

DECISION DOCUMENT

for Generic Dealer Amendment

to the Fishery Management Plans in the Gulf of Mexico
and South Atlantic Regions

September 2012

This document is intended to serve as a SUMMARY for the actions and alternatives in the Joint Gulf/South Atlantic Generic Dealer Amendment. It also provides background information and includes a summary of the expected biological and socio-economic effects from these proposed management measures.

***NOTE: Decisions the Committee/Council need to make are highlighted in yellow.**

Attachment 2a is the version of the amendment used by the Gulf Council during their August meeting. The IPT made changes to the public hearing version of the amendment to prepare Attachment 2a. The South Atlantic Council will be reviewing and approving these changes.

The Gulf Council made some changes and approved the amendment for formal review. If the South Atlantic Council approves all the changes to the Actions/Alternatives and Councils' intent, the document can go to the Secretary; any significant changes will require additional action by the Gulf Council and will delay implementation.



Why are the Councils taking Action?

In some cases, existing annual catch limits established by the Gulf of Mexico and South Atlantic Councils have been exceeded due to shortcomings of existing reporting requirements for federally-permitted seafood dealers. Improvements are needed to the accuracy, completeness, consistency, and timeliness of data reported by federally-permitted seafood dealers to meet the requirements of the Magnuson-Steven Fishery Conservation and Management Act. This action will aid in achieving the optimum yield from each fishery while reducing (1) undue socioeconomic harm to dealers and fishermen and (2) administrative burdens to fishery agencies.

Purpose for Action

To change the current permit and reporting requirements for those individuals or organizations that purchase species managed by the Gulf of Mexico and South Atlantic Councils.

Need for Action

To ensure landings of managed fish stocks are recorded accurately and in a timely manner so annual catch limits are not exceeded.

What are Federal Seafood Dealer Permits and Why are they Required?

A seafood dealer is the person who first receives fish by way of purchase, barter, or trade. Seafood dealers buy product from commercial fishermen and sell directly to restaurants, markets, other dealers, processors, or consumers without substantially altering the product. NOAA Fisheries issues federal dealer permits on an annual basis to those individuals or organizations that wish to become a seafood dealer.

What are Some Examples of How the Lack of a Generic Dealer Permit and More Frequent Reporting Requirements Have Adversely Affected Management?

Gulf of Mexico Region King Mackerel

In the Gulf of Mexico, quota monitoring of king mackerel has been hampered by the lack of a dealer permit. Dealers who possess a reef fish dealer permit are required to report all species, including king mackerel. However, not all dealers in the Gulf of Mexico have a reef fish dealer permit and a dealer permit is not required to receive king mackerel. Each year, the dealers that reported 95% of the landings in the previous year are selected to report to federal and state port agents, who pass the information to NOAA Fisheries. This process is dependent on the ability of the port agents to contact dealers and receive landings in a timely manner. At times, communication between dealers and port agents can be disrupted and cause delays in reporting.

The delay of some reports, coupled with a recent increase in the rate of landings, has led to overages of the quotas in recent years (**Table 1.3.1**). For example, in five of the most recent six fishing seasons, the quota was exceeded by 29-90% in the Florida West Coast Northern Subzone and by 4-36% in the Florida West Coast Southern Subzone. In two of those years, the high rate of landings and some delayed reporting resulted in NOAA Fisheries being unable to implement the trip limit reduction for the Northern Subzone that should happen when 75% of the quota is met. A similar situation occurred in the Florida West Coast Southern Subzone in 2011/2012, when no trip limit reduction could be implemented and the quota was exceeded by 30%.

Table 1.3.1. Quota overages for Gulf migratory group king mackerel in the Eastern Zone Florida West Coast Subzones.

	Northern	Northern	Northern	Northern	Southern	Southern	Southern I	Southern
Year	Quota	Landings	Overage	% Over	Quota	Landings	Overage	% Over
06/07	168,750	218,298	49,548	29.4	520,312	540,273	19,961	3.8
07/08	168,750	253,783	85,033	50.4	520,312	514,708		
08/09	168,750	208,185	39,435	23.4	520,312	705,712	185,400	35.6
09/10	168,750	319,969	151,219	89.6	520,312	605,720	85,408	16.4
10/11	168,750	225,916	57,166	33.9	520,312	638,510	118,198	22.7
11/12	168,750	127,722			520,312	675,661	155,349	29.9

Source: Data from NMFS ACL Database 7/12/12.

Gulf of Mexico Region Greater Amberjack

In the Gulf of Mexico region, ACL overages have occurred in the greater amberjack component of the reef fish fishery. Overages and underages have occurred, in large part, due to the requirements that dealer reports are submitted bi-weekly and not more frequently. When the landings are not reported frequently, NOAA Fisheries must project the closure date. Greater amberjack quotas have been exceeded four of the last five years since their implementation in 2008 (**Table 1.3.2**). In 2011, landings exceeded the quota by 77% or 265,562 pounds. For 2012, the commercial landings were estimated to have met the quota during the months of January and

February. Therefore, the commercial season has been reduced to two months for 2012 and remains closed throughout the rest of the year. The 77% overage could have been reduced or prevented if reporting had been required on a daily or weekly basis.

Table 1.3.2. Summary of 2008-2012 Commercial Gulf of Mexico Greater Amberjack landings and overages (pounds whole weight).

	Commercial	Commercial	Commercial	Commercial	Closure
Year	Quota/ACL	Landings	Overage	% Of ACL	Date
2008	503,000	412,516	-90,484	-18	
2009	503,000	632,928	129,928	126	Nov 7
2010	373,072	562,172	189,100	151	Oct 28
2011	342,091	607,653	265,562	177	June 18
2012	237,438	272,235	34,797	114	March 1

Source: NOAA Fisheries website 8/1/12.

South Atlantic Region Golden Tilefish

The commercial golden tilefish quota has been exceeded every year from 2006 onwards (**Table 1.3.3**). Overage has ranged from a low of 2% in 2007 to a high of 36% in 2006.

Table 1.3.3. South Atlantic Region golden tilefish quota overages (pounds gutted weight) (conversion factor for gutted weight for golden tilefish is 1.12).

	Commercial	Commercial	Commercial	Commercial	Recreational	Recreational	Recreational	Recreational
Year	Quota/ACL	Landings	Overage	% Over	Quota/ACL	Landings	Overage	% Over
2006	295,536	402,934	107,398	36%				
2007	295,536	300,724	5,188	2%				
2008	295,536	312,623	17,088	6%				
2009	295,536	337,488	41,952	14%				
2010	295,536	396,525	100,989	34%				
2011	282,819	356,843	74,024	26%	8,749	54,471	45,721	523%
2012	282,819	365,171	82,352	29%				

Source: Data for 2006-2010 from NMFS ACL Database 9/2011. Preliminary landings for 2011 from SEFSC projection analyses (Appendix F). Preliminary landings for 2012 from SEFSC quota monitoring. Table taken directly from Snapper Grouper Regulatory Amendment 12.

South Atlantic Region Black Sea Bass

The commercial black sea bass ACL has been exceeded the past two fishing years (**Table 1.3.4**). Overage has ranged from 5% to 19%.

Table 1.3.4. South Atlantic Region black sea bass commercial landings and ACL overages.

Month	Pounds Guttred Weight Black Sea Bass	
	2011-2012	2010-2011
June	297,486	78,436
July	93,935	50,606
August	241	58,472
September	0	42,947
October	0	10,887
November	0	115
December	1,705	66,917
January	2,833	24
February	2,689	14
March	2,524	128
April	847	0
May	0	0
Total	369,033	308,547
Expanded Total	369,033	323,353
Quota	309,000	309,000
Percent	119.43%	104.64%

Source: NMFS SERO website 6/4/12.

South Atlantic Region Gag

The commercial gag ACL was exceeded by 21% in 2011 (**Table 1.3.5**).

Table 1.3.5. South Atlantic Region gag quota overage in 2011.

Pounds Guttred Weight Gag 2011	
Month	
January	54
February	69
March	0
April	134
May	105,747
June	60,192
July	42,681
August	23,697
September	39,233
October	46,165
November	52,808
December	55,887
Total	416,593
Expanded Total	426,667
Quota	352,940
Percent	120.89%

Source: NOAA Fisheries SERO website 6/4/12.

South Atlantic Region Vermilion Snapper

The commercial vermilion snapper ACL has been exceeded every year from 2009 onwards (Table 1.3.6). Overages for each 6-month period have ranged from a low of 14% under in January-June 2011 to a high of 84% over in July-December 2011.

