouper Amendment 47 was initiated and developed through the public scoping stage. This amendment initially included the snapper grouper, dolphin wahoo, and coastal migratory pelagic fishery management plans, but the scope of the amendment was narrowed down to focus solely on the snapper grouper fishery. Following [scoping hearings](#) held in August 2018 and most [comments](#) being in opposition to a moratorium, the Council decided to discontinue work on Amendment 47 indefinitely.

In June 2023, the Council requested that the Snapper Grouper Advisory Panel (AP) discuss limited entry for the for-hire component at their fall 2023 meeting. This request was in response to public comments provided at the June 2023 and previous Council meetings, recent discussions about the need to reduce recreational effort for snapper grouper species to decrease dead discards and landings for several overfished snapper grouper stocks, and address compliance difficulties with the Southeast For-Hire Integrated Electronic Reporting (SEFHIER) Program.

The Mackerel Cobia AP met in November 2023 and recommended to the Council that a limited-entry program also be considered for the for-hire component of the coastal migratory pelagics fishery. This AP cited the need to control the expansion of recreational harvest and

professionalizing the for-hire fleet. Additionally, the AP stated that they would be interested in discussing new and unique structures for a limited entry program (e.g., limited leasing, a greenhorn pool, etc.).

At their December 2023 meeting, the Council discussed the APs' recommendations and received an update on the SEFHIER program. Overall, there has been poor compliance with the for-hire reporting requirements in the South Atlantic and the agency is unable to determine the accuracy of submitted data. The open access nature of for-hire permits in the South Atlantic was cited as a potential reason for poor compliance with reporting requirements. As such, **the Council initiated development of an amendment to consider limited entry for the finfish fisheries under its jurisdiction which include the Snapper Grouper, Coastal Migratory Pelagics, and Dolphin Wahoo fisheries.** Additionally, the Council passed the following motion to revise the control date of the for-hire permits:

***Motion:** To prevent speculative entry, establish an additional control date of December 8, 2023, that the South Atlantic Fishery Management Council (Council) may use if it decides to create restrictions limiting participation in the exclusive economic zone for the federal charter vessel/headboat (for-hire) component of the recreational sectors of the coastal migratory pelagics fishery in the Atlantic, dolphin and wahoo fishery in the Atlantic, and snapper-grouper fishery in the South Atlantic. Anyone obtaining a federal for-hire permit for these recreational sectors after the control date will not be assured of future access should a management regime that limits participation in the sector be prepared and implemented.*

Additionally, federal permit holders that have not reported snapper-grouper, coastal migratory pelagic, and/or dolphin and wahoo catch from the South Atlantic to the Southeast For-Hire Integrated Electronic Reporting program on or prior to December 5, 2023, will not be assured of future access should a management regime that limits participation in the sector be prepared and implemented.

On February 8, 2024, NOAA Fisheries published an [advance notice of proposed rulemaking](#) reflecting these control date criteria. The comment period for this notice is open through March 11, 2024.

What issues were considered in Snapper Grouper Amendment 47?

In developing Amendment 47 the Council considered two main issues with various levels of supporting information:

- 1) A moratorium on South Atlantic Charter/Headboat snapper grouper permits.
 - Magnuson-Stevens Act and National Standard Guidelines considerations
 - Moratoriums and limited entry in other federally managed fisheries
 - Start date of a moratorium and exceptions for eligibility
 - i. Historic captains
 - ii. Commercial license holders

- Transferability of permits and allowing new entrants
 - i. New entrants pool
 - ii. New entrants or “green horn” permit
- 2) Revising or removing regulations that prevent federally permitted snapper grouper for-hire operators from possessing snapper grouper species in state waters when harvest of these species closes in federal waters.

