

# Limited Access Privilege Program Exploratory Workgroup Working Document

Revised: July 19, 2007

## Workgroup participants:

Ben Hartig, Chair, voting member  
Chops Cowdrey, Co-Chair, voting member  
Steve Amick, voting member  
Scott Baker, non-voting member  
Robert Cardin, voting member  
Phil Conklin, voting member  
Jack Cox, voting member  
Doug Gregory, non-voting member  
Bruce Irwin, voting member  
Mark Marhefka, voting member  
Sean McKeon, voting member  
Charlie Phillips, voting member  
Paul Raymond, non-voting member  
John Reed, non-voting member  
Amber Von Haarten, non-voting member  
Dan Whittle, voting member  
Scott Zimmerman, voting member

**Note:** This document is a “working” document. That is, it will be revised by the Limited Access Privilege (LAP) Program Exploratory Workgroup throughout the period of time during which they explore the idea of development of a LAP program for the South Atlantic commercial snapper grouper fishery. While various options are explored in this document, unless explicitly stated, the options are not necessarily endorsed by the Workgroup participants.

## I. Introduction

### Meeting Schedule and LAP Program Exploratory Workgroup Task

The Limited Access Privilege Program Exploratory Workgroup (hereafter referred to as the “LAP Workgroup”) is scheduled to meet a total of six times in 2007. They are scheduled to meet during each of the South Atlantic Council meetings in June, September, and December as well as separately in April, August, and October. The schedule is as follows:

<b>Meeting Dates and Times in 2007</b>	<b>Meeting Locations</b>
April 24 <sup>th</sup> at 1pm – April 26 <sup>th</sup> at 3pm	Charleston, SC
June 12 <sup>th</sup> at 1pm – June 13 <sup>th</sup> at 3pm	Key West, FL
August 1 <sup>st</sup> at 1pm – August 2 <sup>nd</sup> at 3pm	North Charleston, SC
September 18 <sup>th</sup> at 1pm – September 19 <sup>th</sup> at 3pm	North Myrtle Beach, SC
October 16 <sup>th</sup> at 1pm – October 17 <sup>th</sup> at 3pm	North Charleston, SC
December 5 <sup>th</sup> at 8:30am – December 6 <sup>th</sup> at 3pm	Atlantic Beach, NC

This document summarizes the results of the LAP Workgroup meetings. The document is an outline of what the LAP Workgroup would like to see a limited access privilege program look like if applied to the South Atlantic commercial snapper grouper fishery. This will assist the Council in deciding: 1) the preferences of the commercial snapper grouper fishery participants regarding a limited access privilege program; and 2) how a limited access privilege program might be structured. The LAP Workgroup will provide options for the design of a LAP program. The LAP Workgroup will also make motions regarding their preferences for the various options presented and the reasoning behind these preferences.

The Limited Access Privilege Program Committee (formerly known as the Controlled Access Committee) has requested consensus opinion by the LAP Workgroup on choosing preferences for various limited access privilege program characteristics when possible. However, when consensus is not possible, the LAP Program Committee has requested that a vote be taken and both a majority and minority opinion report submitted.

### Appropriateness of LAPs for the Snapper Grouper Commercial Fishery

As a first step toward discussion of the use of LAPs in management of the South Atlantic commercial snapper grouper fishery, the LAP Workgroup discussed the appropriateness of LAPs for the fishery. To begin this conversation, the group discussed various possible benefits and drawbacks of LAP implementation. While the LAP Workgroup was undecided on the overall positive or negative effect a LAP might have, the LAP Workgroup documented the following initial perceptions of possible conservation, economic, and social benefits and drawbacks for the South Atlantic snapper grouper fishery under a LAP:

