

Amendment 47 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region

Options Paper



Amendment 47 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region would implement a moratorium on the issuance of South Atlantic Charter/Headboat for Snapper-Grouper permits to new applicants.

Revised
02/14/18
Attachment 7

What Issues are being considered in Snapper Grouper Amendment 47?

The South Atlantic Fishery Management Council (Council) is considering implementing a moratorium on issuing South Atlantic Charter/Headboat for Snapper-Grouper permits (Snapper Grouper for-hire permits). Your input is important for the Council to determine whether further development of a moratorium should be pursued, and if so, what would you recommend for the potential structure of a moratorium.

For instance, some questions that may be considered are:

- Should the Council cap the number of permits at the current number, a higher number, or should the Council decrease the number of permits compared to the number currently available?
- If there is to be a moratorium on Snapper Grouper for-hire permits, what should be the eligibility criteria to receive a permit?
- Should there be exceptions to eligibility and should there be a mechanism to allow new entrants in the Snapper Grouper for-hire fishery?
- Should there be an end date or time limit established for the moratorium?

To help answer these questions, the Council would like to get your input on the following topics and other decision points as they further discuss whether to proceed with a moratorium on South Atlantic Snapper Grouper for-hire permits including:

- The start date of a for-hire permit moratorium
- Exceptions for eligibility
- Transferability of permits
- Allowing new entrants and establishing a permit pool
- Implementing a time limit or sunset provision for a moratorium
- Other provisions for a moratorium

Each of these topics are addressed in further detail later in this document. The document has been put together in a somewhat “scoping” format and writing style, with input questions under each category. This format was chosen in response to the Committee’s guidance to staff to prepare a simplified version of the options paper presented at the December 2017 meeting, similar to the document that was completed for scoping of Snapper Grouper Amendment 43. The following “discussion questions for the Committee” are intended to be easily retitled to gather public input, should the amendment be approved for scoping.

Why is the Council Considering Action?

The concept of limiting the number of Snapper Grouper for-hire permits that can be issued was raised in the past by the Snapper Grouper Advisory Panel (AP) and in the visioning process public comments that the Council received in 2014-2015. Currently, the Council is considering implementing a moratorium on the issuance of South Atlantic Snapper Grouper for-hire permits. Some members of the Council felt that a moratorium could help with:

- Logbook reporting compliance
- Recreational data quality
- Business planning
- Professionalizing the for-hire fleet
- Situations of localized vessel overcapacity
- Reducing fishing pressure on some fish stocks
- Stabilizing participation in the for-hire fishery, during which time the Council could evaluate the need for establishing limited entry

During previous deliberations in 2016 and 2017, the Council had considered whether limiting the number of for-hire permits is the best way to address these issues and concerns. It was discussed that there might be other ways to address some issues in the for-hire fishery, such as changing reporting requirements to improve logbook reporting compliance.

Additionally, some members of the Council had concerns over issues that may arise as a result of moving forward with a moratorium on Snapper Grouper for-hire permits that include:

- Conflicts between those who do and do not get permits
- Issues with the current control date of June 15, 2016, such as what will happen to permits obtained after that date
- The potential to lead to the creation of sector separation and associate conflicts such as those between individual recreational fishermen and the for-hire fleet
- Monetizing the Snapper Grouper for-hire permits and how to allow new entrants into the fishery

Background

At their June 2017 meeting, the South Atlantic Council approved a motion to direct staff to start work on an amendment that would establish a moratorium on federal Snapper Grouper for-hire permits. The National Marine Fisheries Service (NMFS) issues the Snapper Grouper for-hire permits, which are required to fish for species in the Snapper Grouper Fishery Management Plan (FMP) on charter boats and headboats in the South Atlantic exclusive economic zone (EEZ). These permits are open access and must be obtained annually. There is no limit to the total number of Snapper Grouper for-hire permits that can be issued by NMFS. There were 1,594 valid permits as of February 12, 2018 (**Table 1**).