In the scoping document it was noted that the Council was considering a moratorium on for-hire snapper grouper permits to evaluate whether a limited entry system or other modifications to how the for-hire snapper grouper fleet is managed or operates are desirable. Council members noted that a that a moratorium could help with:

- Logbook reporting compliance
- Recreational data quality
- Stabilizing participation in the for-hire fishery
- Situations of potential localized vessel overcapacity
- Business planning
- Professionalizing the for-hire fleet
- Reducing fishing pressure on some fish stocks

Council members also expressed concerns over issues that may arise as a result of a moratorium on snapper grouper for-hire permits that include:

- Conflicts between those who do and do not get permits
- The fate of permits obtained after the control date
- The increased potential for sector separation and associated conflicts such as those between private recreational fishermen and the for-hire fleet
- The cost of obtaining a for-hire permit if the permits become limited in number and how to ensure new entrants are allowed into the fishery

Additionally, snapper grouper for-hire permit holders have expressed concern over the inequity relative to species retention when harvest is closed in federal waters but remains open in state waters. In that scenario, particularly in Florida where many snapper grouper species inhabit state waters, customers onboard for-hire vessels with the federal permit are not able to retain these species, even if they are fishing in state waters. On the other hand, for-hire operators without the federal permit can allow their customers to retain such species, if they remain in state waters. Some stakeholders maintain that this situation not only creates an inequity, but also rewards for-hire operators that purposely do not obtain a federal permit but illegally conduct some for-hire trips in the South Atlantic exclusive economic zone (EEZ) harvesting snapper grouper species.

Magnuson-Stevens Act and National Standard Guidelines considerations

There are several requirements within the Magnusson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act; MSA) and National Standard Guidelines for limiting access to a fishery. Under MSA section 303(b)(6) the following is stated regarding topics that a Council should consider for implementing a limited access system:

Sec. 303. CONTENTS OF FISHERY MANAGEMENT PLANS

(b) DESCRETIONARY PROVISIONS

(6) establish a limited access system for the fishery in order to achieve optimum yield if, in developing such system, the Council and the Secretary take into account—

- (A) present participation in the fishery;
- (B) historical fishing practices in, and dependence on, the fishery;
- (C) the economics of the fishery;
- (D) the capability of fishing vessels used in the fishery to engage in other fisheries;
- (E) the cultural and social framework relevant to the fishery and any affected fishing communities;
- (F) the fair and equitable distribution of access privileges in the fishery; and
- (G) any other relevant considerations

Additional guidance on considerations that Council's should take when implementing a system for limiting access to a fishery can be found in §600.325 *National Standard 4-Allocations* and §600.330 *National Standard 5- Efficiency*¹. As the name implies, Nation Standard 4 discusses allocations of fishery resources and fishing privileges as well as necessary considerations and analysis for determining allocations, including access to a fishery. National Standard 5 outlines the concept of efficiency within a fishery, establishes limited access as a management technique that may be used to address issues such “overfishing, overcrowding, or overcapitalization in a fishery to achieve OY”, and provides additional considerations when implementing a limited access program.

Moratoriums and limited entry in other federally managed fisheries

Implementing a permit moratorium or limiting entry into a fishery has been a more common management tool practiced for the commercial sector than the for-hire sector. Most federal charter and headboat permitting systems are open access, provided that permit holders meet specified permit conditions. On the federal level, such open access permits currently include some or all for-hire permits for fisheries managed by Highly Migratory Species, the New England Fishery Management Council, the Mid-Atlantic Fishery Management Council, and the South Atlantic Fishery Management Council.

There are however some circumstances of limiting entry on the federal level in the for-hire

¹ The full contents of National Standards 4 and 5 can be found at: <https://www.fisheries.noaa.gov/national/laws-and-policies/national-standard-guidelines>

sector². In the Southeast Region, there are four limited access for-hire permits for the coastal migratory pelagic and reef fish fisheries of the Gulf of Mexico which were preceded by a permit moratorium being implemented by the Gulf of Mexico Fishery Management Council prior to a limited entry system being developed. Another example of a limited entry in federal for-hire permits occurred in the Alaskan halibut fishery when the North Pacific Fishery Management Council implemented a limited entry program for the charter sector of the halibut fishery for a large portion of Alaska³.

The Council could establish a time limit or sunset provision so the moratorium expires on a specified date, or under specified conditions, such as a change in stock status for a given species or group of species. A time-limited moratorium could allow the Council to evaluate the current for-hire sector conditions and to design a more permanent limited entry system without a large fluctuation in the number of permits. At the end of the moratorium, a plan amendment could be implemented establishing an indefinite limited entry system that would remain in place until it was changed by the Council.