Table 1.3.6. South Atlantic Region vermilion snapper quota overages.

Vermilion Snapper	2011 Jan -June	2011 July-Dec	2010 Jan-June	2010 July-Dec	2009 Jan-June	2009 July-Dec
January	105,214		173,327		54,194	
February	92,945		78,757		45,335	
March	24,118		72,301/Closed		41,335	
April	331		0		65,398	
May	43,946		0		67,874	
June	3,844		11		110,339	
July		172,384		74,673		125,315
August		153,405		147,817		105,652
September		227,032		186,152		114,900
October		2,005		17,072/Closed		155
November		587		0		8
December		70		0		0
Total	172,254	552,397	324,396	425,715	384,475	346,030
Expanded Total	270,398	555,483	337,372	442,744		359,871
Quota	315,523	302,523	315,523	302,523	315,523	302,523
Percent	85.7%	183.62%	106.92%	146.35%	121.85%	118.95%
Closure Date	March 10*	30-Sep		6-Oct		18-Sep
*Commercial harvest of vermilion snapper closed on March 10, 2011.						
However, the January-June 2011 commercial quota was not met.						
Fishing was reopened from May 1, 2011 – May 8, 2011.						

Source: NOAA Fisheries SERO website 6/4/12.

What are the Current Dealer Reporting Requirements?

Currently, reporting requirements for dealers with Gulf reef fish permits, South Atlantic snapper grouper permits, or dealers with records of king or Spanish mackerel landings the previous year, or those selected by the Science and Research Director (SRD) include electronic submission of trip level information for all species. Information must be submitted through the electronic trip ticket program authorized in each state or through the Standard Atlantic Fisheries Information System (SAFIS) web application, if a SAFIS web application exists for the state in which the dealer operates. The information currently required is the same information required by the state trip ticket programs. Reporting frequency is twice per month including the 1st-15th and the 16th-last day of the month for Gulf reef fish, South Atlantic snapper grouper, and dealers with records of king or Spanish mackerel landings the previous year. Reports are due 5 days after the end of each reporting period. The requirements for dealers holding permits for South Atlantic rock shrimp, South Atlantic golden crab, Atlantic dolphin/wahoo, Gulf of Mexico shrimp, Gulf of Mexico red drum, and other coastal pelagics are satisfied by monthly trip ticket reporting to the appropriate state fisheries management agency.

Twice per month reporting has proved to be inadequate, contributing to quota overages in multiple fisheries. Additionally, dealers are not required to submit the federal dealer permit number with the report, leading to an inability to track compliance for late or non-reporting. This has also contributed to quota overages. These overages may result in a deduction of the overage from the following season's quota, which may result in lost revenue as well a longer rebuilding period for some stocks if the quota is routinely exceeded.

In addition to quota overages, annual catch limits (ACLs) are being exceeded with the current reporting requirements. For stocks with small ACLs the reporting frequency of twice per month may lead to exceeding annual catch limits (ACLs).

Current dealer reporting requirements as specified in the Code of Federal Regulations are shown in **Table 1.3.7**. In practice, all dealers with a dealer permit are selected by the SRD for reporting.

Table 1.3.7. Reporting required by dealers for each FMP as stated in 50CFR par 622.5.

FMP	Dealer permit required	Who must report	Type of reporting form	Required information	Frequency	Reporting deadline	Flexibility	No landings report required
Coastal Migratory Pelagic	No	Dealer selected by the SRD	Electronic trip ticket or SAFIS	Trip level reporting including date of landing, location of landing, dealer, vessel, gear used, area fished, species, size, condition, pounds landed and value.	Twice per month	5 days after the end of the reporting period	SRD may modify form to be used, frequency of reporting and deadlines.	Yes
Gulf Red Drum	No	Dealer selected by the SRD	As specified by SRD	Dealer name and address, state and county of landing, total pounds of each species received during period, type of gear used, and any other information deemed necessary by the SRD.	As specified by the SRD	As specified by the SRD	SRD may modify form, frequency, deadlines and information required.	As specified by the SRD
Gulf Reef Fish	Yes	Dealer selected by the SRD	Electronic trip ticket or SAFIS	Trip level reporting including date of landing, location of landing, dealer, vessel, gear used, area fished, species, size, condition, pounds landed and value.	Twice per month	5 days after the end of the reporting period	SRD may modify form to be used, frequency of reporting and deadlines.	Yes
Gulf Shrimp	No	When requested by SRD	As specified by SRD	For each receipt, a dealer must provide: vessel name and official number or name of person if no vessel; amount of shrimp received by species and size category; and ex-vessel value by species and size category.	When requested by SRD	Not specified	None specified	No
South Atlantic Snapper Grouper	Yes	Dealer selected by the SRD	Electronic trip ticket or SAFIS	Trip level reporting including date of landing, location of landing, dealer, vessel, gear used, area fished, species, size, condition, pounds landed and value.	Twice per month	5 days after the end of the reporting period (reports may be faxed for species other than wreckfish)	SRD may modify form to be used, frequency of reporting and deadlines.	Yes (wreckfish negative reports are not required during the spawning-season closure)

FMP	Dealer permit required	Who must report	Type of reporting form	Required information	Frequency	Reporting deadline	Flexibility	No landings report required
South Atlantic Golden Crab	Yes	Dealer selected by the SRD	As specified by SRD	Receipts of, and prices paid, for South Atlantic golden crab.	Monthly	5 days after the end of the reporting period	SRD may modify form to be used, frequency of reporting and deadlines.	No
South Atlantic Rock Shrimp	Yes	Dealer selected by the SRD	As specified by SRD	Receipts of, and prices paid, for South Atlantic rock shrimp.	Monthly	5 days after the end of the reporting period	SRD may modify form to be used, frequency of reporting and deadlines.	No
Atlantic Dolphin/Wahoo	Yes	Dealer selected by the SRD	As specified by SRD	Receipts of, and prices paid, for Atlantic dolphin and wahoo.	Monthly	5 days after the end of the reporting period	SRD may modify form to be used, frequency of reporting and deadlines.	No

If this Amendment is Implemented, What Information Will Dealers be Required to Report and Where Will the Information Go?

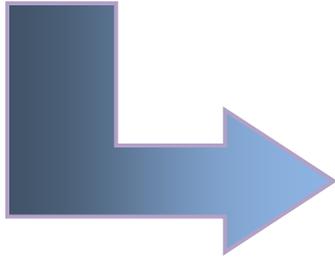
Most of the proposed data elements to be collected are already collected in most state trip ticket programs (**Table 1.3.3.1**). The landings data will be entered through the state electronic trip ticket program or through the Standard Atlantic Fisheries Information System (SAFIS) web interface or other approved electronic reporting tool. All data for dealers from North Carolina to Florida will be loaded to the SAFIS database at the ACCSP for storage. All data for dealers from Alabama to Texas will be loaded to the Gulf States Marine Fisheries Commission (GSMFC) for storage in the Gulf Fisheries Information Network (GulfFIN) database. The Southeast Fisheries Science Center (SEFSC) will access the data in SAFIS and GulfFIN and process the data for use in tracking quotas and annual catch limits (ACLs) and monitoring compliance.

Table 1.3.3.1. Data elements proposed to be collected on the electronic dealer reports.

Proposed Data Elements
Trip ticket number
Dealer name and Federal permit number and state dealer license number
Vessel name and USCG documentation number and state registration
VTR# from the vessel logbook form
Date sailed
Date of landing (date vessel returned to dock and unloaded)
Date of purchase
Species
Quantity landed
Type of quantity (lbs. bushels, etc.)
Price per unit (\$) landed weight
Port and state of landing
Gear used
Area fished
Size (small, large)
Condition (gutted, headed, core...)
Disposition (food, bait, pet food or reduction)

What Are the Proposed Actions?

There are three actions being proposed in the Generic Dealer Amendment. Each *action* has a range of *alternatives*, including a ‘no action alternative’ and a ‘preferred alternative’.



Proposed Actions in the Generic Dealer Amendment

1. What dealer permits would be required and for which species?
2. How frequently and by what method would dealers be required to report?
3. Are there requirements for maintaining a dealer permit?



Indicates the Council's/Councils' preferred option (Alternative) for a management measure (Action)

IPT Recommendation for List of Actions:

1. What dealer permits are required to purchase federally managed species?
2. Frequency and method by which dealers will be required to report?
3. Requirements for maintaining a dealer permit?