### *Possible Benefits*

- Conservation Benefits
  - Reduction of bycatch mortality if “full retention” implemented and/or size limits are decreased or eliminated as part of a LAP
  - Decrease in the likelihood of commercial quota overages
  - Improvement in data quality
- Economic Benefits
  - Elimination of trip limits would enable more harvest timing flexibility
  - Elimination or reduction of size limits might benefit harvesters by decreasing time spent fishing
  - Increased flexibility due to divisibility of harvest privileges compared to permits. This would enable leasing of privileges due to hardship, etc.
  - Possible long-term increase in access to capital (through banking facilities) due to increased profitability and financial and management stability
  - Possible improved operational efficiency of vessels
  - Improved profitability of the fleet as a whole due to consolidation of the fleet
  - Simplification of management complexity in the long-term
  - Increased economic stability which creates an incentive for fishermen to become vested in the fishery perhaps more heavily than other options
- Social Benefits
  - Increase in “professionalization” of the fleet
  - Possible consolidation of harvest and processing activities in certain communities

### *Possible Drawbacks*

- Conservation Drawbacks
  - Elimination or reduction of size limits may decrease reproductive capacity of the stocks
- Economic Drawbacks
  - Elimination or reduction of size limits might result in landings that cannot be sold
  - Possible decrease in reward for hard work due to elimination of trip limits which allows fishermen to make as many trips as they want until the commercial quota is met
  - Possible increase in short-term management complexity
  - Increased costs of monitoring
  - Increase in enforcement costs for states without a Joint Enforcement Agreement

- Possible increase in federal and state enforcement costs due to increased FTE requirements
  - Possible increase in costs associated with decrease in the ability to do back to back trips due to hailing in requirements and landings timing allowances
  - Possible business impacts (dealers, etc.) due to change in seasonality of landings. A certain amount of landings are required throughout the year to keep fish houses operational. There might also be a loss of flexibility for the dealer/fish house due to permanence of initial allocation.
  - Possible impacts to fishermen of initial allocation if historical landings were hindered by adverse circumstances
  - Inability to increase landings when needed without purchasing more share or pounds
  - Full retention may have economic downside and may not be needed since several of the species have good survival rates
- Social Drawbacks
    - Possible decrease in crew employment
    - Possible consolidation of harvest and processing activities in certain communities
    - Possible community impacts (dealers, etc.) due to change in seasonality of landings

## II. LAP Goal and Proposed Objectives

The following goal was proposed by the Limited Access Privilege Program Committee and adopted by the LAP Workgroup.

### LAP Goal

*To refine a system whereby profitability, efficiency, fairness, and capacity of the commercial snapper grouper fishery are aligned with available yields from the South Atlantic ecosystem and which contribute to conserving healthy stocks and/or rebuilding overfished stocks consistent with the Snapper Grouper FMP and Magnuson-Steven Act.*

The following objectives were adopted by the LAP Workgroup. The italicized objectives were first proposed by the LAP Program Committee.

### Proposed LAP Objectives

1. Protect fisherman historically invested in the fishery and provide them with opportunities to continue harvesting in the fishery;
2. Enhance the viability of fishing for fishermen historical invested in the fishery;
3. Protect current crew employment in the fishery to the extent possible;
4. Ensure public access to the South Atlantic fishery supply;
5. Design a LAP that vests fishermen in the snapper grouper fishery and thereby increase conservation of the resource;
6. Ensure that all permit holders have an opportunity for participation in harvesting of LAP species;
7. *Allow for data collection sufficient to evaluate the LAP program periodically;*
8. Allow for regional differences in program design when necessary;
9. *Allow for transferability of LAP shares and pounds between snapper grouper permit holders only;*
10. *Create mechanisms for new entry into the commercial fishery;*
11. Protect participation of small scale fishermen and prevent monopolies;
12. Enhance financial stability for long-term business planning;
13. Encourage regulatory compliance;
14. Reduce regulatory complexity;
15. *Eliminate discards through methods such as:*
  - a. *100% retention;*
  - b. *Gear modification or development; and/or*
  - c. *Other methods*
16. *Provide the opportunity for a flexible and sustainable year round fishery for all participants;*
17. *Maintain commercial catch at or below the commercial quota;*
18. *Promote safe fishing operations;*
19. Create mechanisms that *foster improved relations between sectors, including environmentalists, commercial fishermen, fishery managers, and recreational fishermen;*

20. Develop a *multispecies LAP for the whole commercial snapper grouper fishery with the exclusion of wreckfish*; and
21. Develop a mechanism that allows the marketplace to drive harvest strategies and product forms in order to maintain product continuity and increase total producer and consumer benefits from the fishery.