Some examples of how a time limited moratorium has been used in the past include:

- 1) Gulf of Mexico and South Atlantic commercial king mackerel permit:
 - Moratorium implemented on new permits starting Oct 16, 1995 and lasting until Oct 15, 2000 (CMP Amendment 8)
 - Moratorium was extended to Oct 15, 2005 (CMP Amendment 12)
 - Established indefinite limited entry in July 2005 (CMP Amendment 15)

- 2) Gulf of Mexico Reef Fish and Coastal Migratory Pelagics charter/headboat permits:
 - Moratorium on new permits starting June 16, 2003 and lasting until June 16, 2006 (RF Amendment 20/ CMP Amendment 14)
 - Established indefinite limited entry in June 2006 (RF Amendment 25/CMP Amendment 17)

Summary of Available Data on For-Hire Permits in the Snapper Grouper, Dolphin Wahoo, and Coastal Migratory Pelagics Fisheries

The following permit information was provided by the NOAA Fisheries Southeast Regional Office's (SERO) Limited Access Privilege Programs and Data Management Branch in January 2024. The number of federal for-hire (charter/headboat) permitted vessels for the three finfish fisheries that the Council manages was examined from 2008 through 2020. Full-year data after 2020 are currently unavailable due to issues and ongoing updates with the SERO permits system.

² A full list of limited and open access permits issued by the NMFS Southeast Regional Office can be found on page 2 and page 3 of the permit application form at: <https://media.fisheries.noaa.gov/2022-03/EEZvesselapplication.pdf>

³ For further details on the limited entry Alaskan charter halibut permit go to: <https://media.fisheries.noaa.gov/dam/migration/charter-halibut-limited-access011720.pdf>

It is expected that information from 2020 onwards will be available later in 2024. **It should be noted that COVID-19 and the comprehensive for-hire logbook reporting amendment (effective January 4, 2021) likely affected the number of federally permitted for-hire vessels in recent years and these trends are not fully shown in the following figures and tables.**

The number of federal for-hire permitted vessels for the three finfish fisheries decreased slightly from 2008 through 2014 and notably increased from 2014 through 2019. The number of for-hire snapper grouper and coastal migratory pelagics (CMP) permits was very similar until 2016. CMP permits increased above snapper grouper permits thereafter. Overall, the number of dolphin wahoo for-hire permits during the period examined has been substantially higher than those for the other two fisheries (**Figure 1; Table 1**). Most of the permitted vessels are homeported in the South Atlantic region (**Figure 2; Table 2**).

