

A Limited Access Privilege Program for the Commercial Snapper Grouper Fishery?

Council begins to explore options for implementing ITQ program

What do you want this fishery to look like?

That has been the question of many fishermen as the Council has been challenged to effectively manage the 73 species that make up the snapper grouper management complex. Since the original Snapper Grouper Fishery Management Plan was implemented over 2 decades ago, the fishery has seen many changes. Population increases along the South Atlantic coast have contributed to loss of habitat and increased fishing pressure. Economically, seafood imports have driven domestic market prices downward while waterfront property prices have skyrocketed, limiting waterfront accessibility. Meanwhile, management requirements have led to a litany of complex regulations, including size and bag limits, trip limits, and seasonal closures to protect stocks from overfishing or becoming overfished.

These and other factors have decreased the ability of fishermen to maintain profitability in the South Atlantic snapper grouper fishery. Management options that enable fishermen increased flexibility may help increase individual profitability - and options that enable a reduction in fleet size while maintaining status quo landings are expected to increase total fleet profitability. Any new management tool considered for the fishery will need to support maintenance of landings within the commercial quota and minimize discarded fish. With these goals in mind, the Council is considering creating a **Limited Access Privilege (LAP) program** for the commercial snapper grouper fishery.

With LAPs, individual fishermen, communities, or others are granted the privilege of catching a portion of the commercial quota. At present, the main type of LAP being considered for the commercial snapper grouper fishery is an **Individual Fishing Quota (IFQ)** program. This is commonly described as a fishery management program that allows an individual or entity the privilege to harvest a percentage of the TAC. An **Individual Transferable Quota (ITQ)** describes an IFQ program that allows individual quota to be transferred from one person or entity to another. That is, the owner of individual quota can either sell or lease his quota. There are often restrictions on who can purchase or lease quota. For example, in order to purchase quota, an individual may have to own a permit for the fishery.

How do LAPs/ITQs work?

A percentage of the TAC is allocated to each qualifying individual or business entity when the program is implemented. Allocation has been accomplished in several different ways within the U.S. and other countries. The allocation formula usually includes historical landings associated with a permit or vessel, but could include other considerations such as allocating a portion of the quota equally among qualifying fishermen. The percentage of the TAC allocated to an individual is called the quota share. The quota share multiplied by the TAC for a particular year is called annual pounds. In many cases, but not all, once allocation takes place it is expensive for those

not allocated quota to enter the fishery. To help offset this, special provisions are often made for a small amount of quota to be set aside for distribution or for purchase by new entrants and/or non-qualifying small-scale fishermen (those with landings too small to be allocated quota). Programs are usually designed for allocation of quota for individual species. In this way, fishery managers can better and more easily manage species with small maximum sustainable yields (MSY) and TACs.

Beginning in January, 2007, an IFQ program became effective for the red snapper fishery in the Gulf of Mexico. This program received approval from over 80% of the fishermen involved in the fishery. The Gulf of Mexico Fishery Management Council has formed an advisory panel and is currently considering an IFQ program for the entire Gulf reef fish fishery. For more information, visit www.gulfcouncil.org.

Benefits of Limited Access Privileges (LAPs) include:

- Increasing flexibility for fishermen regarding when to fish during the year;
- Increasing the level of individual accountability;
- Achieving conservation goals such as fishing at or below the TAC;
- Resulting in a more efficient (less overcapitalized), more profitable, and more sustainable fishery; and
- Ending derby fishing in fisheries where a derby exists prior to implementation

However, concerns often include:

- Redistribution of fishery infrastructure through market transfers, which often impacts communities economically and socially;
- Concentrated fishery resource usage through concentrated quota ownership; and
- Creation of a situation where new entrants and those who did not receive an allocation have difficulty entering the fishery due to the cost of quota.

The recently reauthorized Magnuson-Stevens Act (2007), the primary legislation outlining national fishery policy, contains language supporting creation of Limited Access Privilege programs for fisheries and provides specific guidelines and requirements for implementation of such programs. A summary of these requirements can be found on the “Socio-Economic” section of the Council’s web site www.safmc.net, along with several other presentations and fact sheets relevant to Limited Access Privileges.

The Controlled Access Committee will meet during each Council meeting during 2007 [the March 5-9, 2007 Council meeting in Jekyll Island, GA] to continue discussions of the development of a possible LAP for the snapper grouper fishery.

How will the Council go about Exploring the Use of Limited Access Privileges (LAPs)?

For several years, the Council and Controlled Access Committee have received presentations from academics, Council staff, and NOAA Fisheries regarding the use of Individual Fishing Quotas (IFQs) in various fisheries of the U.S. and other countries. In December, 2006, the Council approved a motion to consider application of Limited Access Privileges (LAPs) for the South Atlantic snapper grouper fishery.

The Controlled Access Committee met January 23-24, 2007 to begin development of an action plan to outline how the Council might go about exploring the use of LAPs for the commercial snapper grouper fishery. The Committee also developed recommendations for the structure and membership of a LAP Program Exploratory Workgroup to aid in this process.

In March 2007 the Controlled Access Committee, now called the Limited Access Privilege Program Committee, met during the Council meeting to finalize membership to a LAP Program Exploratory Workgroup. The Council approved the Workgroup membership and the Action Plan for LAP Consideration. The Workgroup will meet six times over the 2007 year to discuss the potential use of LAPs for the south Atlantic snapper grouper fishery and to create a potential design of an LAP for this fishery.

For information on Limited Access Privileges (LAPs), including fact sheets, presentations, and briefing book materials from the January and March 2007 Controlled Access Committee meetings, visit the Socio-Economic Section of the Council's web site at www.safmc.net or contact Kate Quigley at the Council Office at 843-571-4366.