

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Environmental Preservation and Conservation Committee

BILL: SM 1168

INTRODUCER: Senator Baker

SUBJECT: Magnuson-Stevens Fishery Conservation and Management Act of 2007

DATE: April 21, 2010                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiggins	Kiger	EP	<b>Fav/1 amendment</b>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**Please see Section VIII. for Additional Information:**

A. COMMITTEE SUBSTITUTE.....  Statement of Substantial Changes

B. AMENDMENTS.....  Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

**I. Summary:**

This memorial urges Congress to consider all available mechanisms to lessen the impact of changes made to the Magnuson-Stevens Fishery Conservation and Management Act of 2007. It urges Congress to find a balance between protecting resources and maintaining the economic prosperity of Florida.

The memorial provides for copies to be submitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and to each member of the Florida delegation to the United States Congress.

**II. Present Situation:**

In 1976, the U.S. Congress passed the Magnuson-Stevens Fishery Conservation and Management Act (MSA). It is the primary law that governs marine fisheries in the United States (U.S.federal waters. The MSA also helped to diminish concerns of potential economic losses due to foreign fisheries. The MSA was intended to end foreign overfishing, establish a U.S. Exclusive Economic Zone (EEZ), and industrialize the U.S. fishing fleet. Conservation efforts

were mentioned, but the primary aim was to extend U.S. territorial waters from 12 to 200 miles and to mandate a phase-out of foreign fishing within the EEZ.

To render the management process more efficient, the MSA established grant programs and other subsidies to help modernize and industrialize the U.S. commercial fishing fleet. The MSA created eight regional fishery management councils composed of state fisheries managers, the regional National Marine Fisheries Service, fisheries administrator, and qualified fishing industry, academic, and environmental representatives. These are: New England Council, Mid-Atlantic Council, South-Atlantic Council, Caribbean Council, Gulf Council, Pacific Council, North Pacific Council, and Western Pacific Council.

Along with consistently conducting research on the fisheries and the interaction and habitats of the fisheries, councils also prepare a fishery management plan and submit it to the Secretary, conduct public hearing and develop annual catch limits. Florida is represented in the South Atlantic Council and the Gulf Council. The governor appoints one member to both councils and also submits a list of names to the Secretary of Commerce for discretionary appointment by the Secretary to the councils.

The Act was amended in 1996 and added new regulations intended to stop overfishing, help rebuild fish populations, minimize the incidental capture and killing of non-commercial marine life, and protect areas of the ocean vital to the development of juvenile fish. The purpose of these amendments was to ensure that the U.S. remained healthy and productive for generations to come.

The act was reauthorized by President Bush in 2007 and included a significant additional requirement to implement annual catch limits and accountability measures for all federally managed species. The reauthorized act imposed a deadline of 2011 for implementing the annual catch limits and accountability measures. For the species that were classified as undergoing overfishing, the reauthorized act set a deadline of 2010 for implementing these measures. Specifically, Section 304(3) of the reauthorized Act addresses the rebuilding of overfished stocks including a requirement that overfishing is ended within two years of notification that a fishery is overfished, and that the rebuilding plan not exceed 10 years. Overfishing is defined as harvesting at a rate equal to or greater than that which will meet the management goal. A stock is considered undergoing overfishing when the rate of fishing mortality exceeds a specific threshold.

In the federal waters of the South Atlantic, there are ten species of economically important fish that are subject to the new deadline. Severely restricting or eliminating the harvest for ten of Florida's most valuable fish will have the unfortunate impact of putting people out of work. Currently, The South Atlantic Fishery Management Council has initiated steps to meet the deadline of the reauthorized MSA. The Council has implemented a shallow-water grouper

closure from January 1 through April 30 of this year. The closure prohibits recreational and commercial harvest of shallow-water grouper species in order to end overfishing of gag, black and red grouper. The Council has also implemented a November 1, 2009 through April 30, 2010 closure on the recreational harvest of vermilion snapper, reducing the annual commercial quota by about 50% according to the FWCC analysis. The Council and the NOAA Fisheries Service are also in the process of developing regulatory changes to end the overfishing of the Atlantic red snapper and rebuild the stock. NOAA Fisheries has already implemented a temporary action that closed all harvest of red snapper in federal waters of the South Atlantic region. The Council is now developing recommendations for permanent changes that would continue to prohibit all red snapper fishing. The Council is also considering a large-area closure to fishing for any species of snapper or grouper because so many red snapper are caught incidentally when other reef fish are being caught, and die when released back into the water.

The Gulf of Mexico is facing similar restrictions on the harvest of certain species of fish. The Gulf of Mexico has seen changes in regulations for red snapper over the last few years. In 2008, these regulations reduced the recreational bag limit and substantially reduced the recreational harvest season. For recreational fishers, the bag limit is two red snappers per person per day. However, possession of bag limits by captains and crew of for-hire vessels is prohibited.

### **III. Effect of Proposed Changes:**

The memorial provides for a number of “whereas” clauses concerning the potential impacts of changes to the Magnuson-Stevens Fishery Conservation and Management Act of 2007, issues addressed include: potential for severe restrictions to our fisheries; that the consequence of fishery restrictions will have substantial economic impacts to both commercial and recreational fishing; that similar actions have already been instituted; and that the act requires that use of best scientific information.

This memorial calls for Congress to lessen the impact of changes made to the Magnuson-Stevens Fishery Conservation and Management Act of 2007. It urges Congress to find a balance between protecting resources and maintaining the economic prosperity of Florida.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

See related issues section.