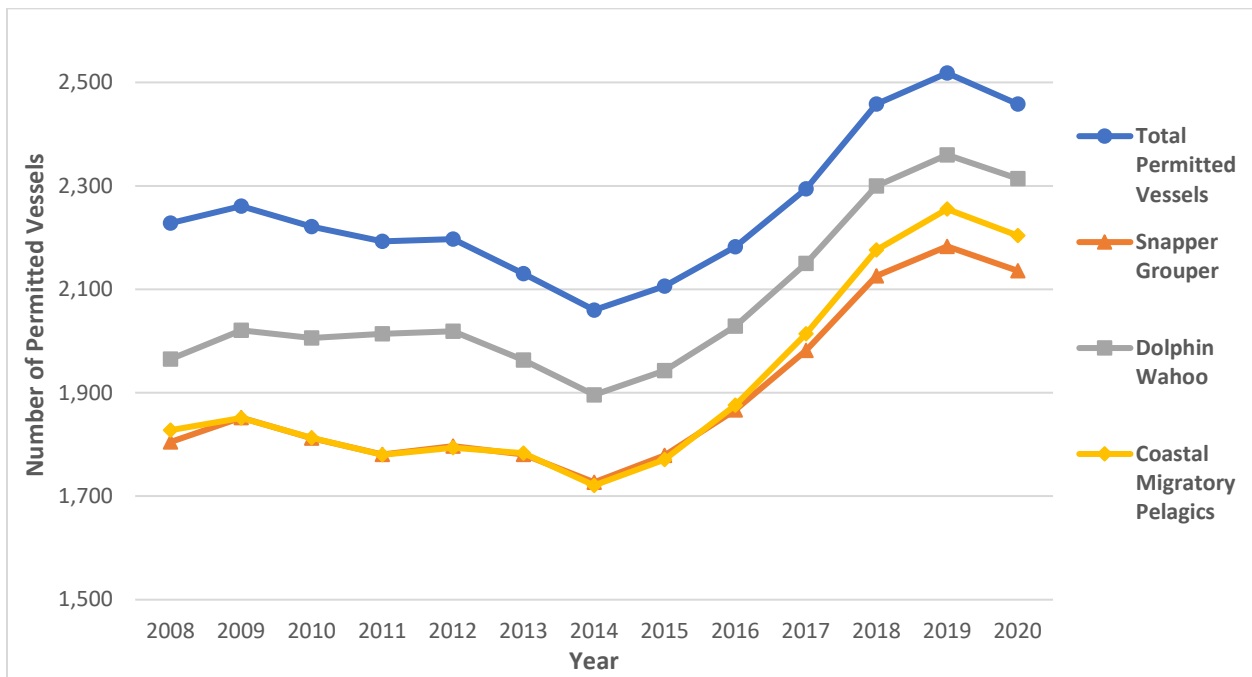


Figure 1. Number of federally permitted charter/headboat vessels in the Snapper Grouper, Coastal Migratory Pelagics, and Dolphin Wahoo fisheries from 2008 through 2020.

Table 1. Number of federally permitted charter/headboat vessels in the Snapper Grouper, Coastal Migratory Pelagics, and Dolphin Wahoo fisheries from 2008 through 2020.

Year	Snapper Grouper	Dolphin Wahoo	Coastal Migratory Pelagics	Total Permitted Vessels
2008	1,805	1,965	1,828	2,228
2009	1,852	2,021	1,851	2,261
2010	1,812	2,006	1,813	2,221
2011	1,781	2,014	1,780	2,193
2012	1,797	2,019	1,794	2,197
2013	1,781	1,963	1,783	2,130
2014	1,727	1,896	1,721	2,060
2015	1,779	1,943	1,771	2,106
2016	1,867	2,029	1,876	2,182
2017	1,982	2,150	2,014	2,294
2018	2,126	2,300	2,176	2,458
2019	2,183	2,360	2,255	2,518
2020	2,136	2,314	2,204	2,458

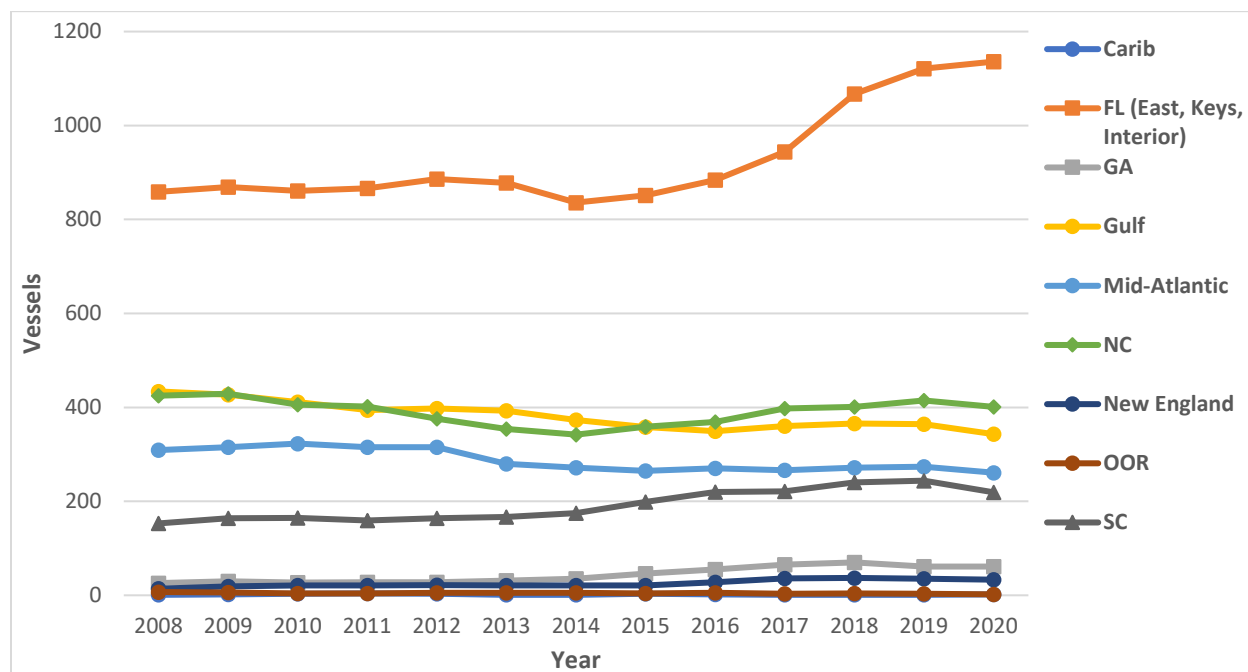


Figure 2. Number of federally permitted charter/headboat vessels in the Snapper Grouper, Coastal Migratory Pelagics, and Dolphin Wahoo fisheries from 2008 through 2020 by homeport state or region. (note: OOR stands for “Out of the Region” (i.e., Mid-West, West Coast, Alaska, etc.))