### **III. Prerequisites for an Industry Supported LAP Program**

The LAP Workgroup has proposed the following prerequisites for implementation of an LAP for the commercial snapper grouper fishery.

1. A referendum be required if the Council decides to go forward with a LAP for the commercial snapper grouper fishery.
2. The following “housekeeping” issues be explored and resolved:
  - a. Determination as to whether *limited* snapper grouper permits are to be included in the LAP program or not; and
  - b. Sale of recreational caught fish disallowed.

## IV. LAP Program Design Characteristics and Management Options

### A. Program Duration

Satisfies the following objectives:

**Design a LAP that vests fishermen in the snapper grouper fishery and thereby increases conservation of the resource; and**

**Reduce regulatory complexity.**

“Program duration” refers to the lifetime of the limited access privilege and not to ownership of that privilege by an individual or entity.

Option 1: *Program duration adheres to the requirements set out in the Magnuson-Stevens Reauthorized Act of 2006 which states*

A limited access privilege established after the date of enactment of the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006 is a permit issued for a period of not more than 10 years that—

- (1) will be renewed before the end of that period, unless it has been revoked, limited, or modified as provided in this subsection;
- (2) will be revoked, limited, or modified if the holder is found by the Secretary, after notice and an opportunity for a hearing under section 554 of title 5, United States Code, to have failed to comply with any term of the plan identified in the plan as cause for revocation, limitation, or modification of a permit, which may include conservation requirements established under the plan;
- (3) may be revoked, limited, or modified if the holder is found by the Secretary, after notice and an opportunity for a hearing under section 554 of title 5, United States Code, to have committed an act prohibited by section 307 of this Act; and
- (4) may be acquired, or reacquired, by participants in the program under a mechanism established by the Council if it has been revoked, limited, or modified under paragraph (2) or (3).

Program duration Option 1 is the unanimously<sup>1</sup> preferred option of the LAP Workgroup. The LAP Workgroup chose not to identify a sunset date for the South Atlantic snapper grouper LAP program permits because they felt that this might decrease the potential for individuals to vest themselves in the fishery.

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<sup>1</sup> The use of the word “unanimous” refers to agreement by all LAP Workgroup members or their proxies present at a particular meeting. In subsequent meetings, LAP Workgroup members or their proxies are able to challenge the unanimous decision. If there is a disagreement about a particular option at that point in time, the language is changed to reflect that discussion.

**B. Program Review**

**Satisfies the following objectives:**

**Allow for data collection sufficient to evaluate the LAP program periodically;**

Program review refers to Council review of the LAP Program to determine if the goals and objectives of the program are being met.

Section 303A (c) (1) (G) of the MSRA of 2006 states

Any limited access privilege program to harvest fish submitted by a Council or approved by the Secretary under this section shall—

(G) include provisions for the regular monitoring and review by the Council and the Secretary of the operations of the program, including determining progress in meeting the goals of the program and this Act, and any necessary modification of the program to meet those goals, with a formal and detailed review 5 years after the implementation of the program and thereafter to coincide with scheduled Council review of the relevant fishery management plan (but no less frequently than once every 7 years)

Option 1: Program review 5 years after implementation and at least once every 7 years thereafter according to the MSA Reauthorized Act of 2006.

Option 2: Program review 5 years after implementation and every 5 years thereafter *as part of each 5-year FEP review.*

Note: The italics above in option 2 represent language added that has yet to be approved by LAP Program Exploratory Workgroup.