List of Actions Options for Consideration:

Option 1. No change to existing wording for list of actions.

Option 2. Accept the IPT wording for list of actions:

- Action 1. What dealer permits are required to purchase federally managed species?
- Action 2. Frequency and method by which dealers will be required to report?
- Action 3. Requirements for maintaining a dealer permit?

Option 3. Others??

IPT recommends deleting all dates of Council final action and submittal of amendments to NOAA Fisheries from history of management.

Council Guidance: accept or replace dates?

What were the public comments?

Gulf Council Written Comments: One written comment was received and it was not related to the document.

South Atlantic Council Written Comments: Two written comments were received:

1. Jimmy Hull, Hull's Seafood Inc. (dealer)
 - a. Recommend dealers report weekly; when projected landings are 75% of quota, then daily.
 - b. Recommend require Federal dealers to submit federal dealer permit number.
 - c. Recommend you penalize dealers who report late with a late fine.
 - d. Support Alternative 1 (No Action) on establishing a universal dealer permit; the current permits with the above changes will correct late reporting; money saved by not creating a new generic universal dealer permit should be used in collecting at sea data for stock assessments.
2. Mike Merrifield, Cape Canaveral Shrimp Co. & Wild Ocean Seafood Market (dealer)
 - a. Do not support universal permit for dealers; benefits have not been explained.
 - b. No problem with weekly reporting and possibly more frequently when ACLs close to being met.
 - c. Do not support creating another data entry system; all our data goes into the Florida trip ticket system weekly; develop methods for extracting data from the trip ticket system rather than more work for dealers.
 - d. Data currently entered 3 times by dealer: (i) Paper trip ticket on the dock, (ii) Electronic trip ticket system, and (iii) Financial accounting system.

Gulf Council Public Hearing Comments: Much of the comment received was not specific to the seafood dealer reporting amendment but relevant comment stated that it would be very difficult to meet reporting compliance goals if shrimp is included in the permitting requirements. Council was also advised that weekly electronic reporting would not be a burden.

South Atlantic Council Public Hearing Comments: Note: Minutes and materials distributed at the meeting can be found in the folder "Additional Material" in the September briefing book.

1. Richmond Hill, GA (August 6, 2012): four individuals attended but did not speak.
2. Jacksonville, FL (August 7, 2012): a total of 9 individual attended and 5 individuals spoke; no individuals provided comments on the dealer amendment.
3. Cocoa Beach, FL (August 8, 2012): a total of 23 individual attended and 13 individuals spoke; two individuals (Mr. Hull and Mr. Merrifield) provided comments on the dealer amendment and their comments are reflected in the summary of their written comments above.
4. Key Largo, FL (August 9, 2012): a total of 8 individual attended and 5 individuals spoke; one individual (Mr. Kelly) provided comments on the dealer amendment
 - a. Unreported landings and could impact ACLs
 - b. Support weekly electronic reporting
 - c. ACL overruns (recreational and commercial) must be stopped
5. North Charleston, SC (August 14, 2012): one individual attended but did not speak.
6. New Bern, NC (August 16, 2012): a total of 9 individual attended and 4 individuals spoke; no individuals provided comments on the dealer amendment.

What Are the Alternatives?

Action 1. Dealer Permits Required

Note: The term “purchase” will be used throughout the amendment, but the actions affect all activities as described under the definition of a dealer at 50 CFR § 600.10: “Dealer means the person who first receives fish by way of purchase, barter, or trade”.

Alternative 1: No Action – Do not modify the current six federal dealer permits. Dealer permits are currently required to purchase species in the following fishery management plans:

- Atlantic Dolphin-Wahoo
- Gulf of Mexico Reef Fish
- South Atlantic Golden Crab
- South Atlantic Rock Shrimp
- South Atlantic Snapper Grouper (excluding wreckfish)
- South Atlantic Wreckfish

Proposed Actions in the Generic Dealer Amendment

1. What dealer permits would be required and for which species?
2. How frequently and by what method would dealers be required to report?
3. Are there requirements for maintaining a dealer permit?

➔ **Gulf Preferred Alternative 2:** Establish one universal Federal dealer permit.

Option 2a. Require a universal dealer permit to purchase all federally-managed species, except South Atlantic coral, South Atlantic *Sargassum*, and Gulf of Mexico coral and coral reefs. The universal dealer permit would be required to purchase species in the following fishery management plans:

- Atlantic Dolphin-Wahoo
- Gulf of Mexico Reef Fish
- South Atlantic Golden Crab
- South Atlantic Rock Shrimp
- South Atlantic Snapper Grouper (including wreckfish)
- *Gulf of Mexico and South Atlantic Coastal Migratory Pelagics*
- *Gulf of Mexico and South Atlantic Spiny Lobster*
- *Gulf of Mexico Red Drum*
- *Gulf of Mexico Shrimp*
- *South Atlantic Shrimp*

(Note: *Italics designate additional new species that currently require dealer permits.*)

➔ **Gulf Preferred Option 2b.** Require a universal dealer permit to purchase all federally-managed species, except South Atlantic coral, South Atlantic *Sargassum*, Gulf of Mexico coral and coral reefs, and penaeid shrimp species. The universal dealer permit would be required to purchase species in the following fishery management plans:

- Atlantic Dolphin-Wahoo
- Gulf of Mexico Reef Fish
- South Atlantic Golden Crab

- South Atlantic Rock Shrimp
- South Atlantic Snapper Grouper (including wreckfish)
- *Gulf of Mexico and South Atlantic Coastal Migratory Pelagics*
- *Gulf of Mexico and South Atlantic Spiny Lobster*
- *Gulf of Mexico Red Drum*

(Note: Italics designate additional new species that currently require dealer permits.)

➔ South Atlantic Preferred Alternative 3: Establish separate Gulf of Mexico and South Atlantic Federal dealer permits.

Option 3a. Require dealer permits to purchase all federally-managed species, except South Atlantic coral, South Atlantic *Sargassum*, and Gulf of Mexico coral and coral reefs. Dealer permits would be required to purchase species in the following fishery management plans:

- Atlantic Dolphin-Wahoo
- Gulf of Mexico Reef Fish
- South Atlantic Golden Crab
- South Atlantic Rock Shrimp
- South Atlantic Snapper Grouper (including wreckfish)
- *Gulf of Mexico and South Atlantic Coastal Migratory Pelagics*
- *Gulf of Mexico and South Atlantic Spiny Lobster*
- *Gulf of Mexico Red Drum*
- *Gulf of Mexico Shrimp*
- *South Atlantic Shrimp*

(Note: Italics designate additional new species that currently require dealer permits.)

[Note: The South Atlantic Council will need to approve the addition of “Gulf of Mexico Coral and Coral reefs” to Option 3a.]

➔ South Atlantic Preferred Option 3b. Require dealer permits to purchase all federally-managed species, except South Atlantic coral, South Atlantic *Sargassum*, Gulf of Mexico coral and coral reefs, and penaeid shrimp species. Dealer permits would be required to purchase species in the following fishery management plans:

- Atlantic Dolphin-Wahoo
- Gulf of Mexico Reef Fish
- South Atlantic Golden Crab
- South Atlantic Rock Shrimp
- South Atlantic Snapper Grouper (including wreckfish)
- *Gulf of Mexico and South Atlantic Coastal Migratory Pelagics*
- *Gulf of Mexico and South Atlantic Spiny Lobster*
- *Gulf of Mexico Red Drum*

(Note: Italics designate additional new from Option 3a.)

[Note: The South Atlantic Council will need to approve the addition of “Gulf of Mexico Coral and Coral reefs” and “penaeid” to Option 3b.]

Action 1: Summary of Effects

Biological: The dealer permit requirement is an administrative process for providing a means of collecting data from the industry, and does not directly affect the biological environment, but does have an indirect effect. There will be positive indirect biological effects because having all dealers permitted will make it easier to track landings in a timely manner. This will help prevent exceeding annual catch limits (ACLs), leading to healthier fish stocks by reducing the likelihood of overfishing. **Alternative 1 (No Action)** would not provide positive indirect biological effects for those species for which dealer permits are not currently required. Currently, three fishery management plans (FMPs) (coastal migratory pelagics, red drum, and spiny lobster) do not require dealer permits; however, landings are still recorded for the quota monitoring system. **Alternative 1 (No Action)** could result in adverse impacts if landings are not reported in a timely fashion and allowable harvests are exceeded. Reporting provides a method to estimate mortality, which is then used to assess the stock conditions. Stock assessment results based on data with a high degree of uncertainty are not as useful for management purposes. A new permit for these three FMPs would reduce the likelihood of overages of the ACLs by indentifying the universe of dealers who purchase these species, and better ensure 100% reporting.