Table 2. Number of federally permitted charter/headboat vessels in the Snapper Grouper, Coastal Migratory Pelagics, and Dolphin Wahoo fisheries from 2008 through 2020 by homeport state or region.

Year	FL (East, Keys, Interior)	GA	SC	NC	Gulf	Mid-Atlantic	New England	Carib	OOR
2008	859	26	153	425	434	309	14	1	7
2009	869	30	164	429	427	315	19	2	6
2010	861	27	165	406	411	323	21	3	4
2011	866	28	159	402	394	315	21	4	4
2012	886	28	164	376	398	315	22	3	5
2013	878	31	167	354	393	280	21	1	5
2014	836	35	175	342	373	272	21	1	5
2015	851	46	199	359	358	265	21	3	4
2016	884	55	220	369	349	270	28	2	5
2017	944	65	221	398	360	266	36	1	3
2018	1,067	70	240	401	366	272	37	1	4
2019	1,121	61	244	415	364	274	35	1	3
2020	1,136	61	219	401	343	261	33	2	2

Snapper Grouper

Federal South Atlantic Charter/Headboat permits for Snapper Grouper are open access. **Figure 3** and **Table 3** show the number of federally permitted for-hire snapper grouper vessels by homeport state or region from 2008 through 2020.

The number of federally permitted charter/headboat vessels in the snapper grouper fishery hovered near or just below 1,800 from 2008 until 2015. The increase thereafter may reflect speculative entry into the fishery as discussion of a possible limited entry program ensued during Snapper Grouper AP meetings, through the Council’s Snapper Grouper Visioning Project, and development of Amendment 47. The number of permits peaked in 2019 at 2,183 permitted vessels (**Table 3**).

Among the South Atlantic states, Florida has consistently had the highest number of permitted snapper grouper for-hire vessels. Florida has also seen the largest increase in the number of for-hire snapper grouper permits compared to the other South Atlantic states since the June 15, 2016 control date.

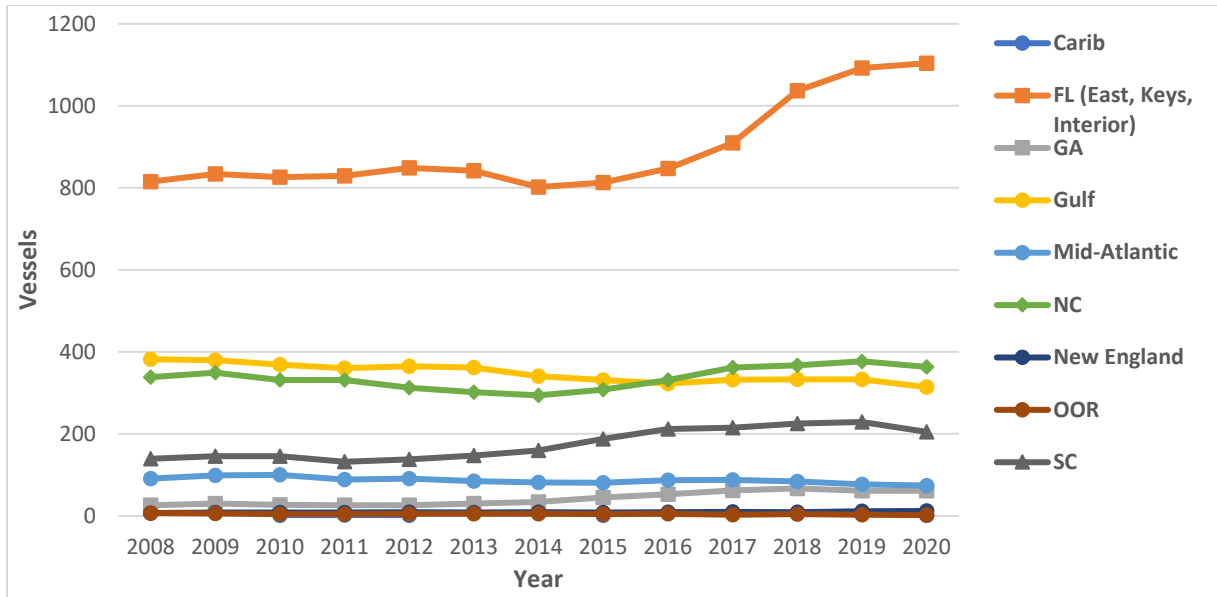


Figure 3. Number of vessels with federal charter/headboat snapper grouper permits by homeport state or region from 2008 through 2020.