**C. Species to be Included**

**Satisfies the following objectives:**

**Develop a multispecies LAP for the whole commercial snapper grouper fishery with the exclusion of wreckfish; and**

**Reduce regulatory complexity.**

The LAP Workgroup felt it was important to try to include as many snapper grouper species as possible under an LAP program in order to simplify regulatory complexity and avoid a situation where fishermen target species not included under an LAP because they are not subject to an individual limit. The Workgroup realized it may require additional work for NMFS and the Council to identify a TAC for some species. However, the Workgroup felt this would be possible through the use of state and federal trip ticket data and logbooks if the species under consideration did not have a stock assessment.

- Option 1: All snapper grouper species currently managed in the Snapper Grouper FMP excluding wreckfish.
- Option 2: All snapper grouper species with identified OYs including red porgy, vermilion snapper, snowy grouper, black sea bass, golden tilefish, gag, greater amberjack, white grunt, and yellowtail snapper.
- Option 3: Mackerels (Spanish and king) and snapper grouper species currently managed in the Snapper Grouper FMP excluding wreckfish.
- Option 4: Mackerels (Spanish and king), all snapper grouper species with identified OYs (including red porgy, vermilion snapper, snowy grouper, black sea bass, golden tilefish, gag, greater amberjack, white grunt, and yellowtail snapper), grunts, triggerfish, jacks.

Some members of the LAP Workgroup felt strongly that mackerels should also be included for consideration under an LAP with snapper grouper species. The LAP Workgroup asked the LAP Program Committee that the Workgroup be allowed to include king and Spanish mackerel under LAP consideration in their discussions or the LAP Program Committee consider establishing a Mackerel LAP Program Exploratory Workgroup to discuss the possibility of a LAP for the king and Spanish mackerel fisheries given the likelihood of increased fishing pressure on the mackerel fisheries if a snapper grouper LAP is implemented. There were views expressed by some on the LAP Workgroup regarding whether this should be a recommendation or not. Some Workgroup members expressed that several fishermen in the Florida Keys, in particular, did not want an LAP for the mackerel fishery. The LAP Committee responded by opting to defer work on a mackerel LAP to a second LAP effort to be pursued at a later date. As a result, Options 3 and 4 were included above but will not be explored further in detail at this point in time.

**D. Multispecies Share Definitions**

**Satisfies the following objectives:**

**Enhance the viability of fishing for fishermen historical invested in the fishery;**

**Enhance financial stability for long-term business planning;**

**Encourage regulatory compliance;**

**Eliminate discards through methods such as:**

- a. 100% retention;**
- b. Gear modification or development; and/or**
- c. Other methods**

**Provide the opportunity for a flexible and sustainable year round fishery for all participants;**

**Maintain commercial catch at or below the commercial quota; and**

**Develop a mechanism that allows the marketplace to drive harvest strategies and product forms in order to maintain product continuity and increase total producer and consumer benefits from the fishery.**

Definitions -

**Quota share (QS) = individual initial allocation percentage of the commercial quota**

“Quota share” (percentage) – percentage of the commercial quota is distributed to participating fishermen during initial allocation.

**Annual harvest privilege = Quota share \* annual commercial quota (pounds)**

“Annual harvest privilege” (pounds) – an individual’s quota share is multiplied by the annual commercial quota in pounds each year and distributed prior to fishing.

Option 1: Individual quota share allocated for all snapper grouper species included in the Snapper Grouper FMP excluding wreckfish.

Option 2: Individual quota share - all species in the Snapper Grouper FMP excluding wreckfish

Aggregate quota share A – all species in the Snapper Grouper FMP excluding wreckfish

Aggregate quota share B – warsaw, speckled hind

Aggregate quota share C – king and Spanish mackerel

Option 3: Individual quota share - all species with OYs in the Snapper Grouper FMP (excluding wreckfish) including...

