

**SUBJECT:** Establishing a gulf shrimp license moratorium program

**COMMITTEE:** Culture, Recreation, and Tourism — committee substitute recommended

**VOTE:** 5 ayes — Hilderbran, Kuempel, Baxter, Dukes, Phillips  
0 nays  
2 absent — Dunnam, Gallego

**WITNESSES:** For — Walter W. Zimmerman, Texas Shrimp Association (*Registering but not testifying*: Ed McCarthy, Texas Shrimp Association)  
  
Against — None  
  
On — Robin Reichers, Coastal Fisheries Division, Texas Parks and Wildlife Department

**BACKGROUND:** In 1995, the Legislature established a moratorium on bay and bay shrimp boat licenses by limiting renewals to those holding licenses on April 1, 1996. Under Parks and Wildlife Code, sec. 77.114, no person is allowed to hold or indirectly control more than four commercial bay and four commercial bait shrimp boat licenses.

**DIGEST:** CSHB 886 would authorize the Texas Parks and Wildlife Department (TPWD) to implement a gulf shrimp license moratorium to promote efficiency and economic stability in the gulf shrimping industry. After August 31, 2005, TPWD could issue renewals of existing shrimp boat licenses only for vessels intended to be licensed and used as commercial shrimp boats. Proof of vessel registration would be required in order to issue a commercial gulf shrimp license renewal.  
  
By November 1, 2005, shrimp boat license holders would have to elect a nine-member gulf shrimp moratorium review board made up of license holders and reflecting a specific geographic distribution outlined in the bill. The review board would advise the Texas Parks and Wildlife Commission (TPWC) and TPWD and make recommendations concerning the administrative aspects of the gulf shrimp license moratorium, including hardship and appeal cases concerning eligibility. The review

board would not be subject to state laws governing advisory committees. The executive director of TPWD would adopt procedures and TPWC would adopt any necessary rules to administer the program.

No later than January 1, 2010, TPWD would have to report to an advisory committee appointed by TPWC to address issues relating to gulf shrimp in Texas. The report would include an overview of the administration and status of the gulf shrimp license moratorium as well as information concerning the sociological and economic effects of the program.

The bill also would change the requirements for the appearance of shrimp boat licenses to require that they be constructed of a durable material.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

**SUPPORTERS  
SAY:**

HB 886 would help shore up the Texas shrimp industry, which is struggling to survive economically. The markets are flooded with imported and farm-raised shrimp – wild-caught shrimp now account for less than 20 percent of the shrimp consumed in the nation. While the price of shrimp has plunged, business costs have skyrocketed. The high cost of fuel has made it difficult to make a profit even with the best catches.

HB 886 would help steady the industry by protecting Texas' offshore shrimping fleet from outside competition by allowing commercial shrimp boat licenses to be issued only to those who held licenses in fiscal 2004-05. In future years, only these licenseholders would be eligible for renewal.

The Gulf of Mexico Fisheries Management Council, the regional advisory group that recommends Gulf fishing rules and regulations to the National Marine Fisheries Service, is moving forward with establishing a moratorium on issuing permits for fishing in federal waters, between nine and 200 miles off the Texas coastline. The moratorium would mean only those vessels previously licensed and permitted to take shrimp from federal waters could continue receiving the permits. By limiting licenses to shrimp boats licensed in Texas in 2004-05, HB 886 would prevent a rush of out-of-state shrimpers obtaining Texas gulf licenses so they could qualify to continue receiving federal permits. The licensing program also would prevent large bay shrimp boats from moving into the Gulf, creating additional competition for current gulf shrimpers.

The license moratorium would be consistent with the TPWD shrimp fishery management plan and has been supported by the TPWD Shrimp Advisory Committee.

OPPONENTS  
SAY:

This bill would allow those already in the industry to entrench their positions and prevent others from entering the market. The rest of the economy is moving toward open markets and free trade, which benefits consumers with lower prices. Texas shrimpers should not be allowed to use protectionism to keep them afloat in the shrimp business.

NOTES:

The committee substitute increased the number of board members from seven to nine and made other non-substantive revisions.

The companion bill, SB 454 by Armbrister, passed the Senate on May 3 on the Local and Uncontested Calendar and is pending in the House Culture, Recreation, and Tourism Committee.