Table 3. Number of vessels with federal charter/headboat snapper grouper permits by homeport state or region from 2008 through 2020.

Year	FL (East, Keys, Interior)	GA	SC	NC	Gulf	Mid-Atlantic	New England	Carib	OOR	Total
2008	815	26	139	338	382	91	7	0	7	1,805
2009	834	30	146	349	380	99	8	0	6	1,852
2010	826	27	146	331	369	100	8	1	4	1,812
2011	829	26	132	331	360	89	8	2	4	1,781
2012	849	26	138	313	365	91	9	1	5	1,797
2013	842	30	147	302	362	85	8	0	5	1,781
2014	802	34	160	294	341	82	9	0	5	1,727
2015	813	45	188	308	331	81	8	1	4	1,779
2016	847	53	212	331	323	87	9	0	5	1,867
2017	910	62	215	362	332	88	10	0	3	1,982
2018	1,037	67	225	367	333	84	9	0	4	2,126
2019	1,092	61	229	377	333	77	11	0	3	2,183
2020	1,104	61	205	363	314	74	12	1	2	2,136

Dolphin Wahoo

Federal Atlantic Charter/Headboat permits for Dolphin Wahoo are open access. From 2008 through 2020, most of the federal for-hire dolphin wahoo permitted vessels had a homeport in the South Atlantic region. A similar increase in the number of permits also seen in the snapper grouper fishery is evident in the dolphin wahoo for-hire component after 2015 (**Figure 4, Table 4**) with most permitted vessels homeported in Florida. The number of permits peaked in 2019 at

2,360 permitted vessels (**Table 4**). Compared to snapper grouper for-hire permits, there are notably more dolphin wahoo permits for vessels in the Mid-Atlantic and New England regions since the permit is required to fish for the two species in those regions.