Alternatives 2 and 3 would provide positive effects to the stocks by reducing the likelihood of exceeding the ACLs, thus reducing the likelihood of overfishing. Overages of the ACLs have an adverse effect to the stock and stock conditions. For many species in the South Atlantic and greater amberjack and gray triggerfish in the Gulf of Mexico region, any overages are deducted from the allowable harvest the following fishing year. Similarly, if gag or red grouper are in a rebuilding plan, overages are deducted from the allowable harvest the following fishing year. In these instances, the adverse effects may be mitigated. However, especially for species under a rebuilding plan, simply lowering the following year ACL may not offset the adverse impacts of the overage. For example, the reduction in spawning potential of the stock due to exceeding the ACL is not fully compensated by an equivalent harvest reduction in the next fishing year. In these cases overages may prevent achieving the rebuilding target and optimum yield (OY).

Gulf of Mexico Fishery Management Council Preferred Alternative 2 (one dealer permit) and **South Atlantic Fishery Management Council Preferred Alternative 3** (two dealer permits) would not differ in terms of the biological effects. The **options (a and b)** differ in the number of species that would need dealer permits. **Option b** does not require a dealer permit to purchase penaeid species. There would not be any differences in biological effects between **option a** and **option b** because penaeid shrimp are an annual crop and not managed by ACLs.

Economic: In summary, **Alternative 1 (No Action)** would not be expected to result in any direct economic effects to dealers or associated entities involved in the fisheries in the South Atlantic or Gulf of Mexico. Maximum dealer costs associated with the application for one or more of the current six dealer permits for all applicants would be expected to be less than approximately \$22,662 (2012 dollars), with associated time and postage costs estimated to be approximately \$1,153 and \$132, respectively. The average cost per application would be expected to be less than \$100 accounting for the application fee, the opportunity cost of time, and postage. On average, this would be expected to be an inconsequential cost of doing business

because the average annual expenditure for all species by dealers with at least one dealer permit over the period January 1, 2007 through March 19, 2012, was approximately \$203,000 (nominal or uninflated dollars). Nevertheless, it is possible to identify who purchases what species through examination of the dealer reports because the dealer reports report purchases by species. As a result, the requirement to possess multiple permits may be unnecessary for management purposes and result in unnecessary, though minor, additional operational expenses for dealers. More importantly, because dealer permits are not required for all dealers that purchase federally managed species, potential data monitoring issues associated with an inability to identify and ensure data reporting requirements by entities that purchase federally managed species but do not possess a dealer permit may result in quota overages and associated corrective management change, resulting in reductions in revenue, profit, and other adverse economic effects for fishermen and associated businesses and industries.

In summary, both **Alternative 2** (both options) and **Alternative 3** (both options) would be expected to result in increased costs to dealers compared to **Alternative 1 (No Action)** because, although dealers that currently pay for multiple permits would be able to reduce the number of permits they need, the increase in the total number of dealers would be expected to increase total applications and application costs. However, **Alternative 1 (No Action)** would be expected to result in unquantifiable economic losses relative to both **Alternative 2** (both options) and **Alternative 3** (both options) associated with a continued diminished ability to monitor harvest, limit overages, and minimize the need for corrective regulatory action. The difference in economic effects of between **Alternative 2** (both options with appropriate comparison of options) and **Alternative 3** (both options with appropriate comparison of options) associated with improved harvest monitoring capability is indistinguishable. Because of the reduced dealer application costs, **Gulf of Mexico Preferred Option 2b** would be expected to result in greater economic benefits (equivalent benefits accruing to enhanced quota monitoring ability but achieved at a lower cost to dealers) than **Option 2a**. Similarly, **South Atlantic Preferred Option 3b** would be expected to result in greater economic benefits than **Option 3a**. Comparing the expected economic effects of **Gulf of Mexico Preferred Alternative 2b** and **South Atlantic Preferred Alternative 3b** is more difficult. The economic benefits associated with enhanced quota monitoring ability would be expected to be equivalent across both alternatives. **Gulf of Mexico Preferred Alternative 2b** would require fewer permits and, hence, lower permit costs than **South Atlantic Preferred Alternative 3b**. However, the costs associated with any future change in dealer permit requirements would be expected to be higher under **Gulf of Mexico Preferred Alternative 2b** because both Councils would have to approve any change. Although the likelihood or frequency of the need for any change is unknown, given the low cost of a second permit (\$12.50), it is possible that any increased management costs could exceed the combined additional costs of separate permits. However, this assessment assumes that any change in dealer permit requirements would be infrequent, whereas the increased expenditures for separate permits would be incurred annually. As a result, this assessment concludes that **Gulf of Mexico Preferred Alternative 2b** would be expected to result in lower costs than **South Atlantic Preferred Alternative 3b**. Therefore, because the economic benefits associated with enhanced harvest monitoring ability would be expected to be equivalent for both alternatives, **Gulf of Mexico Preferred Alternative 2b** would be expected to result in greater net economic benefits than **South Atlantic Preferred Alternative 3b**.

Social: In general, negative social effects of additional dealer permit requirements will likely be associated with any added time and financial burden for dealers and seafood businesses to meet reporting requirements (**Action 2**) that will be part of permit responsibilities, or fees for a new permit, if required. Dealers will be affected depending on whether the selected alternative requires them to purchase more or fewer permits than they currently have. Assuming that the cost of permits does not change (\$50 for the first permit; \$12.50 for additional permits, annually), and given that reporting is currently required for those fisheries proposed to require a dealer permit, the effects from the comparison of alternatives below are expected to be minimal.

However, requiring dealer permits for additional fishery management plans is expected to result in broad social benefits from increased reporting that would allow for improved quota monitoring, with which it will be less likely that an annual catch limit will be exceeded and the associated accountability measures (AMs) will negatively impact the fishermen and associated communities and businesses.

AMs can have significant direct and indirect effects on the fishermen because they usually impose some restriction on harvest, either during the current season or the next. Although the negative effects are usually short-term, they may at times induce other indirect effects through changes in fishing behavior or business operations that could have long-term social effects. Some of those effects are similar to other thresholds being met and may involve switching to other species or discontinuing fishing altogether. Although additional dealer permit and reporting requirements may not prevent AMs from being triggered, these requirements would be expected to provide additional information to better forecast early closures and minimize post-season AMs, such as “pay-backs”. Under **Alternative 1 (No Action)**, there would be no improvements to monitoring due to permit and reporting requirements and it would be likely that early closures and pay-backs will continue to impact commercial fishing businesses, fish houses, and consumers.

For dealers who currently possess multiple federal dealer permits, the requirement for a single universal permit (**Gulf of Mexico Council Preferred Alternative 2**) or separate Gulf of Mexico and South Atlantic permits (**South Atlantic Council Preferred Alternative 3**) permits would be simpler, resulting in positive effects, than the no action **Alternative 1 (No Action)** as dealers are required to purchase fewer permits. For dealers who transact in federally managed species within only one Council’s jurisdiction, no difference in impacts is expected between **Gulf of Mexico Council Preferred Alternative 2** and **South Atlantic Council Preferred Alternative 3**, as only one permit would be required; for dealers who transact in federally managed species from both Councils’ jurisdictions, **South Atlantic Council Preferred Alternative 3** would require the purchase of an additional permit, compared to **Gulf of Mexico Council Preferred Alternative 2**.

For dealers who transact exclusively in fisheries that do not currently require a permit, **Gulf of Mexico Council Preferred Alternative 2** and **South Atlantic Council Preferred Alternative 3** would result in a new requirement for a permit and increase costs and time requirements. Requiring permits for penaeid shrimp dealers under the **Options a** would likely have similar social effects as the **Gulf of Mexico Council and**

South Atlantic Council Preferred Options b because state dealer requirements provide adequate information on penaeid shrimp landings.

