

Written Statement of Harlon Pearce
Owner, Harlon's LA Fish LLC, Kenner, Louisiana
Representing the Gulf Seafood Marketing Coalition
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"The Management of Red Snapper in the Gulf of Mexico under the Magnuson Stevens Fishery
Conservation and Management Act"
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Chairman Hastings, Ranking Member Markey and Members of the Committee, my name is Harlon Pearce and I am pleased to have this opportunity to testify before you today on the very timely issue of red snapper management in the Gulf of Mexico. I am the owner of Harlon's LA Fish, a seafood wholesaler based in Kenner, Louisiana, I am a member of the Gulf of Mexico Fisheries Management Council, and I'm past-Chairman of the Louisiana Seafood Promotion and Marketing Board. For purposes of today's hearing, I will be speaking as an Executive Committee member of the Gulf Seafood Marketing Coalition (Coalition), a broad-based group representing all facets of the Gulf of Mexico seafood distribution chain with a mission of improving the economic well-being and quality of life for all stakeholders with an emphasis on sustainability, conservation and transparency. Since my business and my affiliation with the Gulf Seafood Marketing Coalition are closely aligned with the interests of the harvesting sector, my testimony today will focus primarily on the opinions of myself and my colleagues in the harvesting sector and the supply chain that depends on us.

Red snapper is, of course, an iconic American favorite sought after by consumers across the country. Seafood sales are one of the biggest drivers of the important tourism industries in Louisiana, Florida and the other Gulf states and consumer surveys indicate that tourists closely identify the delicious and mild flavor of red snapper with the American Gulf coast. Unfortunately, with modifications to the fishing seasons implemented in recent years, Gulf coast restaurants and retailers have encountered difficulty sourcing enough red snapper to meet demand. Conversely, with availability lowered, there have been significant price increases, with some New Orleans restaurants reporting an increase of 100% over past years. I say this to illustrate that the current red snapper issue is not only a recreational concern but one facing consumers also. As such, I am committed to working with Congress, my colleagues on the Gulf Council and others on a solution that addresses the recreational red snapper controversy while also preserving supply for commercial harvesters and consumers.

While there have been challenges with overfishing of the stock in the past, the species is no longer undergoing overfishing and is now being managed under a rebuilding plan which will allow the species to rebuild back to target population levels. Starting in 2007, the Gulf Council and NOAA Fisheries implemented an Individual Fishing Quota (IFQ) program for commercial red snapper to reduce the number of vessels and improve the operation of the fishery. The IFQ program now provides the harvesting sector with flexibility to fish during times that suit their needs and the needs of the market resulting in less pressure on the fishery and less pressure on the resource. At this time, no similar solution has been developed for the recreational sector and federal management of the recreational red snapper industry in the Gulf remains highly controversial with fishery managers drastically reducing fishing days leading to serious economic implications for the Gulf coast economy. While I recognize the seriousness of the challenges facing the recreational sector, actions taken to remedy their concerns should not upset the IFQ process that seems to be working favorably for those dependent on the supply provided by the harvesting side.

Concerns with Federal Red Snapper Legislation Designed to Overturn Federal Authority:

With the goal of maintaining a workable program for the red snapper harvesting industry in the Gulf, I believe that taking red snapper management away from the federal government and handing it over to the states is a tricky course of action and must be undertaken with the utmost caution. Several bills have been introduced in both the House and the Senate that grant the states and regional fishery management organizations (primarily the Gulf States Marine Fishery Commission) complete authority to manage red snapper in the Gulf of Mexico. The scope of these bills covers the entire spectrum from granting the states absolute authority with very little federal oversight to granting the Commissions expanded authority with a moderate level of oversight from the Department of Commerce and NOAA. In general, any action that overturns the federal oversight process established under the Magnuson Stevens Act (MSA) would be ill-advised for many reasons and I would like to take this opportunity to expand on a few of those here.