**C. Government Sector Impact:**

See related issues section.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

**On lines 18-20**, the memorial states that every federally managed fishery is required to implement annual catch limits and accountability measures by 2011, except with respect to Florida. Florida is not the only state that has to meet catch limits by 2010. Any other coastal state that allows for fishing of federally overfished stock would also have to meet the 2010 deadline.

**On lines 21-25**, the memorial states that Florida is required to implement annual catch limits by 2010. The NMFS is required to implement catch limits, not the state of Florida.

**FWCC provided the following comments:**

If the Memorial is acted upon by Congress, the called-for changes have the potential to reduce short-term and perhaps long-term negative economic impacts to recreational and commercial fisheries by ameliorating the hard deadlines established in the 2007 reauthorization of the Act. The following description of the fishery provides an overview of the historical participation in these fisheries and applies to all states in the South Atlantic Fishery Management Council (North Carolina, South Carolina, Georgia, and Florida). It is taken from South Atlantic Fishery Management Council documents (Draft Amendment 17A to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region and draft Environmental Impact Statement November 2009 South Atlantic Fishery Management Council. Charleston, SC.)

From 2003-2007, which is the period of data used in the analysis of the expected impacts of this action, an average of 944 vessels per year were permitted to operate in the commercial snapper grouper fishery. Of these vessels, 749 held transferable permits and 195 held non-transferable permits. On average, 890 vessels landed 6.43 million pounds of snapper grouper and 1.95 million pounds of other species on snapper grouper trips. Total dockside revenues from snapper grouper species stood at \$13.81 million (2007 dollars) and from other species, at \$2.30 million (2007 dollars). Considering revenues from both snapper grouper and other species, the revenues per vessel would be \$18,101. An average of 27 vessels per year harvested more than 50,000 pounds

of snapper grouper species per year, generating at least, at an average price of \$2.15 (2007 dollars) per pound, dockside revenues of \$107,500. Vessels that operate in the snapper grouper fishery may also operate in other fisheries, the revenues of which cannot be determined with available data and are not reflected in these totals. Although a vessel that possesses a commercial snapper grouper permit can harvest any snapper grouper species, not all permitted vessels or vessels that landed snapper grouper landed all of the six major species in this amendment. The following average number of vessels landed the subject species in 2003-2007: 292 for gag, 253 for vermilion snapper, 220 for red snapper, 237 for black sea bass, 323 for black grouper, and 402 for red grouper. Combining revenues from snapper grouper and other species on the same trip, the average revenue (2007 dollars) per vessel for vessels landing the subject species would be \$20,551 for gag, \$28,454 for vermilion snapper, \$22,168 for red snapper, \$19,034 for black sea bass, \$7,186 for black grouper, and \$17,164 for red grouper.

For the period 2003-2007, an average of 1,635 vessels were permitted to operate in the snapper grouper for-hire fishery, of which 82 are estimated to have operated as headboats. Within the total number of vessels, 227 also possessed a commercial snapper grouper permit and would be included in the summary information provided on the commercial sector. The for-hire fleet is comprised of charterboats, which charge a fee on a vessel basis, and headboats, which charge a fee on an individual angler (head) basis. The charterboat annual average gross revenue is estimated to range from approximately \$62,000-\$84,000 for Florida vessels, \$73,000-\$89,000 for North Carolina vessels, \$68,000-\$83,000 for Georgia vessels, and \$32,000-\$39,000 for South Carolina vessels. For headboats, the appropriate estimates are \$170,000-\$362,000 for Florida vessels, and \$149,000-\$317,000 for vessels in the other states. The sudden reductions in allowable harvest being implemented for a wide range of species will reduce business income. Public testimony to date received by the Councils and NOAA Fisheries Service indicate that recreational charter businesses have been or expect to see reductions in business ranging from 25 to 60% because of the growing number of regulatory restrictions being implemented. Some fishing business owners have stated publicly that they will not be able to stay in business at all.

The short-term negative impacts to fishing and fishing industries could be severe. However there are long term negative fiscal impacts associated with delaying or prolonging the rebuilding and recovery of targeted fisheries. As an example, the current projections for rebuilding the South Atlantic red snapper fishery indicate a doubling of the available harvest (landings) by 2020. This result is expected because fishing pressure will be reduced by about 80% immediately. As the fish population (stock) rebuilds it is expected that commercial and recreational fishermen will benefit from increased harvest allowances and higher average annual yields than are available now.

Fiscal estimates of the effects of the Act depend upon the management alternatives used, and the severity of those alternatives. For example, an extended closed season for an economically important species like red snapper would affect the for-hire sector (charter boats and head boats) who have a direct business connection to the availability of that species. Other economic factors, e.g. fuel sales, fishing tackle sales, would also be affected by restrictive management measures associated with rebuilding plans. Likewise, fishing closures have an effect on the availability of species that are commercially sold in the marketplace, and this could lead to that species being replaced in the market by imports or other species not under management.

**VIII. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

**Barcode 169964 by Environmental Preservation and Conservation on April 20, 2010:**

The amendment deletes “of 2007,” in the resolving clause after the Magnuson-Stevens Conservation and Management Act” to avoid confusion. The amendment clarifies the federal requirement for the implementation of annual catch limits and the deadlines for those catch limits (with title amendment) which addresses problems identified in the “Related Issues” section of the bill analysis.