

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
11/14/17
Attachment 7

Why is the Council Considering Action?

The concept of limiting the number of South Atlantic Charter/Headboat for Snapper-Grouper permits (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 South Atlantic Fishery Management Council (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 thought that a moratorium could help with:

- Logbook reporting compliance
- Business planning
- Professionalizing the for-hire fleet
- Vessel overcapacity
- Data quality
- Reducing fishing pressure on some fish stocks

During previous discussions 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, such as changing reporting requirements to improve logbook reporting compliance.

Additionally, the Council had concerns with problems that might arise as a result of moving forward with a moratorium on Snapper Grouper for-hire permits that included:

- Conflicts between those who do and do not get permits.
- Issues with the current control date, such as what will happen to permits obtained after the control date.
- Sector separation conflicts such as between individual recreational fishermen and the for-hire fleet.

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 1,644 valid permits as of November 2, 2017 (**Table 1**).

Table 1. Federal South Atlantic Charter/Headboat for Snapper-Grouper permits issued for 2017. State or region is based on the registered homeport of the vessel with the for-hire permit.

State/Region	Number of Permits
NC	291
SC	183
GA	56
FL East	370
FL Keys	389
FL West	225
AL/MS/LA/TX	44
Mid Atlantic	73
New England	8
Non-Coastal States	5
TOTAL	1,644

Data source: [NMFS SERO Permits Webpage](#), accessed 11/02/17.

The number of Snapper Grouper for-hire permits issued each year has varied over time. **Table 2** shows the number of permits issued from 2008-2017 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 (ten years) the number of these permits has increased by approximately 8% and by 15% between the lowest and highest values observed in 2014 and 2017 respectively. Permit numbers tended to decrease throughout the time series, with a reversal and increase in permit numbers in 2016 and 2017.

Table 2. The number of federal South Atlantic Charter/Headboat for Snapper-Grouper permits issued, 2008-2017. 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

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.

Objectives for This Meeting

- Review the timing of amendment development and decide if the Council would like to send the amendment out for scoping.
- Review and provide guidance on the initial draft Purpose and Need statements.
- Review and provide guidance on options that the Council would like to see further developed by commenting on the initial draft actions and alternatives.

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 reviews an options paper with initial draft Purpose and Need statements as well as draft actions and alternatives. The Council provides guidance on options that the Council would like to see further developed and to be included for scoping. The Council approves the amendment for scoping in January/February 2018.

March 2018 The Council reviews scoping comments and preliminary analyses. The Council provides guidance to staff on actions and alternatives.

June 2018	The Council reviews, modifies as appropriate, and approves Purpose and Need. Council reviews actions and alternatives and makes final changes, selects preferred alternatives as appropriate, and approves for public hearings in August 2018.
September 2018	The Council reviews public hearing comments, modifies the amendment as appropriate, and approves all actions.
December 2018	The Council reviews and approves for formal review.

DRAFT Purpose and Need for Action

The *purpose* of this amendment is to establish a moratorium on the issuance of South Atlantic Charter/Headboat for Snapper-Grouper permits to new applicants.

The *need* for this amendment is to minimize adverse social and economic impacts in the Snapper Grouper for-hire fishery, improve logbook reporting compliance and data quality, reduce vessel overcapacity, and reduce fishing pressure.

COMMITTEE ACTION: Provide guidance on purpose and need statements.

Options:

- APPROVE PURPOSE AND NEED STATEMENTS
- DO NOT APPROVE PURPOSE AND NEED STATEMENTS
- COMMITTEE MAKES MODIFICATIONS TO THE PURPOSE AND NEED
- OTHERS?

Possible Approaches for a Moratorium

For this meeting, it is important for the Council to determine the potential structure of a moratorium, whether further development of a moratorium is desired, and if so to send the issue out for scoping.

It is worth noting that different features and provisions of a moratorium will address different management goals. **The Council will need to first develop clear and specific goals** before considering the features best suited to reach the desired outcomes. For instance, does the Council intend to cap the number of permits at the current number, a higher number, or is the intent to decrease the number of permits? Should there be exceptions to eligibility or should there be a mechanism to allow new entrants? And finally, should there be an end date or time limit established for the moratorium?

The following sections focus on some of the decision points that the Council may want to consider regarding a moratorium on South Atlantic Snapper Grouper for-hire permits including:

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

Start date of the moratorium

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 regime that limits participation in the sector be prepared and implemented.

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 (**Alternatives 2 and 3**). This would be an option for initial issuance if the Council wants to cap the number of permits.