Administrative: Alternative 1 would result in no increase in administrative burden on NOAA Fisheries. **Gulf of Mexico Council Preferred Alternative 2** and **South Atlantic Council Preferred Alternative 3** would increase the administrative burden on NOAA Fisheries, as additional permits would be required for those dealers currently purchasing federal species without a federal permit. This would increase the number of dealers that NOAA Fisheries would have to track for reporting compliance. **South Atlantic Council Preferred Alternative 3** would require issuing more permits than **Gulf of Mexico Council Alternative 2**, resulting in a greater administrative burden to the Permits Office at the NOAA Fisheries Southeast Regional Office. **Option 2a** under **Gulf of Mexico Council Preferred Alternative 2** would result in a much higher administrative burden than **Gulf of Mexico Council Preferred Option 2b**, as it includes shrimp in the dealer permit, while **Preferred Option 2b** excludes shrimp in the permit. **Option 3a** under **South Atlantic Council Preferred Alternative 3** would result in a much higher administrative burden than **South Atlantic Council Preferred Option 3b**, as it includes penaeid shrimp in the dealer permit, while **South Atlantic Council Preferred Option 3b** excludes penaeid shrimp from the permit.

Each permitting alternative, with the exception of the status-quo alternative, would require that more dealers report electronically and must be monitored for compliance with reporting requirements.

Council Decisions: Action 1

The IPT recommends the following changes in the wording of the alternatives to eliminate redundancies and more accurately express the intent of the action.

1. Do you want to accept the IPT recommendations for Action 1 and the alternatives?

Action 1 – Dealer Permits Required

Option 1. No change to existing wording for Action 1.

Option 2. Accept the IPT wording for Action 1:

Alternative 1: No Action – Do not modify the following current six federal dealer permits:

- Atlantic Dolphin-Wahoo
- Gulf of Mexico Reef Fish
- South Atlantic Golden Crab
- South Atlantic Rock Shrimp
- South Atlantic Snapper Grouper (excluding wreckfish)
- South Atlantic Wreckfish

Gulf of Mexico Fishery Management Council Preferred Alternative 2: Establish one federal dealer permit for the Gulf of Mexico and South Atlantic regions.

Option 2a. Require a single dealer permit to purchase the following federally-managed species or species complexes, excluding South Atlantic coral, South Atlantic *Sargassum*, and Gulf of Mexico coral and coral reefs.

- Atlantic Dolphin-Wahoo
- South Atlantic Golden Crab
- South Atlantic Rock Shrimp
- South Atlantic Snapper Grouper (including wreckfish)
- Gulf of Mexico Reef Fish
- *Gulf of Mexico and South Atlantic Coastal Migratory Pelagics*
- *Gulf of Mexico and South Atlantic Spiny Lobster*
- *Gulf of Mexico Red Drum*
- *Gulf of Mexico Penaeid Shrimp*
- *South Atlantic Penaeid Shrimp*

(Note: Italics designate additional new species that currently do not require dealer permits.)

Gulf of Mexico Fishery Management Council Preferred Option 2b. Require a single dealer permit to purchase the following federally-managed species or species complexes, except South Atlantic coral, South Atlantic *Sargassum*, Gulf of Mexico coral and coral reefs, and penaeid shrimp species.

- Atlantic Dolphin-Wahoo
- South Atlantic Golden Crab
- South Atlantic Rock Shrimp
- South Atlantic Snapper Grouper (including wreckfish)
- Gulf of Mexico Reef Fish
- *Gulf of Mexico and South Atlantic Coastal Migratory Pelagics*
- *Gulf of Mexico and South Atlantic Spiny Lobster*
- *Gulf of Mexico Red Drum*

(Note: Italics designate additional new species that currently do not require dealer permits.)

South Atlantic Fishery Management Council Preferred Alternative 3: Establish separate Gulf of Mexico and South Atlantic federal dealer permits that combine multiple single region dealer permits.

Option 3a. Require dealer permits to purchase the following federally-managed species, except South Atlantic coral, South Atlantic *Sargassum*, and Gulf of Mexico coral and coral reefs.

Gulf of Mexico Region Permit

- Gulf of Mexico Reef Fish
- *Gulf of Mexico Coastal Migratory Pelagics*
- *Gulf of Mexico Spiny Lobster*
- *Gulf of Mexico Red Drum*
- *Gulf of Mexico Penaeid Shrimp*

South Atlantic Region Permit

- Atlantic Dolphin-Wahoo
- South Atlantic Golden Crab
- South Atlantic Rock Shrimp
- South Atlantic Snapper Grouper (including wreckfish)
- *South Atlantic Coastal Migratory Pelagics*
- *South Atlantic Spiny Lobster*
- *South Atlantic Penaeid Shrimp*

(Note: Italics designate additional new species that currently do not require dealer permits.)

[Note: The South Atlantic Fishery Management Council will need to approve the exemption of “Gulf of Mexico Coral and Coral reefs” to Option 3a.]

South Atlantic Fishery Management Council Preferred Option 3b. Require dealer permits to purchase the following federally-managed species, except South Atlantic coral, South Atlantic *Sargassum*, Gulf of Mexico coral and coral reefs, and penaeid shrimp species.

Gulf of Mexico Region Permit

- Gulf of Mexico Reef Fish
- *Gulf of Mexico Coastal Migratory Pelagics*
- *Gulf of Mexico Spiny Lobster*
- *Gulf of Mexico Red Drum*

South Atlantic Region Permit

- Atlantic Dolphin-Wahoo
- South Atlantic Golden Crab
- South Atlantic Rock Shrimp
- South Atlantic Snapper Grouper (including wreckfish)
- *South Atlantic Coastal Migratory Pelagics*
- *South Atlantic Spiny Lobster*

(Note: Italics designate additional new from Option 3a.)

[Note: The South Atlantic Fishery Management Council will need to approve the exemption of “Gulf of Mexico Coral and Coral reefs” and “penaeid” to Option 3b.]

Option 3. Others??

2. Do you want to change the SAFMC preferred to track the GMFMC preferred alternatives for Action 1? Note: The Gulf Council did not change their preferred alternatives and the Councils must have the same preferred alternatives before the document can be submitted for formal review and implementation. If the South Atlantic Council does not approve the same preferred alternatives as the Gulf Council it will have to go back to the Gulf Council at their October 29 – November 2, 2012 meeting which will delay implementation.

Option 1. No change to existing SAFMC preferred for Action 1 (Alternative 3, Option 3b).

Option 2. Accept Gulf Preferred Alternative 2, Option 2b as preferred for Action 1:

Gulf of Mexico Fishery Management Council Preferred Alternative 2: Establish one federal dealer permit for the Gulf of Mexico and South Atlantic regions.

Gulf of Mexico Fishery Management Council Preferred Option 2b. Require a single dealer permit to purchase the following federally-managed species or species complexes, except South Atlantic coral, South Atlantic *Sargassum*, Gulf of Mexico coral and coral reefs, and penaeid shrimp species.

- Atlantic Dolphin-Wahoo
- South Atlantic Golden Crab
- South Atlantic Rock Shrimp
- South Atlantic Snapper Grouper (including wreckfish)
- Gulf of Mexico Reef Fish
- *Gulf of Mexico and South Atlantic Coastal Migratory Pelagics*
- *Gulf of Mexico and South Atlantic Spiny Lobster*
- *Gulf of Mexico Red Drum*

(Note: Italics designate additional new species that currently do not require dealer permits.)

Option 3. Others??

3. Do you want to clarify the Council's intent on selling to permitted dealers? Note: The Gulf Council clarified their intent that permitted vessels can only sell to permitted dealers. This will improve data collection and help prevent ACL overages. In the South Atlantic, North Carolina fishermen can harvest and sell Atlantic Migratory Group Spanish mackerel harvested within state waters without having a Federal Spanish mackerel permit. The South Atlantic Council should clarify whether they want these individuals to sell to Federally-permitted dealers to ensure landings are collected and to prevent ACL overages.

Option 1. No change to existing wording for Action 1.

Option 2. Clarify that it is the Council's intent that in the Generic Amendment for Dealer Permits and Electronic Reporting, permitted vessels can only sell to permitted dealers in those fisheries where a dealer's permit exists.

Option 3. Request the State of North Carolina require that vessels harvesting Spanish mackerel in state waters can only sell to Federally-permitted dealers.

Option 4. Others??

Action 2. Frequency and Method of Reporting

Alternative 1: No Action – Do not modify reporting requirements for federally-permitted dealers.

Currently, reporting requirements for dealers with Gulf of Mexico reef fish permits, South Atlantic snapper - grouper permits, or dealers with records of king or Spanish mackerel landings the previous year, or those selected by the Science and Research Director (SRD) include electronic submission of trip level information for all species (**Table 1.3.5**). Information must be submitted through the electronic trip ticket program authorized in each state or through the SAFIS web application, if a SAFIS web application exists for the state in which the dealer operates. The information currently required is the same information required by the state trip ticket programs. Reporting frequency is twice per month including the 1st-15th and the 16th-last day of the month. Reports are due 5 days after the end of each reporting period. The requirements for dealers holding permits for; South Atlantic rock shrimp, South Atlantic golden crab, Atlantic dolphin/wahoo, Gulf shrimp, Gulf red drum and other coastal pelagics are satisfied by monthly trip ticket reporting to the appropriate state fisheries management agency.