Table 1. Federal South Atlantic Charter/Headboat for Snapper-Grouper permits issued for 2018. State or region is based on the registered homeport of the vessel with the for-hire permit.

State	# Permits
NC	281
SC	160
GA	57
FL East	381
FL Keys	373
FL West	220
AL/MS/LA/TX	43
Mid Atlantic	67
New England	8
Non-Coastal States	4
TOTAL	1,594

Data source: [NMFS SERO Permits Webpage](#), accessed 02/12/18.

The number of Snapper Grouper for-hire permits issued each year has varied over time. **Table 2** shows the number of permits issued from 2008-2018 each year by state and then for all states combined. The least number of for-hire permits issued occurred in 2014 at 1,427 permits. The greatest number of for-hire permits issued occurred in 2017 at 1,644 permits. The annual variability in the number of permits issued is between -3% and +7%. Over the time series the number of these permits has increased by approximately 4% (67 permits). When examining the lowest and highest values, which were observed in 2014 and 2017 respectively, permits increased by 15% (217 permits). Overall, permit numbers tended to decrease throughout the time series, with a reversal of this trend when permit numbers grew in 2015, 2016 and 2017, which may have partially been in reaction to the Council discussing limiting entry in the for-hire fishery and setting a control date of June 15, 2016. There was again an observed drop in the number of permits in early 2018.

Table 2. The number of federal South Atlantic Charter/Headboat for Snapper-Grouper permits issued, 2008-2018. State is based on the registered homeport of the vessel with the for-hire permit.

Year*	North Carolina	South Carolina	Georgia	Florida	Other States	All States
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
2017**	291	183	56	984	130	1,644
2018**	281	160	57	974	122	1,594

Source: NMFS SERO Permits Dataset.

*For 2008-2015, permit numbers are based on the number of permits as of December 31 of each year. For 2016, permit numbers are based on accessing the permit dataset on Nov 15, 2016. For 2017, permit numbers are based on accessing the permit dataset on Nov 2, 2017. For 2018, permit numbers are based on accessing the permit dataset on February 12, 2017.

**At their June 2016 meeting, the Council set a control date of June 15, 2016. These dates are highlighted to point out that they occurred after the control date was announced.

Objectives for This Meeting

- Review and provide guidance on options that the Council would like to see further developed.
- Review the timing of amendment development and decide if the Council would like to send the amendment out for scoping.

Potential Timing of Amendment

June 2017 The Council reviewed a white paper on limiting entry into the Snapper Grouper for-hire fishery. The Council approved a motion that directed staff to begin working on an amendment to establish a moratorium on the issuance of federal for-hire snapper grouper permits to be reviewed at their December 2017 meeting.

December 2017 The Council reviewed an options paper with initial draft Purpose and Need as well as draft actions and alternatives. The Council provided guidance to staff to prepare a simplified version of the options paper for discussion at the March 2018 meeting.

March 2018	The Council reviews a revised options paper and provides guidance to staff on which options should be further developed and included for scoping. The Council approves the amendment for scoping in April 2018.
June 2018	The Council reviews scoping comments and reviews draft actions as well as Purpose and Need statements. The Council provides guidance to staff on timing for moving forward with the amendment.
September 2018	The Council reviews, makes final changes to, and approves Purpose and Need statements. Council reviews actions and alternatives.
December 2018	The Council reviews actions, makes final changes, selects preferred alternatives as appropriate, and approves for public hearings in January 2019.
March 2019	The Council reviews public hearing comments, modifies the amendment as appropriate, and approves all actions.
June 2019	The Council reviews amendment and approves for formal review.

What should be the eligibility criteria?

