

SUBJECT: Establishing a moratorium on oyster licenses

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

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

WITNESSES: For — Richard Moore
Against — John Valentino
On — Robin Reichers, Costal Fisheries Division, Texas Parks and Wildlife Department

DIGEST: CSHB 886 would authorize the Texas Parks and Wildlife Department (TPWD) to implement an oyster license moratorium to promote efficiency and economic stability in the oyster industry and to conserve economically important oyster resources. After August 31, 2005, TPWD could issue renewals of existing licenses only for vessels intended to be licensed and used as commercial oyster boats. Proof of vessel registration would be required in order to issue a commercial oyster license renewal.

By November 1, 2005, commercial oyster boat license holders would have to elect a seven-member oyster license moratorium review board made up of commercial oyster boat 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 oyster license moratorium program, 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 oysters in

Texas. The report would include an overview of the administration and status of the oyster license moratorium as well as information concerning the sociological and economic effects of the program.

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 884 would help protect the state's natural oyster resources and ensure the stability of the industry by limiting the number of licenses that could be issued to harvest oysters. The oyster fishery is the only major inshore commercial fishery in Texas that is still an open access fishery, meaning that anyone can enter and exit the market from year to year. This entry and exit can create economic instability in the industry and does not allow traditional participants to benefit in the good years after weathering the bad years.

If commercial gulf shrimping were limited by federal regulations, some fishermen might decide to turn to the oyster industry as a source of income. While the number of oyster licenses is now stable, it could increase dramatically in response to restrictions in other areas, creating instability in the oyster market and pressure on oyster reefs in the future.

**OPPONENTS
SAY:**

HB 884 would allow a handful of oyster businesses to further strengthen their hold on the industry by limiting licenses to current license holders. The oyster industry, unlike the shrimp industry, is relatively stable, and there is no need for a moratorium on new licenses. The bill would take away the flexibility of the current system, which allows the fleet to expand and contract from year to year depending on the bounty of the oyster harvest. Some Texas shrimpers participate in the oyster industry only in good years and cannot afford to renew their licenses if the size of the harvest does not justify the cost of the license. This bill would protect a monopoly of entrenched oyster businesses, which could afford to renew their licenses in good years and bad.

NOTES:

The committee substitute made nonsubstantive revisions to licensing requirements outlined in the bill.

The companion bill, SB 272 by Williams, passed the Senate on the Local and Uncontested Calendar on May 3 and is pending in the House Culture, Recreation, and Tourism Committee.