- **Fairness in Allocation:** Under MSA, fishery management plans (FMPs) must allocate fishing privileges in a fair and equitable manner that ensures no particular individual or entity acquires excessive share of such privileges. It is this principle that supports granting 49% of the Gulf red snapper allocation to the recreational sector and 51% to the harvesting sector. If MSA is eliminated for red snapper and the states are given full authority to determine allocations, there is no assurance that the harvesting sector, and thus the consuming public, will be granted a fair share of the resource. As a member of the Gulf Seafood Marketing Coalition, one of my objectives is to help preserve a healthy seafood supply chain for consumers and the market at large. The MSA process has built-in protections that are invaluable to achieving this goal.
- **Unclear State Authority:** The fishery management system established under MSA created the Regional Fishery Management Council process which has become a very functional tool for ensuring regional coordination and cooperation in management decisions. Boundaries at sea are very difficult to determine and enforce and, as such, uniformity of regulations throughout a region has become imperative. Most of the bills introduced to turn red snapper management over to the states would result in different management regimes for each of the states. These regimes would be subject to the fast-changing politics of each state with little or no consistency. Further, states' fisheries managers may be independent entities with no oversight from state executive or legislative branches (as is the case in Florida). Should a decision come down from the state fishery management entity that is unjust or unwise, there may be no path for remediation. If we are trying to reduce confusion for our fishermen, completely eliminating the consistency inherent in the MSA process this is no way to go about it.
- **Sustainability Threatened:** Under the Magnuson Stevens Act, stringent conservation and management measures are in place to ensure long-term survivability of fish species. I am concerned that if management authority is taken out from under the federal umbrella with its many checks and balances, the states will be unable to ensure protections for the resource. Without the current system of management decisions designed to achieve optimum yield based on maximum sustainable yield, I fear massive overfishing might become a reality. Further, states may not have the infrastructure, either financial or personnel, to conduct the research and data collection needed to properly manage important fishery resources. Additional federal funding would be required to enable the states to carry out new research requirements and the bills pending consideration today do not make clear how those funds would become available.

Regional Management Amendment 39:

With all of that said, I do understand the drive in Congress and among interest groups to take some action that will lead to more certainty for the recreational red snapper community. Fortunately, the Gulf of Mexico Fishery Management Council (Gulf Council) is moving forward quickly with a regional management program for red snapper that will preserve the equity, sustainability and transparency guaranteed under the Magnuson Stevens Act while also granting the states a much broader role in determining catch limits and allocations. Importantly, no act of Congress is necessary to see this concept become a reality and I am confident the process will resolve favorably for all parties concerned in the very near future.

At last week's Gulf Council meeting in Pensacola, we voted to send Reef Fish Amendment 39 – Regional Management of Recreational Red Snapper-- to the public hearing phase for review and comment and I am pleased to report that there is great momentum behind getting this done. In short, Amendment 39 would establish a regional management program that delegates authority to the states to set management alternatives for recreational red snapper. This action would give states more flexibility in choosing season and bag limits but maintains important federal oversight and federal conservation goals. Further, the Gulf Council would continue to oversee management of the stock which I believe is imperative to ensuring long term sustainability of both the fishery and the businesses that depend on it.

More specifically, the plan would establish five regions representing all the Gulf states and allocate percentages of the recreational quota to each state's region. The amendment would exclude the requirement for vessels with federal charter/headboat permits to comply with more restrictive red snapper regulations when fishing in state waters. Further Amendment 39 would establish post-season accountability measures that would reduce the upcoming annual quota for any region that goes over their allocation unless the total landings from the entire Gulf do not exceed the Gulf-wide recreational quota in that year. Additionally, in an effort to improve recreational data collection, the Council will be developing a scoping document that looks at enhancements, revisions and new options for quantifying private, recreational landings. This data collection initiative is imperative considering the Southeastern Fishery Science Center's inability to get real time data collection figures for the recreational sector in a timely manner. Finally, all five Gulf states have sent letters to NMFS agreeing to the terms necessary to make this regional program happen.

It is important to note that no changes to the Magnuson Stevens Act would be necessary to see this regional management program become a reality and the red snapper bills pending consideration before Congress now would also be unnecessary with the speed at which the Council is moving forward. Further, the Council should be able to do its job without any additional funding which would certainly be a challenge should the states undertake a brand new program outside the scope of the Council process. I am pleased to report that a sound resolution to the recreational red snapper challenge is well on its way. This regional management approach partnered with the well-established IFQ program for the harvesting sector should be sufficient to allay all concerns from the fishermen, consumers, federal government and the states while also preserving the long term survivability of this important fishery.