During complete months encompassed by the wreckfish spawning season closure (South Atlantic), a wreckfish dealer is not required to submit a dealer Wreckfish report stating that no wreckfish were purchased.

Alternative 2: Require forms be submitted via *fax or electronically* (via computer or internet).

Option 2a. *Daily.* Forms must be submitted by 11:59 P.M. each day.

Option 2b. *Weekly.* Forms from trips landing between Sunday and Saturday must be Submitted to the SRD by 11:59 P.M. on the following Tuesday.

Option 2c. *Weekly or daily.* Forms must be submitted either weekly or daily as determined by the SRD. Reporting would be weekly, but the SRD could require daily reporting. If weekly reporting is required by the SRD, forms from trips landing between Sunday and Saturday must be submitted to the SRD by 11:59 P.M. on the following Tuesday. If daily reporting is required by the SRD, any trip landing that quota species must be submitted by 11:59 P.M. on the day of the landing.

Option 2d. *Once every two weeks.* Each week runs from Sunday to Saturday. Forms must be submitted by 11:59 P.M. on the Tuesday following the end of the two week period.

Proposed Actions in the Generic Dealer Amendment

1. What dealer permits would be required and for which species?

2. How frequently and by what method would dealers be required to report?

3. Are there requirements for maintaining a dealer permit?

Option 2e. *Once every two weeks or weekly.* Forms must be submitted either once every two weeks or weekly as determined by the SRD. Reporting would be every two weeks, but the SRD could require weekly reporting. If weekly reporting is required by the SRD, forms from trips landing between Sunday and Saturday must be submitted to the SRD by 11:59 P.M. on the following Tuesday. If reporting is required by the SRD every two weeks, forms must be submitted by 11:59 P.M. on the Tuesday following the end of the two week period.

Preferred Alternative 3: Require forms be submitted *electronically* (via computer or internet).

Option 3a. *Daily.* Forms must be submitted by 11:59 P.M. each day.



Preferred Option 3b. *Weekly.* Forms from trips landing between Sunday and Saturday must be submitted to the SRD by 11:59 P.M. on the following Tuesday.

Option 3c. *Weekly or daily.* Forms must be submitted either weekly or daily as determined by the SRD. Reporting would be weekly, but the SRD could require daily reporting. If weekly reporting is required by the SRD, forms from trips landing between Sunday and Saturday must be submitted to the SRD by 11:59 P.M. on the following Tuesday. If daily reporting is required by the SRD, any trip landing that quota species must be submitted by 11:59 P.M. on the day of the landing.

Option 3d. *Once every two weeks.* Each week runs from Sunday to Saturday. Forms must be submitted by 11:59 P.M. on the Tuesday following the end of the two week period.

Option 3e. *Once every two weeks or weekly.* Forms must be submitted either once every two weeks or weekly as determined by the SRD. Reporting would be every two weeks, but the SRD could require weekly reporting. If weekly reporting is required by the SRD, forms from trips landing between Sunday and Saturday must be submitted to the SRD by 11:59 P.M. on the following Tuesday. If reporting is required by the SRD every two weeks, forms must be submitted by 11:59 P.M. on the Tuesday following the end of the two week period.

Alternative 4: The following alternative only applies to the Gulf of Mexico dealer permit if separate Gulf of Mexico and South Atlantic permits are created in Action 1. In the first year following implementation of the regulations, forms must be submitted *via fax or* (via computer or internet). In year 2 and beyond, require forms be submitted *electronically* (via computer or internet).

Option 4a. *Daily.* Forms must be submitted by 11:59 P.M. each day.

Option 4b. *Weekly.* Forms from trips landing between Sunday and Saturday must be Submitted to the SRD by 11:59 P.M. on the following Tuesday.

Option 4c. *Weekly or daily.* Forms must be submitted either weekly or daily as determined by the SRD. Reporting would be weekly, but the SRD could require daily reporting. For quotas that can be taken in very short period, any trip landing that quota species must be reported by 11:59 P. M. on the day of the landing. For example, all dealers would be required to report weekly.

Option 4d. *Once every two weeks.* Each week runs from Sunday to Saturday. Forms must be submitted by 11:59 P.M. on the Tuesday following the end of the two week period.

Option 4e. *Once every two weeks or weekly.* Forms must be submitted either once every two weeks or weekly as determined by the SRD. Reporting would be every two weeks, but the SRD could require weekly reporting. If weekly reporting is required by the SRD, forms from trips landing between Sunday and Saturday must be submitted to the SRD by 11:59 P.M. on the following Tuesday. If reporting is required by the SRD every two weeks, forms must be submitted by 11:59 P.M. on the Tuesday following the end of the two week period.



Preferred Alternative 5: During catastrophic conditions only, the annual catch limit (ACL) monitoring program provides for use of paper-based components for basic required functions as a backup. The Regional Administrator (RA) will determine when catastrophic conditions exist, the duration of the catastrophic conditions, and which participants or geographic areas are deemed effected by the catastrophic conditions. The RA will provide timely notice to affected participants via publication of notification in the Federal Register, NOAA weather radio, fishery bulletins, and other appropriate means and will authorize the affected participants' use of paper-based components for the duration of the catastrophic conditions. The paper forms will be available from NOAA Fisheries. The RA has the authority to waive or modify reporting time requirements.

[Note: The South Atlantic Council will need to approve the addition of "The RA has the authority to waive or modify reporting time requirements."]

- Note: Any selected Preferred Alternative will include "Dealers reporting purchases of king mackerel landed by the gillnet sector for the Gulf West Coast Florida Southern Sub Zone must submit forms daily by 6:00 A.M."

Action 2: Summary of Effects

Biological: The dealer frequency and method of reporting is an administrative process for providing a means of collecting data from the industry and does not directly affect the biological environment, but it is expected to have an indirect effect. For example, the probability of exceeding ACLs is greater under **Alternative 1**, especially for species that are managed by in-season AMs. These effects are described in Section 4.1.1.

Alternative 2, Preferred Alternative 3, and Alternative 4 will result in positive impacts to the stocks as compared to **Alternative 1**. **Alternatives 2, 3, and 4 increase the frequency of reporting** that will better prevent exceeding ACLs, which could lead to subsequent stock depletion. **Alternative 2** is expected to provide positive biological impacts increasing and standardizing the frequency of reporting across FMPs described in Action 1. Of the alternatives considered in this action, **Alternative 3** provides the most positive biological impacts because both frequency and method of reporting is standardized across the FMPs. **Alternative 3** is also expected to increase the accuracy of reporting by eliminating fax transmissions, where these transmissions then need to be transcribed by the receiving agency, which results in delays and

potential transcription errors. Eliminating delays and transcription errors will decrease the likelihood of exceeding the ACLs and subsequent potential stock depletion. **Alternative 4** will eventually realize the same positive biological impacts as **Alternative 3**; however, these benefits will be delayed in the Gulf of Mexico due to the phasing out of fax transmissions as a method of reporting.

Preferred Alternative 5 allows for paper based reporting during catastrophic conditions. Similar to the no action alternative (**Alternative 1**) negative biological impacts may be realized due to reporting delays because impacted areas may not even have mail service, plus there is the subsequent potential for transcription errors. However, **Preferred Alternative 5** is expected to be short in duration and used only during catastrophic condition when fishing effort is typically reduced, thus the need to report, other than a “no purchase” report may be all that is necessary.

Options a through **e** under **Alternatives 2-4** differ in terms of the frequency of reporting with **Option a** providing the fastest reporting, therefore, the most potential positive effects of controlling harvest, then **Option c** followed by **Options b, d, and e**. Despite the potential biological benefits (preventing stock depletion due to exceeding the ACL) from daily reporting, administrative resources could be taxed to process daily reporting. **Preferred Option 2b** attains the biological benefits of frequent reporting without exceeding administrative capabilities. **Option c** includes similar biological benefits as **Option b**, however **Option c** exceeds the administrative capabilities required for daily reporting, and thus the full biological benefits that would be expected from daily reporting may not be realized. **Option d** and **e** would be an improvement over no action; however, reporting once every two weeks, as is currently required for certain species or species complexes, may be inadequate to prevent exceeding ACLs and subsequent stock depletions.