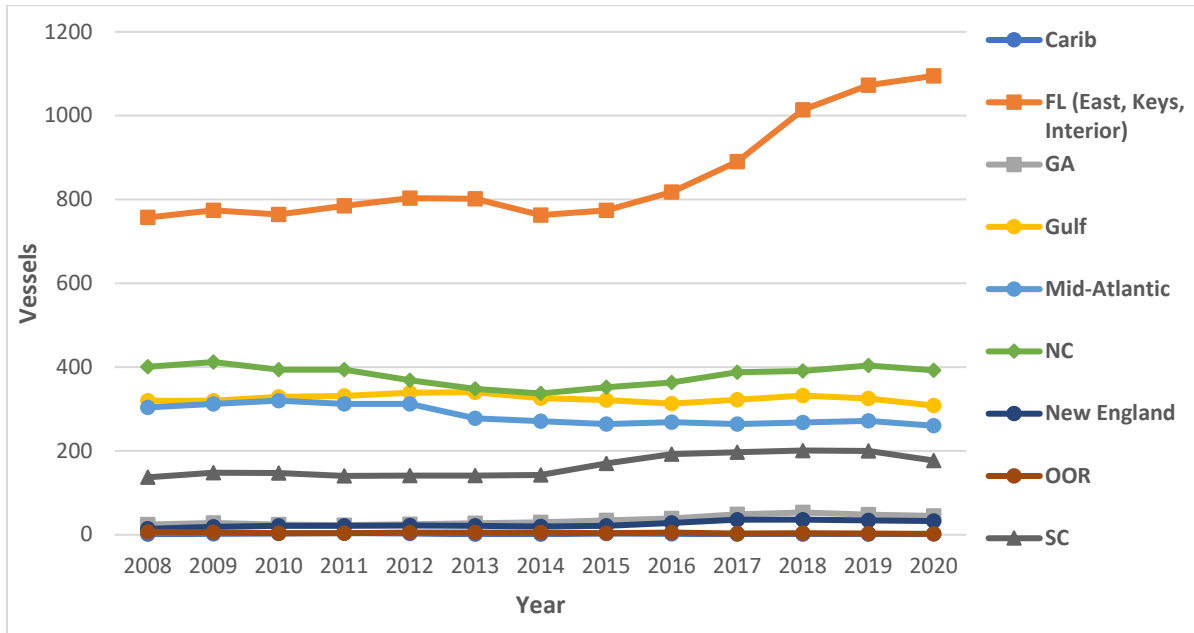


Figure 4. Number of vessels with federal charter/headboat dolphin wahoo permits by homeport state or region from 2008 through 2020.

Table 4. Number of vessels with federal charter/headboat dolphin wahoo permits by homeport state or region from 2008 through 2020.

Year	FL (East, Keys, Interior)	GA	SC	NC	Gulf	Mid-Atlantic	New England	OOR	Carib	Total
2008	757	24	137	401	320	304	14	7	1	1,965
2009	774	28	148	412	320	312	19	6	2	2,021
2010	764	24	147	394	329	320	21	4	3	2,006
2011	785	23	140	394	331	312	21	4	4	2,014
2012	803	25	141	369	339	312	22	5	3	2,019
2013	802	27	141	348	340	278	21	5	1	1,963
2014	763	30	143	337	326	271	20	5	1	1,896
2015	774	34	170	352	321	264	21	4	3	1,943
2016	818	39	192	363	313	269	28	5	2	2,029
2017	890	49	197	388	322	264	36	3	1	2,150
2018	1,014	53	201	391	332	268	36	4	1	2,300
2019	1,073	48	200	404	325	272	34	3	1	2,360
2020	1,095	45	177	392	308	260	33	2	2	2,314

Coastal Migratory Pelagics

CMP Amendment 14, which established a charter vessel/headboat permit moratorium for the CMP fishery in the Gulf of Mexico, was implemented on June 16, 2003. The intended effect was to cap the number of for-hire vessels operating in the CMP fishery as of March 29, 2001, while the Gulf of Mexico Fishery Management Council evaluated whether a limited access program was needed to permanently constrain effort. The moratorium on permits was set to expire June 16, 2006. CMP Amendment 17, implemented on June 15, 2006, established the current limited access system on for-hire CMP permits in the Gulf of Mexico. Permits are renewable and transferable, and the Gulf Council conducts periodic reviews on the effectiveness of the limited access system.

Federal Atlantic Charter/Headboat permits in the CMP fishery are open access. From 2008 through 2020, most of the CMP for-hire permits were in the South Atlantic region and, similarly to the other two fisheries, the number of permits increased after 2015, presumably in response to concerns about a future limited entry program being established (Figure 5, Table 5). The same trend is reflected in the breakdown by state, with most of the permits originating in Florida. The number of permits peaked in 2019 at 2,255 permitted vessels (Table 5). Compared to snapper grouper for-hire permits, there are notably more permits held in the Mid-Atlantic region since the federal for-hire coastal migratory pelagics permit is required to fish for Spanish mackerel or king mackerel in that region.