If permit speculation or a rush on permits is a concern, the Council could consider a “double control date”, in which a second control date is selected and published. If a permit holder obtained a permit by the first control date and still had a valid permit on the second control date, the permit holder would be eligible to receive a permit (**Alternative 4**).

DRAFT Action 1. Establish the start date of a moratorium on the issuance of South Atlantic Charter/Headboat for Snapper-Grouper permits.

Alternative 1 (No Action). There is not a start date for a moratorium on South Atlantic Charter/Headboat for Snapper-Grouper permits.

Alternative 2. Establish the start date for a moratorium on South Atlantic Charter/Headboat for Snapper-Grouper permits to include only permit holders as of June 15, 2016.

Alternative 3. Establish the start date for a moratorium on South Atlantic Charter/Headboat for Snapper-Grouper permits to include only permit holders as of OTHER **DATE**.

Alternative 4. Establish the start date for a moratorium on South Atlantic Charter/Headboat for Snapper-Grouper permits to include only permit holders as of June 15, 2016 and **OTHER DATE**.

Alternative 5. **OTHER?**

COMMITTEE ACTION:

Review proposed action and alternatives for the start date of a moratorium. Determine whether these alternatives are sufficient, are desirable to include in the amendment, or if other alternatives are needed to cover the desired range of possibilities to set the start date of a moratorium.

Options:

- APPROVE ACTION 1
- DO NOT APPROVE ACTION 1
- COMMITTEE MAKES MODIFICATIONS TO ACTION 1
- OTHERS?

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 permit. An example could include:

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 (**Sub-alternatives 2a and 2b**); or
- Proof of working as a for-hire captain before a certain date (e.g. a control date)(**Sub-alternative 2c**); or
- Other?

DRAFT Action 2. Establish exceptions to allow fishery participants who do not meet the control date eligibility requirement to obtain a South Atlantic Charter/Headboat for Snapper-Grouper permit.

Alternative 1 (No Action). There are no exceptions for eligibility.

Alternative 2. Establish an exception to allow captains to obtain a South Atlantic Charter/Headboat for Snapper-Grouper permit, even if he or she did not hold the permit before the control date. The captain is required to provide documentation of:

Sub-alternative 2a. Personal income at any level from working on a vessel with a valid South Atlantic Charter/Headboat for Snapper-Grouper permit before the control date.

Sub-alternative 2b. Income at **X**% of their personal income that originated from working on a vessel with a valid South Atlantic Charter/Headboat for Snapper-Grouper permit before the control date.

Sub-alternative 2c. Operating a vessel with a valid South Atlantic Charter/Headboat for Snapper-Grouper permit in a for-hire manner before the control date.

Alternative 3. OTHER?

COMMITTEE ACTION:

Review proposed action and alternatives for exceptions to eligibility. Determine whether these alternatives are sufficient, are desirable to include in the amendment, or if other alternatives are needed to cover the range of exceptions for eligibility.

Options:

- APPROVE ACTION 2
- DO NOT APPROVE ACTION 2
- COMMITTEE MAKES MODIFICATIONS TO ACTION 2
- OTHERS?

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 may want to allow only transfers between immediate family members or between vessels with the same owner (**Alternative 3**). Transfers could also be allowed to occur after a specified period of time (**Alternative 4**). The Council may also opt to prohibit any Snapper Grouper for-hire permits from being transferred after a moratorium. When a permit holder exits the fishery, the permit would be retired (**Alternative 5**) (see next section for options on retired permits, such as a new-entrants pool).

DRAFT Action 3. Establish transferability provisions for South Atlantic Charter/Headboat for Snapper-Grouper permits.

Alternative 1 (No Action). There are no transferability provisions for South Atlantic Charter/Headboat for Snapper-Grouper permits.

Alternative 2. There are no restrictions on the transfer of South Atlantic Charter/Headboat for Snapper-Grouper permits.

Alternative 3. Transfer of a South Atlantic Charter/Headboat for Snapper-Grouper permit is prohibited except to:

- Sub-alternative 3a.** Immediate family members.
- Sub-alternative 3b.** Vessels owned by the same person or entity.
- Sub-alternative 3c.** OTHER?

Alternative 4. Transfer of a South Atlantic Charter/Headboat for Snapper-Grouper permit is prohibited for **X** years (*Sub-alternatives 4a-4d*) after the moratorium takes effect. After this time, transfer of permits will be allowed.

- Sub-alternative 4a.** 3 years
- Sub-alternative 4b.** 5 years
- Sub-alternative 4c.** 10 years
- Sub-alternative 4d.** OTHER?