Aggregate quota share A – all species with OYs in the Snapper Grouper FMP (excluding wreckfish) including...

The LAP Workgroup borrowed the idea of “aggregate quotas” from the Gulf Grouper IFQ Advisory Panel. With regard to the above options, individual quota share would be allocated for each species separately. That is, fishermen would be given quota shares for each species type. In addition, an aggregate quota share would be allocated for a group of species (specific species included are indicated above) and would be allocated based on some percent of a fisherman’s quota shares for each species type (i.e., 5 percent of their total allocation for each species would be set up as aggregate quota). A fisherman would then apply this aggregate to catch of any of the species the aggregate quota is covered by when the individual species allocations have been used. The aggregate quota could only be used after the fisherman exhausted his individual quota share for one of the species included under the aggregate quota. The amount of aggregate quota available for use for each species would be based on historical landings in a ratio that reflects the ratios that the species were historically caught. This ratio of catch is what makes the aggregate system effective. Historically, fishermen have landed the species they catch at some ratio based on species abundance and fishing behavior. Therefore, those ratios should continue as they had historically with minor fluctuations due to natural phenomenon (e.g., recruitment variability and hurricanes moving fish around). These ratios may be changed over time if some shift in effort or landings were to render the initial historic ratio obsolete (i.e., during a review of the LAP program, landings information may indicate a shift in abundance and therefore, a different catch ratio). It was understood that the use of aggregate quotas has not yet been approved by NMFS or the Gulf Council and that this mechanism is yet untested in reality.

The LAP Workgroup felt that this mechanism (the use of aggregate quotas) would allow for a degree of flexibility not available under the current management system or under a traditional IFQ type system. Aggregate quotas, in addition to other flexibility measures (like overages and underages, transferability, and others), would allow fishermen to fish for longer than they would otherwise and therefore, as a group, take a greater portion of the commercial quota than they would otherwise. This could increase profitability for snapper grouper fishery participants without compromising conservation goals. In addition, this mechanism would enhance financial stability by enabling fishermen to better predict how much of each species’ annual harvest privilege they will be able to take each year since it will enable them to come closer to taking their full annual harvest privilege than otherwise. Regulatory compliance would improve as well since fishermen would not have as great an incentive to discard a particular species of fish they do not have individual quota for. This would help to decrease discards overall.

#### **E. Eligibility for Initial Allocation of LAPs**

Option 1:

Option 2:

**F. Initial Allocation Methods**

Satisfies the following objectives:

**Options 1 and 2: Protect fisherman historically invested in the fishery and provide them with opportunities to continue harvesting in the fishery;**

**Options 2 and 3: Ensure that all permit holders have an opportunity for participation in harvesting of LAP species;**

Option 1: The average of the best 5 years within 1995-2005.

Option 2: The average of the best 5 years within 1998-2007.

Option 3: The average of the best 3 years within 2002-2007.

While Option 1 benefits historical participants, Option 3 benefits relatively recent participants and ensures recent distribution of fishing effort and supply of fish to fish houses. Option 2 could potentially benefit both groups. Analyses will be conducted by NMFS and Council staff on historical landings data so that the Workgroup has access to information on the approximate number of people that would receive shares and the dispersion of shares of each species under each of the options. All individual historical landings information will be kept confidential.

**G. Initial Allocation Appeals Process**

**H. Regional LAP Participation**

**I. Transferability**

Could satisfy the following objectives:

**Protect fisherman historically invested in the fishery and provide them with opportunities to continue harvesting in the fishery;**

**Enhance the viability of fishing for fishermen historical invested in the fishery;**

**Allow for transferability of LAP shares and pounds between snapper grouper permit holders only;**

**Enhance financial stability for long-term business planning;**

**Encourage regulatory compliance;**

**Eliminate discards through methods such as:**

- a. 100% retention;**
- b. Gear modification or development; and/or**
- c. Other methods**

**Provide the opportunity for a flexible and sustainable year round fishery for all participants;**

**Maintain commercial catch at or below the commercial quota; and**

**Promote safe fishing operations.**

Section 303A (c) (7) of the MSRA of 2006 states

In establishing a limited access privilege program, a Council shall—

(A) Establish a policy and criteria for the transferability of limited access privileges (through sale or lease), that is consistent with the policies adopted by the Council for the fishery under paragraph (5); and (B) establish, in coordination with the Secretary, a process for monitoring of transfers (including sales and leases) of limited access privileges.