Council Actions on Stock Assessments and Consideration of a Constant Catch Scenario:

Additional activities taking place at the Gulf Council with regard to stock assessments may further provide fishermen with needed certainty which is a top priority. At our meeting last week, the SSC

stated that the Allowable Biological Catch (ABC) for red snapper for 2013, 2014, and 2015 would be 13.5 million pounds, 11.9 million pounds, and 10.6 million pounds respectively. The projected drop in ABC was attributed to two poor year class recruitment. From these figures, the Council is required to set an Annual Catch Limit (ACL) for each year. At present, the Council would rather have a constant catch scenario of 11.9 million pounds for all three years as opposed to a steadily declining catch limit over time. This constant catch scenario would provide the seafood community with consistent numbers over time and the ability to better plan for future seasons. The Council will hold a one-day meeting in New Orleans on July 17th to arrange a framework action to set the 2013 extra season and, hopefully, finalize plans for a constant catch scenario for the next three years. Additionally, there was much discussion among Council members that the red snapper stocks may already be rebuilt based on the equilibrium yield of 11 million pounds for maximum sustainable yield (MSY). This is additional good news for our fishery and our stakeholders.

Suggested Changes to Magnuson Stevens Fishery Conservation and Management Act:

While no federal legislation is needed to solve the red snapper challenges, I would like to take this opportunity to address several aspects to the Magnuson Stevens Act that I do believe can be amended to better our nation's fishery program on the whole. Three areas that I would like to see addressed are funding for fisheries research and data collection, the role of the Science and Statistical Committees (SSCs), and the concept of expanding our current two sector fishery to a three sector fishery.

- **New Funding Sources:** Of course, funding for fisheries research and data collection is a long-standing challenge that has plagued the entire nation, not just the Gulf Coast region. One solution to this problem may be to mandate in the MSA that up to 3% of all allocations be set aside to develop and maintain constant data streams that help paint a picture of our nation's fisheries every year. These funds, generated annually by the sale of a percentage of the allocations for quota fisheries, could be used to support industry-based surveys, enhanced biological sampling, increased electronic data reporting and more. I understand this is already being done for several fisheries along the Atlantic coast and I would encourage the Committee to examine ways to bring this concept to bear in the rest of the country.

Another area of funding that could be tapped to improve our overall fisheries research and management capability could be from permitting fees. Currently, revenue generated by fisheries permitting goes into the general fund. Simply redirecting permitting fees back to NMFS for the implementation of fishery management projects and research would help fill in some severe gaps that exist in the current system.

- **Role of Science and Statistical Committees:** The role of the SSCs is another area that I think can be improved through amendments to MSA. Currently, Regional Fishery Management Councils are required to take determinations made by SSCs and incorporate them into management decisions, despite the fact that SSC recommendations generally only take fish populations into consideration while excluding considerations of other economic, human and market factors. Ideally, SSCs should be consensus groups and their recommendations should be just that: recommendations. Determinations made by SSCs should be taken into consideration by the Councils when making management decisions, but the role of the SSCs should only be advisory. Additionally, in today's fast-moving world, we should be able to react by calling SSC and other Council meetings in a more timely manner. The notice period for meetings should be more flexible to help address very time-sensitive matters quickly and efficiently.

- **Additional Fishery Sector Consideration:** Finally, it has become obvious that our industry should be expanded from two sectors to three in a system that encompasses the harvesting, recreational and charter/for-hire communities. Each of these sectors has their individual needs both for the fisheries they harvest and for their fishermen. On the commercial side, our focus must go beyond the economics of the harvesting sector alone and consider seafood consumers throughout the supply chain. If we are to increase consumption of domestic seafood and more equally balance our seafood trade deficit, the needs of the consumers and our efforts to market U.S. seafood to the broader public must remain a top priority.

With this testimony, I hope I have provided the Committee with some more clarity on the ways in which the red snapper challenge can be resolved under current law and that no additional federal legislation is necessary. Again, maintenance of the federal framework for sustainability, regional management, enforcement and equitable division of allocations among the sectors are imperative to any plan designed to eliminate confusion in the red snapper fishery. Our consumers and the American public depend on it. Further, I hope I've given you some food for thought with regard to suggested modifications to the Magnuson Stevens Act that might benefit our nation's fishery management system overall.

I look forward to working with the Committee on these important issues and I welcome any questions you may have.