

SUBJECT: Limited entry and license limitations for Texas commercial crab fishery

COMMITTEE: State Recreational Resources— favorable, without amendment

VOTE: 6 ayes — Kuempel, McCall, Horn, King, Merritt, Palmer

1 nay — Longoria

2 absent — Hightower, Hilderbran

SENATE VOTE: On final passage, April 17 — 31-0

WITNESSES: For — Gerald Lindsey, Glenn Koks, Orias Butler, and Rudy Aplin,

Against — None

On — Gene McCarty and Andrew Sansom, Texas Parks and Wildlife

BACKGROUND : The predominant crab species in Texas is the blue crab, found along the entire Gulf coast. The Texas Parks and Wildlife Department (TPWD) estimates that there are 400-500 commercial crabbers in Texas. As there is no commercial crab fishing license in the state, crabbers in Texas are currently required to obtain a general commercial fishing license, a commercial boat license, and commercial crab trap tags for each trap they run. One crabber cannot run more than 200 traps.

DIGEST: SB 920 would establish a limited entry crab license management program, establish a fee for a commercial crab fishing license, allow those licenses to be transferred under certain circumstances, and allow the department to buy back crab licenses under certain conditions.

Crab license management program. The bill would authorize TPWD to establish a licensing program for crab fishery. TPWD would establish eligibility requirements for a license, including requirements based on historical participation in the industry.

The annual license fee would be \$500 or an amount set by the TPWD, whichever was more. Fees would go to the credit of the game, fish and

safety account. In order to renew a license, a license holder would have to have held the license the preceding year. A single person could not hold more than three licenses in the crab fishery program, other than equipment licenses.

TPWD would be allowed, rather than required, to issue tags for crab traps placed in public waters. If the TPWD adopted a crab fishing license, TPWD could not collect a fee for any crab trap tags. Commercial crab license holders would not be required to obtain or possess a general commercial fishing license or commercial fishing boat license.

TPWD would be required to issue a report to the governor and the Legislature not later than January 1, 2001 that included an overview of the crab license management program.

License transfers. A license would be valid for one year, and TPWD would be required to allow license transfers no later than September 1, 2001. An heir or devisee of a deceased license holder, however, would be exempt from license transfer restrictions. TPWD would by rule set a fee for the transfer of a license that could not exceed the amount of the license fee. License transfer fees would be deposited in the game, fish and water safety account.

License suspension or revocation. The executive director of TPWD would be authorized to suspend or revoke a license if the license holder were convicted of one or more flagrant offenses. A flagrant offense and the term of the suspension would be as defined by TPWD proclamation.

License buyback. TPWD could implement a license buyback program and establish criteria by which the department would select a license to be purchased, after consultation with the crab license management review board. The TPWD would retire each license purchased under the license buyback program until the management of the crab fishery allowed reissue of those licenses through auction or lottery. At least 20 percent of the fees collected from licenses and transfer fees would be used to buyback commercial crab licenses from willing license holders. TPWD could also accept grants and donations of money or materials for license buybacks.

Crab License Review Board. A crab license review board would be elected by crab license holders. The board, composed of crab and wholesale fish dealer licensees, would advise TPWD on a number of issues, including hardship appeal cases concerning eligibility, the definition of flagrant offenses, and licensing issues.

To be eligible to serve on the board, a person would have to have purchased crab trap tags after September 1, 1995, and before August 31, 1996, or be a wholesale fish dealer with knowledge of the commercial crab fishing industry. The election of the initial board would be held before November 1, 1997, or as soon as practicable after that date.

The bill would take immediate effect if finally approved by a two-thirds record vote of the membership in each house.

**SUPPORTERS
SAY:**

SB 920 would promote efficiency and economic stability in the crabbing industry and would allow the state to conserve economically important crab resources that are currently in decline. The Texas blue crab fishery is the third most valuable commercial fishery in the state, valued at over \$4 million, and sales of commercial crab trap tags have risen from 51,000 in 1992 to 88,000 in 1996. In the long term the proposed crab license management program would allow the development of a smaller but more efficient crabbing industry and increase the quality and availability of crabs. Individual crabber profits would rise as excess competition for crab stocks would be reduced.

Blue crab populations are in decline due to over-fishing and are in need of management. Continued declines in blue crab populations along with increased fishing could result in the collapse of the commercial and recreational fisheries. SB 920 would allow TPWD to stem this decline by implementing a program of limited licensure to limit the number of new crabbers in Texas.

Limited entry or license limitation refers to a form of regulation that limits the number of people from entering an occupation based on a limited natural resource that is being depleted. Limited entry systems have been used in Texas to control the take or use of state resources such as oil, gas, and

timber. A license limitation entry system for commercial shrimping has been in place in Texas since 1995.

SB 1340 resulted from collaboration between representatives of the crab industry and the TPWD who developed a plan that would meet the needs of the crabbers but would also limit the number of licensed crabbers to stem depletion of the crab fishery. Under the framework imposed by SB 920, new licenses would only be issued to those who could meet certain eligibility requirements, which could include a requirement that a license only be issued to those who have been involved in commercial crabbing in the past.

The bill would give TPWD a four-year window in which the department could decide whether or not to allow transfers. Under the plan, license holders could begin to transfer their licenses to other people by September 1, 2001, at the very latest. Giving TPWD the ability to delay transfer of licenses for that time would ensure that legitimate active crabbers would stay in the fishery, but would discourage speculative holding or purchasing of licenses. In the meantime, the state could also buy back licenses from crabbers to retire them, decreasing pressure on the fishery.

The time limits in the bill would allow those who have already been crabbing to continue to do so, and the transferability provisions would maintain the stability of the fishery and allow new crabbers into the field when licenses became available. In cases of questionable eligibility or hardship appeal cases, crabbers would be reviewed by a board of their peers, ensuring that those with a knowledge of crab fishery would be involved in eligibility decisions.

OPPONENTS
SAY:

The bill would allow those who are already entrenched in the commercial crab industry to prohibit future competitors from entering the market.

OTHER
OPPONENTS
SAY:

Any transfer or sale of licenses in the future should be done by or with the approval of the state to ensure that crabbers who decided to sell a license could not discriminate against certain races or groups of people, essentially barring them participating in the crab fishery due to the restrictions inherent in a limited entry system. The state should devise an equitable system so that all crabbers, no matter what their race or ethnicity, would have an equal

chance at buying a license that became available. Only the state should govern and benefit from the sale of licenses, not private individuals.