**J. Caps and Other Restrictions on LAP Share Ownership and Control**

**Could satisfy the following objectives:**

**Protect fisherman historically invested in the fishery and provide them with opportunities to continue harvesting in the fishery;**

**Enhance the viability of fishing for fishermen historical invested in the fishery;**

**Ensure that all permit holders have an opportunity for participation in harvesting of LAP species;**

**Protect participation of small scale fishermen and prevent monopolies; and**

**Provide the opportunity for a flexible and sustainable year round fishery for all participants.**

Caps on LAP share ownership and control is sometimes discussed under the term “excessive shares”. Excessive shares are mentioned in National Standard 4 (Section 301 (a) (4)):

(4) Conservation and management measures shall not discriminate between residents of different States. If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be (a) fair and equitable to all such fishermen; (B) reasonably calculated to promote conservation; and (c) carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

Section 303A (c) (5) (D) of the MSRA of 2006 also refers to excessive shares:

(D) Ensure that limited access privilege holders do not acquire an excessive share of the total limited access privileges in the program by –

- (i) establishing a maximum share, expressed as a percentage of the total limited access privileges, that a limited access privilege holder is permitted to hold, acquire, or use; and
- (ii) establishing any other limitations or measures necessary to prevent an equitable concentration of limited access privileges.

When developing LAP programs, the MSRA of 2006 states that a Council should:

(B) Consider the basic cultural and social framework of the fishery, especially through –

- (i) the development of policies to promote the sustained participation of small owner-operated fishing vessels and fishing communities that depend on the fisheries, including regional or port-specific landing or delivery requirements; and
- (ii) procedures to address concerns over excessive geographic or other consolidation in the harvesting or processing sectors of the fishery;

(C) Include measures to assist, when necessary and appropriate, entry-level and small vessel owner-operators, captains, crew, and fishing communities through set-asides of harvesting allocations, including providing privileges, which may include set-asides or allocations of harvesting privileges, or economic assistance in the purchase of limited access privileges;

## **K. Overage and Underage (Rollover) Provisions**

**Could satisfy the following objectives:**

**Protect fisherman historically invested in the fishery and provide them with opportunities to continue harvesting in the fishery;**

**Enhance the viability of fishing for fishermen historical invested in the fishery;**

**Design a LAP that vests fishermen in the snapper grouper fishery and thereby increase conservation of the resource;**

**Enhance financial stability for long-term business planning;**

**Encourage regulatory compliance;**

**Eliminate discards through methods such as:**

- d. 100% retention;**
- e. Gear modification or development; and/or**
- f. Other methods**

**Provide the opportunity for a flexible and sustainable year round fishery for all participants;**

**Maintain commercial catch at or below the commercial quota; and**

**Promote safe fishing operations.**

Overage and underage provisions are typically implemented and monitored by the fishery management agency. In the case of the South Atlantic snapper grouper fishery, this would likely be the responsibility of the NMFS. The term “overage” is typically used to describe some percentage of an individual’s annual harvest privilege (pounds of each species allocated to an individual each year based on quota share holdings) that an individual can exceed his annual harvest privilege by. These pounds are then subtracted from the individual’s following year’s annual harvest privileges. This is sometimes also called “borrowing”. When a species has a particularly low TAC, sometimes there is no overage allowance allowed or a very small one.