Alternative 5. Transfer of a South Atlantic Charter/Headboat for Snapper-Grouper permit is prohibited. If the original permit holder does not:

Sub-alternative 5a: Renew the permit within one year of its expiration, the permit is retired.

Sub-alternative 5b: Record for-hire fishing activity via the South Atlantic for-hire logbook, the permit is retired.

Alternative 6. OTHER?

COMMITTEE ACTION: Review proposed action and alternatives for the transferability of permits. Determine whether these alternatives are sufficient, are desirable to include in the amendment, or if other alternatives are needed to cover the range of options for the transferability of permits.

Options:

- APPROVE ACTION 3
- DO NOT APPROVE ACTION 3
- COMMITTEE MAKES MODIFICATIONS TO ACTION 3
- OTHERS?

Allowing New Entrants

The Council may want to consider a way to allow new entrants into the fishery, or to recoup the use of permits that are retired over time. The Council could set a minimum number of permits that would trigger additional permits becoming available, and the Council has several options for a permits pool (**Action 4**). 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.

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 distributed to new entrants in a set manner (**Action 5**).

Additionally, the Council could consider a “new entrants” (or “greenhorn”) permit that would allow 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 permit holder would be eligible to receive a Snapper Grouper for-hire permit if that 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 (**Action 6**).

DRAFT Action 4. Establish a permits pool for new entrants to obtain a South Atlantic Charter/Headboat for Snapper-Grouper permit.

Alternative 1 (No Action). There is not a South Atlantic Charter/Headboat for Snapper-Grouper permits pool for new entrants.

Alternative 2. Establish a pool of South Atlantic Charter/Headboat for Snapper-Grouper permits for new entrants that would open on January 1 of each year. The number of permits in the pool would be:

Sub-alternative 2a. The number of permits retired (i.e. not renewed or transferred) in the previous calendar year.

Sub-alternative 2b. The number of permits necessary so that there are [X number of] active permits.

Sub-alternative 2c. OTHER?

Alternative 3. Establish a South Atlantic Charter/Headboat for Snapper-Grouper permits pool when the total number of permits reaches X% (*Sub-alternatives 3a-3c*) of the total number of permits at the time the moratorium is implemented, due to permits not being renewed or transferred and therefore being retired.

Sub-alternative 3a. 80%

Sub-alternative 3b. 90%

Sub-alternative 3c. OTHER?

Alternative 4. OTHER?

COMMITTEE ACTION: Review proposed action and alternatives that specify the provisions to establish a permits pool. Determine whether these alternatives are sufficient, are desirable to include in the amendment, or if other alternatives are needed to cover the range of options for establishing a permits pool.

Options:

- APPROVE ACTION 4
- DO NOT APPROVE ACTION 4
- COMMITTEE MAKES MODIFICATIONS TO ACTION 4
- OTHERS?

DRAFT Action 5. Establish a system to distribute South Atlantic Charter/Headboat for Snapper-Grouper permits within a permits pool.

Alternative 1 (No Action). Do not establish a system to distribute South Atlantic Charter/Headboat for Snapper-Grouper permits within the permits pool.

Alternative 2. Establish a lottery system to distribute South Atlantic Charter/Headboat for Snapper-Grouper permits within the permits pool.

Alternative 3. Establish a waiting list to distribute South Atlantic Charter/Headboat for Snapper-Grouper permits within the permits pool.

Alternative 4. OTHER?

COMMITTEE ACTION:

Review proposed action and alternatives that specify the provisions to establish a system to distribute Snapper Grouper for-hire permits within a permits pool. Determine whether these alternatives are sufficient, are desirable to include in the amendment, or if other alternatives are needed to cover the range of options for distributing permits within a permits pool.

Options:

- APPROVE ACTION 5
- DO NOT APPROVE ACTION 5
- COMMITTEE MAKES MODIFICATIONS TO ACTION 5
- OTHERS?

DRAFT Action 6. Establish a “new entrants” permit for the for-hire sector of the Snapper Grouper fishery.

Alternative 1. Do not establish a “new entrants” permit that would allow previously unpermitted participants to enter into the for-hire Snapper Grouper fishery.

Alternative 2. Establish a “new entrants” permit that would allow previously unpermitted participants to enter into the Snapper Grouper for-hire fishery. This permit could be renewed for no more than **X** year(s) (*Sub-alternatives 2a-2c*), after which time the permit holder would be eligible to receive a South Atlantic Charter/Headboat for Snapper-Grouper permit if he or she can provide proof of for-hire fishing activity via the South Atlantic for-hire logbook (*Sub-alternatives 2d-2f*).