Should a moratorium be pursued by the Council, requirements will need to be developed that determine the eligibility of who receives a Snapper Grouper for-hire permit. In this case, the Council may want to consider:

- The start date of the moratorium
- Exceptions for eligibility
- A target for the number of valid permits in the fishery

Start date of the moratorium

The start date of a moratorium is important for determining which permit holders receive a permit once a moratorium is imposed. **The Council approved a control date of June 15, 2016** for the for-hire sector of the Snapper Grouper fishery. This control date could be used to determine eligibility to receive a Snapper Grouper for-hire permit, or the Council could consider another date or set of dates that fall either after or before the current control date.

What is a Control date?

A control date is a publicized date specified by the Council to notify current and potential future fishery participants that the Council is considering restrictions limiting participation in a fishery. Participants who enter the specified fishery or sector will not be assured of future access should a management change that limits participation in the sector be prepared and implemented.

Some Council members have expressed some concern over potential “permit speculation” or “a run on permits” where some permit holders may have purchased or will purchase the for-hire permit in hopes of benefitting from the sale of these permits in the future. The Council is interested in getting feedback on this potential scenario and options that should be considered to address this concern.

Discussion Questions for the Committee

- 1) If a moratorium is imposed, what date(s) should the Council consider when determining who receives a permit?
- 2) Should the Council aim to set the number of permits at the current number, a higher number, or should the Council decrease the number of permits?
- 3) Should the Council be concerned over “permit speculation” and if so, what should the Council do to avoid a “run on permits”?

Exceptions for Eligibility

The Council may want to consider exceptions under certain circumstances to allow fishery participants who do not meet the moratorium control or start date eligibility requirements to still obtain a Snapper Grouper for-hire permit. Some examples could include:

- 1) **Historic captains:** The Council could establish a way to identify individuals who have worked on vessels under the for-hire permit of another person or a corporation, such as:
 - Minimum proportion of personal income from working as a for-hire captain; or
 - Proof of working as a for-hire captain before a certain date (e.g. a control date); or
 - Others?
- 2) **Commercial License Holders:** In past discussions of the Advisory Panel, it was noted that some Snapper Grouper commercial permit holders intend to include for-hire fishing

activity in their future business plans, either as a way to diversify their income or as an option for retirement from commercial fishing. In response, the Council could include an exemption that would allow commercial Snapper Grouper permit holders to obtain a Snapper Grouper for-hire permit.

Discussion Questions for the Committee

Should there be exceptions to the eligibility requirements or start date(s) set by the Council? If so do you have suggestions as to what they should be?

How will new entrants be allowed into the Snapper Grouper for-hire fishery?

The Council may want to consider ways to allow new entrants into the Snapper Grouper for-hire fishery, or to recoup the use of permits that are retired over time. There are several options that could involve:

- Specifying the transferability of existing permits to new entrants
- Establishing a permits pool for new entrants
- Establishing a “new entrants” permit (i.e. a “greenhorn” permit)

Transferability of Permits

The Council may consider several options for transferability of Snapper Grouper for-hire permits, including allowing no transfers, limited transfers, or open transfers. The Council could only allow transfers between immediate family members or between vessels with the same owner. Transfers could be prohibited initially but allowed to occur after a specified period of time (ex: 1 year, 3 years or 5 years). The Council may also opt to prohibit any Snapper Grouper for-hire permits from being transferred after a moratorium. In this case, when a permit holder exits the fishery, the permit would be retired but could be entered into a permits pool to allow new entrants into the fishery (see next section).

Discussion Questions for the Committee

- 1) Should for-hire Snapper Grouper permits be transferable? If so, should there be restrictions on how and to who the permits can be transferred?
- 2) Should leasing be allow for Snapper Grouper for-hire permits?

New Entrants Pool

The Council could establish a permits pool as a way to allow new entrants into the for-hire Snapper Grouper fishery and recoup the use of permits as they are retired over time. An option would be to set a minimum threshold for the number of valid permits in the fishery that would trigger additional permits becoming available to a permits pool for new entrants. This could be based on a minimum number of valid permits or a certain percentage of the original number of valid permits in the fishery as of the start date of the moratorium. Should retired permits be put into a pool for new entrants, one question that the Council may want to consider is:

- When would retired permits be made available again?
 - As soon as they are retired?
 - On specified date(s) each year?
 - When the number of valid permits reaches a minimum number due to permits not being renewed/transferred and therefore being retired?
 - Others?