There are usually hefty penalties associated with exceeding these overage allowances. Sometimes there are penalties associated with using the overage allowance. The penalties are used to help ensure the provision is not abused. Review of these types of provisions in LAP fisheries has shown that these provisions have not been abused and have actually helped the LAP holders keep catch below the TAC.

The term “underage” is typically used to describe some percentage of an individual’s annual harvest privilege that an individual can carry over to the following year. This is sometimes called “banking”.

There are no guidelines regarding overage and underage allowances in the MSRA of 2006. However, a review of these types of program characteristics have been collected in “Catch-Quota Balancing in Multispecies Individual Fishing Quotas” (Sanchirico et al., 2005). The paper refers to overage and underage provisions (also called rollover provisions or banking and borrowing provisions) as catch-quota balancing mechanisms. These mechanisms have been implemented in multispecies fisheries, in particular, to provide fishermen an extra degree of flexibility in fisheries where it is sometimes difficult to control the amount of various species caught due to the multispecies nature of the fishery.

- L. **Use it or Lose it Requirements**
- M. **Cost Recovery**
- N. **Community Protection Mechanisms**
- O. **Monitoring**
- P. **Real-time Data Collection**
- Q. **Enforcement**
- R. **Outreach**

## **V. Other Options Suggested as Alternatives for Consideration**

- Status quo
- Status quo with real time landings with the option for LAPs for certain species
- Distribution of transferable days at sea
- In an effort to reduce bycatch, require snapper grouper commercial fisherman to identify two months of each year during which they will not fish in order to reduce total discards – THIS OPTION MAY BE REMOVED DUE TO THE FACT THAT THE COUNCIL CONSIDERED AND REJECTED THIS ALTERNATIVE IN SNAPPER GROUPE AMENDMENT 13C.

## **Appendix A. Summary LAP Program Exploratory Workgroup Meeting Reports**

### **SUMMARY REPORT FROM THE LIMITED ACCESS PRIVILEGE PROGRAM EXPLORATORY WORKGROUP MEETING Charleston, SC April 24-26, 2007**

The Limited Access Privilege Program Exploratory Workgroup met April 24-26 in Charleston, SC. **The Workgroup received presentations from the following people:**

1. Kate Quigley gave a presentation titled, "What are LAPs and How Do They Work?" The presentation gave an overview of common LAP terminology, and touched on when, where, why, and how LAPs are commonly used.
2. Gregg Waugh gave a presentation that provided an overview of the snapper grouper amendments currently under consideration by the Council.
3. Kate Quigley gave another presentation titled, "Summary of the Magnuson Stevens Fishery Conservation and Management Act and Limited Access Privileges (LAPs)". The presentation reviewed the language used in the reauthorized MSA pertaining to LAPs focusing on Council requirements when implementing an LAP.
4. Dietmar Grimm of Redstone Consulting Strategies gave a presentation titled, "LAP 101: Background Information on U.S. LAP Experience". The presentation provided the results of a study conducted by the consulting group. The study analyzed economic, environmental, and social results in ten existing U.S. federal LAPPs and Canadian LAPPs that share stocks with the U.S. LAPPs.
5. John Reed, NMFS staff and LAPP Workgroup member, provided an overview of the Gulf of Mexico Red Snapper Fishery ITQ including a detailed look at the web based online program used by Gulf red snapper fishermen to track real time landings and make quota and pounds transfers.
6. Kate Quigley provided an overview of the British Columbia Groundfish ITQ Program with focus on the hook and line sector in that fishery.
7. Gregg Waugh gave an overview of the Southeast Wreckfish IFQ. This presentation reviewed Amendment 5 as well as provided information on past transfers and changes in total landings and participation over time.
8. Gregg Waugh also gave an overview of the long-term commercial yields that could be expected from several snapper grouper species. This information was based on information presented in snapper grouper Amendment 15.

