

**Addendum XIV to Amendment 3 to the  
Interstate Fishery Management Plan for  
American Lobster  
LCMA 3 Trap Transfer Program**



*ASMFC Vision Statement:*

**Healthy, self-sustaining populations for all Atlantic coast fish species or successful restoration well in progress by the year 2015**

**Approved May 5, 2009**

## **1.0 Introduction**

The Lobster Conservation Management Team (LCMT) for Lobster Conservation Management Area 3 (LCMA 3) recommended to the American Lobster Board (Board) that it consider changes to its transferable trap program. It recommended lowering the transfer trap cap and adjusting the conservation tax on transfers. In August 2008, the Board approved a motion to initiate the development of a draft addendum to Amendment 3 to the Interstate Fishery Management Plan (FMP) to alter the LCMA 3 transfer program including changes to conservation tax and trap cap. The Board approved the changes to the transfer program at the Spring 2009 Board meeting.

## **2.0 Statement of the Problem**

Given the competitive nature of the fishery in LCMA 3, it is expected that once transferability is implemented, all fishing entities will elect to fish the highest number of traps in order to remain competitive. This could lead many who have never fished a larger allocation to buy up to the trap cap of 2,200 traps (under the previous regulation). There were concerns for increased costs and overhead and consolidation in a fishery where only a certain number of traps are allocated. The LCMT recommended that the Board lower the trap cap to address these concerns. The trend of the management process has been to fish fewer traps and the LCMT considered this a positive move toward the future. This Addendum lowers the trap transfer cap from 2,200 to 2,000 traps.

Previously the LCMA 3 conservation tax was based on the number of traps being transferred. The two-tiered tax system had caused confusion. There had been concern that a high conservation tax would deter transfers from occurring, thus reducing the conservation benefit of having a transfer tax. This Addendum modifies the program to a single conservation tax for partial allocation transfers within LCMA 3 and includes a conservation tax on the sale of a complete fishing operation.

## **3.0 Background**

American Lobster Addendum IV to Amendment 3 outlines a transferable trap program for LCMA 3. This program allows LCMA 3 lobster fishermen to transfer trap tags to other lobster fishermen. Addendum V reconsidered and established a new overall trap cap and conservation taxes for transferring traps in LCMA 3. Draft Addendum XIII proposed to modify the overall trap cap and conservation tax on transfers but the Board did not take action on the LCMA 3 program in Addendum XIII and reconsidered the transfer program changes in draft Addendum XIV.

With LCMA 3 trap reductions, the overall traps have declined for each permit holder who holds permit-specific trap allocations. The maximum trap allocation for any LCMA 3 permit holder will be 1,945 traps (once all scheduled trap reductions are complete), lower than the previous transfer program cap of 2,200 traps.

It is expected that LCMA 3 trap allocations will be transferable once all agencies fully implement Addendum XII. There is a concern that once transferability has begun, permit holders may seek to maximize their trap allocations through transfers and the end result (after many years of transfers) will be fewer fishermen involved in the fishery and most fishing up to the limit of 2,200 traps. Given a fixed number of traps available in the fishery, any lowering of the trap cap (as proposed here) could result in more participants (if the expected trend toward

consolidation occurs). It may also allow for economic profitability through flexibility, and support creative options for future business planning.

The basis for the 2000 trap cap limit is to cap trap fishing levels (on a per vessel basis) to a level similar to those seen in the offshore waters in the 1990's when the FMP was established. Variable costs to run a lobster business are increasing (fuel, rope, bait), capping the maximum trap levels can promote economic efficiency. Consequently, this addendum attempts to meet two of the FMP's objectives:

- 1) *Maintain existing social and cultural features of the industry wherever possible*
- 2) *Promote economic efficiency in harvesting and use of the resource*

#### **4.0 Management Measures**

These measures replace Section 2.0 of Addendum V to Amendment 3.

*All measures in this plan occur solely in federal waters.*

##### **4.1.1 LCMA 3 Transfer Tax**

A conservation tax (passive reduction) of 20% is assessed for each partial transfer of traps in LCMA 3 (example: if 100 trap tags are transferred to a fisher, the net number of tags received by that fisher will be 80).

A conservation tax (passive reduction) of 10% is assessed for the sale of a complete fishing operation in LCMA 3.

##### **4.1.2 LCMA 3 Trap Cap under Transfers**

No individual/business with an allocation less than 2,000 traps can build their total trap allocation above 2,000 traps under a trap transfer program, regardless of historical participation.

#### **4.2 Compliance**

States shall be required to enact regulations instituting measures contained in section 4.0 of this document upon NOAA Fisheries completing rule making on Addendum XIV recommendations, not prior.

Agencies shall incorporate trap levels into the Annual Lobster Compliance report due to ASMFC's Plan Review Team on March 1 after regulations have been adopted.

#### **5.0 Recommendations for Actions in Federal Waters**

The Atlantic States Marine Fisheries Commission believes that the measures contained in Amendment 3 and Addenda I-XIV are necessary to limit the expansion of effort into the lobster fishery and to rebuild lobster stocks to recommended levels. The Commission recommends that NOAA Fisheries promulgate all necessary regulations to implement the measures contained in Section 4 of this document.