Number of years that new entrant permit could be renewed (MUST CHOOSE ONE):

Sub-alternative 2a. 1 year

Sub-alternative 2b. 2 years

Sub-alternative 2c. OTHER?

Proof of for-hire fishing activity (MUST CHOOSE ONE):

Sub-alternative 2d. The permit holder must have logged 10 trips per calendar year via the South Atlantic for-hire logbook.

Sub-alternative 2e. The permit holder must have logged 20 trips per calendar year via the South Atlantic for-hire logbook.

Sub-alternative 2f. The permit holder must have logged **X** trips per calendar year via the South Atlantic for-hire logbook.

Alternative 3. Establish a “new entrants” permit that would allow previously unpermitted participants to enter into the Snapper Grouper for-hire fishery. This permit could be renewed for no more than **X** year(s) (*Sub-alternatives 3a-3c*), after which time the permit holder would be eligible to receive a South Atlantic Charter/Headboat for Snapper-Grouper permit if he or she can provide proof of for-hire fishing activity via income from for-hire fishing (*Sub-alternatives 3d-3f*).

Number of years that new entrant permit could be renewed (MUST CHOOSE ONE):

Sub-alternative 3a. 1 year

Sub-alternative 3b. 2 years

Sub-alternative 3c. OTHER?

Proof of for-hire fishing activity:

Sub-alternative 3d. The permit holder must provide documentation of personal income at **X%** of total personal income from for-hire fishing activity.

Sub-alternative 3e. The permit holder must provide documentation of personal income of at least **\$X** from for-hire fishing activity.

Sub-alternative 3f. The permit holder must provide documentation of gross revenue of **\$X** from for-hire fishing activity.

Alternative 4. OTHER?

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

- Require annual USCG safety inspection?
- Additional fee?
- Only allow harvest of certain Snapper Grouper species for the “new entrants” permit?
- Make permits renewable for a calendar year on the same date for ease of enforcement? i.e all permits expire on the same date and must be renewed on or before that date to continue for-hire fishing activity.
- Others?

COMMITTEE ACTION:

Review proposed action and alternatives that specify provisions to establish a “new entrants” permit. Determine whether these alternatives are sufficient, are desirable to include in the amendment, or if other alternatives are needed to cover the range of options for establishing a “new entrants” permit.

Options:

- APPROVE ACTION 6
- DO NOT APPROVE ACTION 6
- COMMITTEE MAKES MODIFICATIONS TO ACTION 6
- OTHERS?

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 Am 8)
- Moratorium was extended to Oct 15, 2005 (CMP Am 12)
- Established indefinite limited entry as of July 7, 2005 (CMP Am 15)

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

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

Action 7. Establish an expiration for a moratorium on South Atlantic Charter/Headboat for Snapper-Grouper permits.

Alternative 1 (No Action). There is no expiration date for a moratorium on South Atlantic Charter/Headboat for Snapper-Grouper permits.

Alternative 2. The moratorium on South Atlantic Charter/Headboat for Snapper-Grouper permits will end **X** years (*Sub-alternatives 2a-2d*) after implementation unless the Council takes action before that date.

- Sub-alternative 2a.** 3 years
- Sub-alternative 2b.** 5 years
- Sub-alternative 2c.** 10 years
- Sub-alternative 2d.** **OTHER?**

Alternative 3. The moratorium on South Atlantic Charter/Headboat for Snapper-Grouper permits will end when **[INSERT STOCK]** (*Sub-alternatives 3a-3b*) is no longer designated as overfished.

- Sub-alternative 3a.** red snapper
- Sub-alternative 3b.** **OTHER?**

Alternative 4. **OTHER?**

COMMITTEE ACTION:

Review proposed action and alternatives that would establish an expiration for the moratorium. Determine whether these alternatives are sufficient, are desirable to include in the amendment, or if other alternatives are needed to cover the range of options for establishing an expiration for the moratorium.

Options:

- APPROVE ACTION 7
- DO NOT APPROVE ACTION 7
- COMMITTEE MAKES MODIFICATIONS TO ACTION 7
- OTHERS?

Other Provisions for a Moratorium

The options and draft actions 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. **Are there other options that the Council would like to include for further development?**

COMMITTEE ACTION:

Provide additional options that the Council may want to consider for further development.

Moving the Amendment Forward

COMMITTEE ACTION:

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

OPTION 2. DIRECT STAFF TO FURTHER DEVELOP THE ACTIONS AND ALTERNATIVES BASED ON INPUT FROM THE DECEMBER MEETING FOR CONSIDERATION AT THE MARCH 2018 MEETING.

OPTION 3. SUSPEND 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 JANUARY/FEBRAURY 2018.