**The Workgroup reviewed** the Action Plan for Consideration of Limited Access Privileges for the South Atlantic Commercial Snapper Grouper Fishery including background information on the formation of the LAP Program Exploratory Workgroup

and a summary of why an LAP Program is being considered for the South Atlantic commercial snapper grouper fishery.

**The Workgroup approved the following recommendations:**

Recommendation #1. The LAP Exploratory Workgroup recommends to the LAP Program Committee that this group look at other options in addition to limited access privileges. The LAP Workgroup requests a response to this recommendation from the LAP Program Committee. This was a unanimous recommendation.

Approved by Workgroup

Recommendation #2. The LAP Program Exploratory Workgroup recommends Ben Hartig as Chair of the Workgroup. This was a unanimous recommendation.

Approved by Workgroup

Recommendation #3. The LAPP Program Exploratory Workgroup recommends Chops Cowdrey as Co-chair of the Workgroup. This was a unanimous recommendation.

Approved by Workgroup

**In addition, the Workgroup made the following requests to Council staff:**

1. Obtain copies of John Reed's and Dietmar Grimm's presentations and send to the Workgroup.
2. Gather more information on "regional fishery associations (RFAs)" and "community quota".
3. Prepare a detailed presentation on the use of cooperatives and RFAs for a future meeting.
4. Gather more information on whether leasing quota share for profit is legal.
5. Send Wreckfish Amendment 5 to workgroup.
6. Update log book data analysis and separate out snapper grouper unlimited and limited permits to show SG unlimited and limited permits engaged in active harvest.
7. Obtain NMFS LAP guidance document and distribute to workgroup.
8. Prepare side by side program design comparison tables for Wreckfish IFQ, Red Snapper IFQ, and Gulf Grouper IFQ.
9. Prepare commercial long-term optimal yield tables for snowy grouper, black sea bass, golden tile fish, vermillion snapper, red porgy, gag, and yellow tail with historical landings information for red snapper, greater amber jack, mutton snapper, hog fish, and mangrove snapper.
10. Make journal articles and FMPs specific to various IFQ programs available to workgroup online or in briefing book.

**SUMMARY REPORT  
FROM THE LIMITED ACCESS PROGRAM EXPLORATORY  
WORKGROUP MEETING**

**Key West, FL  
June 12-13, 2007**

The Limited Access Privilege Exploratory Workgroup met June 12-13 in Key West, Florida. **The committee received presentations from Dave McKinney (NMFS OLE) on the development of a LAP Program for the Gulf of Mexico Grouper Fishery. Gulf fishermen Wayne Werner, Bill Tucker, and David Krebs were also present to provide information about their experience in the Gulf Red Snapper IFQ and their involvement in development of the proposed Gulf Grouper IFQ.**

**The committee made the following recommendations:**

LAP Recommendation #4. The LAP Exploratory Workgroup asks the LAP Program Committee that this group be allowed to include king and Spanish mackerel under LAP consideration in their discussions or the LAP Program Committee consider establishing a Mackerel LAP Program Exploratory Workgroup to discuss the possibility of a LAP for the king and Spanish mackerel fisheries given the likelihood of increased fishing pressure on the mackerel fisheries if a snapper grouper LAP is implemented. There were views expressed by some on the LAPP Exploratory Workgroup regarding whether this should be a recommendation or not. Some Workgroup members expressed that several fishermen in the Florida Keys, in particular, did not want an LAP for the mackerel fishery.

Approved by Workgroup

LAP Recommendation #5. The LAP Program Exploratory Workgroup recommends that the LAP Program Committee extend the deadline for inclusion of a longline fisherman on the LAP Program Exploratory Workgroup.

Approved by Workgroup

LAP Recommendation #6. The LAP Program Exploratory Workgroup recommends that the LAP Program Committee allow for a fisherman from the Florida Keys to serve on the LAP Program Exploratory Workgroup.

Approved by Workgroup

## **Appendix B. Minutes from Past LAP Program Exploratory Workgroup Meetings**