Preferred Alternative 5 would not alter the expected positive indirect biological effects as it addresses catastrophic conditions only. There will be positive indirect biological effects because establishing continued reporting requirements during a catastrophe continues the frequency of dealer reporting that will allow management to better track landings. Even if the reports only consist of “no purchase” during the catastrophic times, NOAA Fisheries will have better information on landings or no landings and not have to estimate landings because of non-reporting. This will help prevent exceeding ACLs, and better avoid possible stock depletions, or conversely prevent early closures of fishing seasons based on expansion estimates due to non-reporting.

Economic: The foundation discussion provided in Section 4.1.2 with respect to the economic effects of improved harvest monitoring is also relevant to the assessment of the expected economic effects of this action. In summary, improved harvest monitoring would be expected to result in increased economic benefits because it would be expected to result in better resource protection, sustainable harvests, and fewer disruptions of normal fishing behavior. The assessment of the proposed alternatives for **Action 2** evaluates the expected change in economic effects from the perspective of the extent to which these alternatives would be expected to differ in supporting improved harvest monitoring compared to the associated cost burden to dealers for compliance.

With the exception of **Alternative 5**, which deals exclusively with reporting under catastrophic conditions, the proposed alternatives to **Alternative 1 (No Action)** vary by method of reporting. Each of these alternatives contains the same set of options specifying reporting frequency. The following discussion of the expected economic effects of these alternatives and options will follow a similar organization, i.e., first examining the alternative methods of reporting, then contrasting the reporting frequency options. The discussion of the expected economic effects of **Alternative 5** is provided separately.

Alternative 1 (No Action) would not result in any changes in the frequency or method of dealer reporting and, as a result, would not be expected to result in any direct change in costs to or other economic effects on permitted dealers (noting, with exception, the effects accruing to new permit holders as discussed in Section 4.1.2). Current reporting requirements mandate electronic submission and frequency of reporting varies by fishery or species (daily, twice monthly, or monthly). Electronic reporting is efficient because the information provided is directly integrated into an electronic system that allows combination of records and tabulation of harvests. With electronic reporting, data do not have to be manually input from paper forms, faxes, or scanned documents. However, as discussed in Section 4.1.2, the specification of ACLs and AMs has increased the need for more timely collection of harvest data. The current frequency of data reporting would be expected to increase the likelihood of harvest overages. In certain situations, the current reporting requirements could potentially be expected to impact the status of a stock or a recovery plan. However, overages have the potential, depending on the AMs, to result in significant disruption in fishing behavior the following year and, as discussed in Section 4.1.2, reduce revenue and profit for commercial and for-hire vessels and associated businesses, increase prices to consumers, reduce product options, and reduce consumer surplus to recreational anglers. **Alternative 1 (No Action)** would be expected to continue to result in these indirect economic effects.

Alternative 2 would allow either fax or electronic submission of reports, **Alternative 3** would require electronic reporting, although **Alternative 4**, which would only apply if regional permits are established, would allow fax reporting by Gulf of Mexico permit holders for the first year but require electronic reporting thereafter. In theory, fax reporting could be less burdensome and less costly for a dealer because less equipment would be required and an internet connection would not be needed. Because electronic reporting is currently the established and required practice, current dealers would not be required to incur any new costs associated with the method of reporting. In fact, **Alternative 2** would provide an opportunity for cost-reduction for these dealers. However, because electronic reporting is the current requirement and there are economic advantages of electronic record-keeping as a business practice, it would not be expected that current dealers would downgrade their practices and revert to fax reporting. As a result, the reporting method component of **Alternatives 2-4** would not be expected to have any direct economic effect on current permitted dealers.

For new entities that would be required to obtain a dealer permit in response to potential regulatory change resulting from **Action 1**, the direct dealer costs would be expected to be the highest for **Alternative 3**, followed by **Alternative 4**, and **Alternative 2**. As may be obvious, the cost differences would be expected to arise from the amount of flexibility available to use cheaper submission methods. In reality, because the use of computers, the internet, and other

forms of electronic connections and communication is commonplace in the business environment, the differences in the costs between these alternatives associated with reporting method may be minimal. This assessment makes no attempt to estimate an average cost of equipment or connection fees per entity, nor total expected costs to dealers, because of the range of options and prices available and an inability to estimate the number of entities that may not already use these tools and services in their current business. Further, it is noted that, as previously discussed, the current reporting requirement mirrors that already required by the state reporting systems. As a result, electronic reporting would be expected to be part of the routine business practices of all dealers that would be encompassed by these proposed alternatives. Nevertheless, as previously stated, fax reporting would be expected to be a less costly option than electronic reporting.

In addition to the costs to dealers, the costs of data processing should be considered. As previously discussed, the current requirement for electronic reporting eliminates the need for costly manual data input. Electronic reporting also potentially reduces the time required to acquire the data, process it, compute regional (or area or gear sector) harvest totals, and take management action, when appropriate. Fax reporting, however, or any other form of reporting that does not directly load the data into a database, would require manual data input, potentially delaying the completion of these tasks. As a result, the direct costs associated with data management and the indirect costs associated with potentially delayed management response would be expected to increase as the flexibility of the reporting requirements to allow non-electronic reporting increases. From this perspective, **Alternative 2** would be expected to result in the highest costs, followed by **Alternative 4**, and **Alternative 3**.

The options considered under **Alternatives 2-4** address the frequency of reporting and range from daily reporting (**Option a**) to once every two weeks (**Option d**). Despite the labor efficiencies that electronic bookkeeping and reporting support, labor would still be required to ensure all transactions are properly recorded. As a result, the more frequent that reports would be required, the greater the cost to dealers and to the administration in ensuring the data are correctly archived into the system. This would be particularly true if the timing and frequency of reporting differs from state requirements (though some cost savings may be achieved if the state and federal delivery schedules overlap). From this perspective, the ranking of the options from most to least costly would be the following: **Option a** (daily); **Option c** (weekly or daily, as determined by the SRD); **Option b** (weekly); **Option e** (every two weeks or weekly, as determined by the SRD); and **Option d** (every two weeks). This ranking would apply to each of **Alternatives 2-4**. Because of the discretionary components of **Options c** and **e**, the actual reporting costs of these options would be equivalent to their less burdensome pair, i.e., **Options b** and **d**, respectively, if the more frequent reporting needs are not triggered.

In addition to the direct costs to dealers associated with reporting frequency, the direct federal costs associated with data management would be expected to be affected by the frequency of reporting. Despite the integrated nature of electronic reporting, systems maintenance and data processing needs may increase the more frequently reports are submitted. For example, daily reporting may require full-time staff attention, whereas reporting weekly or every two weeks may allow rotation of staff resources to and from other duties. As a result, the ranking of the

options from the perspective of administrative costs would be expected to mirror the ranking from the perspective of dealer reporting costs provided in the previous paragraph.

The frequency of reporting would also be expected to affect the capabilities of the harvest monitoring process and the associated indirect economic effects previously discussed. In theory, barring system overload (the data reporting and harvest monitoring system has to have the capacity to receive, process, and react to all of the data submitted to be fully effective), the more frequently reports are submitted, the more accurate the harvest monitoring process would be expected to be. The more accurate the harvest monitoring process, the better the management of the resources and associated fisheries, and the greater the economic benefits. From this perspective, the options would, again, have the same ranking provided thus far, **Option a** would be first and **Option e** last, though the metric of evaluation would be greatest benefits rather than greatest costs. However, considerations of system capacity (can the management system handle the data delivery schedule?) and management needs (does the resource need harvest monitoring at that frequency?) are relevant. As a result, although more frequent reporting may seem best, inability of the data collection system to handle increased reporting frequency may negate the potential benefits. Alternatively, the needs of the resources, on average, may not require reporting of at a particular level of increased frequency.

Combining the considerations of the direct economic effects of reporting with the indirect economic effects of facilitating more effective harvest monitoring is difficult at best and available data does not provide a quantitative basis for comparison. As previously discussed, the key considerations are reporting burden (how much reporting costs are too much?), systems capacity (can the system handle the data, yes or no?), and resource needs (do the resources need monitoring of this frequency, yes or no?). The subjective determinations of these considerations are beyond the scope of this assessment, so no conclusions are provided other than noting that the selection of **Preferred Option b** suggests a determination by the Councils that weekly reporting would be best in either an absolute sense (most “functional” management benefits and least costly) or because it would be a reasonable compromise between the most frequent option (**Option a**, daily reporting; most “potential” management benefits, but most costly) and least frequent option (**Option d**, every two weeks; least management benefits and least costly) options.