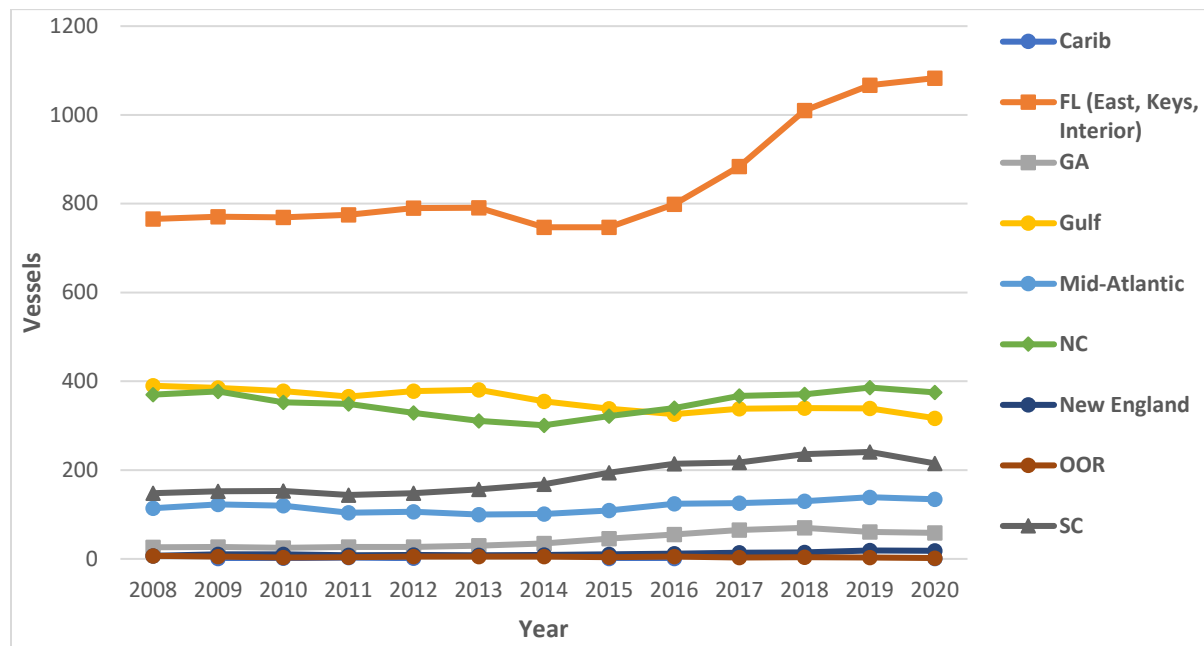


Figure 5. Number of vessels with federal charter/headboat coastal migratory pelagics permits by homeport state or region from 2008 through 2020.

Table 5. Number of vessels with federal charter/headboat coastal migratory pelagics permits by homeport state or region from 2008 through 2020.

Year	FL (East, Keys, Interior)	GA	SC	NC	Gulf	Mid-Atlantic	New England	OOR	Carib	Total
2008	766	26	148	370	390	114	7	7	0	1,828
2009	771	27	152	377	385	123	10	5	1	1,851
2010	769	25	153	353	378	120	10	3	2	1,813
2011	775	27	144	349	366	104	8	4	3	1,780
2012	790	27	148	329	378	106	9	5	2	1,794
2013	791	30	157	311	381	100	8	5	0	1,783
2014	747	35	168	301	355	101	9	5	0	1,721
2015	747	46	194	322	338	109	10	4	1	1,771
2016	799	55	214	340	326	124	12	5	1	1,876
2017	884	65	217	367	338	126	14	3	0	2,014
2018	1,010	70	236	371	340	130	15	4	0	2,176
2019	1,067	61	241	386	339	139	19	3	0	2,255
2020	1,083	59	215	375	317	134	18	2	1	2,204

Additional Summary Data Availability

As noted, the ongoing SERO permits system update prevents additional analysis of permits from 2021 through 2023. It is expected that later this year the system upgrade will be complete and additional analysis will be possible. In addition to for-hire permit information for more recent years, such analyses could include information on permitted vessels that do and do not qualify for the control dates that the Council set in December 2023. While exact timing is unknown, it is expected that this information may be available at the Council’s September or December 2024 meetings.

Next Steps for the Council

To develop a for-hire limited entry amendment, it would be helpful to have additional feedback on the topics that the Council would like to pursue. How does the Council want to proceed with the development of a for-hire limited entry amendment? What direction can the Council offer to staff?

- 1) Is the intent to issue a moratorium on for-hire permits and then consider developing a limited entry system (i.e. what was considered in Amendment 47) or does the Council want to go directly to limited entry in the for-hire sector?
- 2) Does the Council want staff to develop a scoping document for review at the June 2024 meeting? What topics should be included? Examples could include:
 - Eligibility criteria

- The start date of a moratorium or limited entry requirement
 - Exceptions to eligibility criteria
 - Historic captains
 - Commercial license holders
 - Permit transferability and allowing for new entrants
 - Permit transferability
 - Leasing of permits
 - A new entrants or “green horn” permit
 - Permit pool for new entrants
 - Setting a target number of permits in each fishery
 - How to account for climate change and range expansion northward (particularly in the Coastal Migratory Pelagic and Dolphin Wahoo fisheries)
 - Equity and environmental justice (EEJ) considerations such as whether limiting access to a fishery is going to disproportionately affect some communities
 - Sunset provision of a moratorium or limited entry program
- 3) What additional information would be helpful for the Council to review at this point in the amendment development process?