If the Council decides to establish a permits pool that would allow new entrants into the fishery, it should be specified how the permits are distributed. Some options could include a lottery system or a waiting list where permits would be made available to new entrants in a specified manner.

Discussion Questions for the Committee

Under a moratorium, should a permits pool be established to allow new entrants into the Snapper Grouper for-hire fishery? If so, how should these permits be made available to new entrants?

New Entrants Permit

Additionally, the Council could consider a “new entrants” (or “greenhorn”) permit that would allow previously unpermitted vessel owners to enter into the Snapper Grouper for-hire fishery. This permit could be renewed for a limited number of years, after which time the “new entrants” permit holder would be eligible to receive a Snapper Grouper for-hire permit if he or she could provide documentation of for-hire fishing activity. Documentation could include items such as proof of for-hire fishing activity submitted via the South Atlantic for-hire logbook or a percentage of income derived from for-hire fishing activity.

Other provisions that could be considered for the “new entrants” permit:

- Establish a probationary period
- Require an annual USCG safety inspection and placement of a safety decal
- Pass a boating safety course
- Proof of Captains License
- Additional fee
- Only allow harvest of certain Snapper Grouper species for the “new entrants” permit
- Letters of reference

- Require logbook training
- Make permits renewable for a calendar year on the same data for ease of enforcement
- Others?

Discussion Question for the Committee

Should a “new entrants” (i.e. “greenhorn”) permit be established to allow new entrants into the for-hire fishery? If so, what provisions should accompany this permit?

Should there be a time limit or sunset provision for a moratorium?

The Council could establish a time limit or sunset provision so the moratorium expires on a specific 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 permanent limited entry system without a large fluctuation in the number of permits.

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

1) King mackerel commercial permit:

- Moratorium on new permits starting Oct 16, 1995, until Oct 15, 2000 (CMP Amendment 8)
- Moratorium was extended to Oct 15, 2005 (CMP Amendment 12)
- Established indefinite limited entry as of July 7, 2005 (CMP Amendment 15)

2) Gulf Reef Fish and Gulf CMP charter/headboat permits:

- Moratorium on new permits starting June 16, 2003, until June 16, 2006 (RF Amendment 20/ CMP Amendment 14)
- Established indefinite limited entry in June 2006 (RF Amendment 25/ CMP Amendment 17)

Discussion Question for the Committee

Should there be a specified end date or time limit established if a moratorium on Snapper Grouper for-hire permits is implemented?

Are there other requirements that should be considered for a moratorium?

The options previously presented are intended as a starting point for a discussion on how the Council could go about implementing a moratorium on Snapper Grouper for-hire permits.

Discussion Question for the Committee

Are there other options that the Council should consider in relation to a moratorium on Snapper Grouper for-hire permits?

Moving the Amendment Forward

COMMITTEE ACTION:

OPTION 1. SEND SNAPPER GROUPE AMENDMENT 47 OUT FOR SCOPING IN APRIL 2018.

OPTION 2. DIRECT STAFF TO FURTHER DEVELOP THE OPTIONS FOR SNAPPER GROUPE AMENDMENT 47 BASED ON INPUT FROM THE MARCH 2018 MEETING FOR CONSIDERATION AT THE JUNE 2018 MEETING.

OPTION 3. DIRECT STAFF TO STOP WORK ON SNAPPER GROUPE AMENDMENT 47.

OPTION 4. OTHERS??

DRAFT MOTION: SEND SNAPPER GROUPE AMENDMENT 47 (FOR-HIRE PERMIT MORATORIUM), AS MODIFIED, OUT FOR SCOPING IN APRIL 2018.