Thus far, the assessment of the expected economic effects of the options has been focused on comparisons within the group, **Options a-e**. Comparisons of the expected effects of **Options a-e** with the reporting frequency under **Alternative 1 (No Action)** are complicated because, as previously discussed, not all dealers are currently subject to the same reporting frequency. However, general conclusions can be made. Because each of the minimum reporting frequency requirements would apply to all dealers, even the least frequent reporting option, **Option d** (every two weeks), would require more frequent reporting than is currently required for all dealers. As a result, even though the reporting frequency for some dealers would not change under some options, all options would be expected to increase the total reporting burden and, therefore, total reporting costs, relative to **Alternative 1 (No Action)**.

This assessment assumes that, regardless of the alternative chosen among **Alternatives 2-4**, the same reporting frequency option would be selected because the determination of the best

reporting frequency would not appear to depend on the mode of transmission; all modes considered involve some form of non-manual transmission (fax or electronic), i.e., no written hardcopy reports would be prepared and delivered by mail or other physical means, though a hardcopy would be prepared for fax transmission. As a result, determining a final ranking of **Alternatives 2-4**, with associated options, reduces to consideration of the expected economic effects previously discussed for these alternatives in the absence of reporting frequency options. Despite expectations that fax reporting may be a cheaper option for dealers, because the majority, if not all, dealers would be expected to currently have electronic submission capabilities due to current state and federal reporting requirements, and non-electronic reporting would be expected to have deleterious economic effects on the data processing and management system, including potential harm to harvest monitoring capabilities, **Preferred Alternative 3** would be expected to result in the greatest economic benefits, followed by **Alternative 4** and **Alternative 2**. This ranking would be expected to continue regardless of the option selected, assuming the same option is selected as the preferred for each alternative.

If adopted, **Preferred Alternative 5** would be expected to provide flexibility to the dealer reporting requirements, regardless of whether **Alternative 1 (No Action)** or **Alternatives 2-4** is adopted, in the event of catastrophic conditions, which would be expected to disrupt normal reporting capabilities and impose a burden on dealers to satisfy the statutory reporting obligations. This flexibility would allow changes in the method and frequency of reporting. Providing reporting flexibility during these events would be expected to result in continued receipt of necessary harvest information, which would be expected to minimize the potential adverse effects on resource management and associated economic benefits of data flow interruption, and reduce the reporting cost burden to dealers. **Alternative 1 (No Action)** and **Alternative 2-4** would not result in any reporting flexibility to occur in catastrophic conditions. As a result, **Preferred Alternative 5** would be expected to result in greater economic benefits than **Alternative 1 (No Action)** and **Alternatives 2-4**.

Social: The alternatives in this action consider two components of dealer reporting: how dealers can submit reports and how often reports are submitted. In general, more frequent reporting may have some negative effects on dealers and associated businesses by imposing additional time, money, and staff requirements. **Alternative 1 (No Action)** would not affect dealers that currently have to meet reporting requirements similar to proposed requirements, but if permits are required for additional managed species in **Action 1**, there may be additional burden for these dealers and businesses. More frequent reporting will likely result in a greater impact on dealers, where **Option a** under **Alternatives 2-4** would be the most burdensome, and **Options d** or **e** would be the least burdensome. **Option d** is similar to the current requirements and would be expected to have similar social effects as **Alternative 1 (No Action)**. **Preferred Option b** under **Preferred Alternative 3** would impose additional time requirements for dealers because the reporting would be more frequent than what is currently required, although the weekly reports would likely result in less impacts on dealers than daily reporting under **Option a**.

The frequency of reporting may also have broad social effects in that more frequent reporting would be expected to improve quota monitoring, allowing NOAA Fisheries to better track landings and calculate expected closures. This improved monitoring would also be expected to reduce the likelihood of a fishery exceeding the ACL and triggering associated AMs, as

discussed in **Section 4.1.3**. Improvements in monitoring would be beneficial to the commercial fleet by minimizing the negative social effects of AMs such as early closures, reduced trip limits, or reduced ACL in the subsequent year (“pay-backs”). Monitoring improvements and reduced risk of exceeding an ACL would also be expected to contribute to improved sustainability in the fisheries. Thus, the daily reporting requirements under **Option a** would be the most burdensome on dealers individually, but is expected to maximize the social benefits of the proposed action for the commercial sector as a whole.

Although greater impacts may be expected with more frequent reporting, most dealers who transact in Gulf of Mexico Reef Fish are already reporting daily. In 2011, 68.5% of all Reef Fish landings consisted of species managed under an individual fishing quota program (A. Strelcheck, pers. comm.), which requires electronic reporting at the time landings are made. If multiple vessels make reef fish landings in one day, dealers are reporting multiple times per day. Although the frequency of reporting and method (electronic is required) may be burdensome, the timeliness of data reporting has aided reef fish fishermen to avoid exceeding the ACLs of IFQ species.

The method of reporting (fax or electronically) will affect dealers who do not already use computer systems in their businesses. Although flexibility under **Alternatives 2-4** would be beneficial, requiring electronic reporting (**Alternatives 3-4**) would be expected to produce the most accurate means of tracking landings. Allowing a one year period before requiring electronic reporting (**Alternative 4**) would allow time for those dealers who are not computerized to upgrade their businesses, while **Preferred Alternative 3** would enable the benefits of more accurate data reporting to be realized sooner.

Preferred Alternative 5 provides for a measure of flexibility in reporting during catastrophic conditions. This flexibility would result in positive effects for the social environment as dealers and vessels are able to continue business transactions despite the temporary unavailability of electronic reporting means.

Administrative: **Alternative 1** would result in no increase in administrative burden on NOAA Fisheries. This is the status quo of how data are collected for fishery quota monitoring. *Alternative 2 would increase the administrative burden on NOAA Fisheries, as any faxed reports would have to be key entered by NOAA Fisheries staff. There is currently no application to accept this information, so a database would also have to be developed.* **Preferred Alternative 3** would result in less burden than **Alternative 2**; however, it may have greater burden than **Alternative 1**, depending on the frequency of reporting **Option (2a-2e)** selected. All options except **Option 2d** under **Alternative 2** and **Preferred Alternative 3** would result in greater administrative burden. Of those Options, **Option 2b** would result in smallest increase in burden. **Option 2a** would result in the largest increase in administrative burden, due to the need for daily contact with all dealers to resolve data quality issues. It is much less burdensome to attend to these issues once a week as in **Preferred Option 2b**. **Alternative 4** will only increase the reporting burden relative to **Preferred Alternative 3** during the first year. In successive years it is equivalent to **Preferred Alternative 3**. **Preferred Alternative 5** will increase the administrative burden by adding data entry, but would enable the Southeast Regional Director (SRD) to still collect information, although at a less timely rate.

Any option that would change the likelihood of an overage or reduce the time involved in creating projections of harvest would reduce the administrative burden. Overage add administrative burden because staff time must be spent to recalculate the quota for the following season and adjust regulations accordingly. **Alternative 1** will not reduce the likelihood of exceeding quotas and will not reduce the staff time involved in creating projections, or in creating regulations to control harvest. **Alternative 2** and **Preferred Alternative 3** could lead to fewer overages as long as weekly or daily reporting is selected. With weekly or daily reporting, the amount of time in the future that must be estimated is reduced, which lowers the burden of creating projections and would result in fewer overages, assuming that reporting compliance is the same across all alternatives. **Alternative 2** allows faxing reports, which requires data to be entered by NOAA Fisheries, so there would be an increase in the lag time between when the data was sent and when it would be available relative to **Preferred Alternative 3**. **Alternative 4** would also reduce the chances of exceeding a quota and reduce the work of forecasting if weekly or daily reporting was selected, but the first year would have more burden than successive year because like **Alternative 2**, it allows faxing during the first year after implantation of this requirement.. **Preferred Alternative 5** would require the continued timeliness of reports, but require data entry by NOAA Fisheries, similar to **Alternative 4**, which allows faxing of a paper report. The loss of timely data would result in a greater likelihood of exceeding quotas and require more work to develop forecasts. Nevertheless, a paper report during a catastrophic condition would be better than having no report, which leaves question as to whether fish were landed or not.

However, NOAA Fisheries notes that other federal dealer permits currently require weekly reporting, including all Northeast Regional Office (NERO) issued dealer permits. Many HMS dealers also possess NERO-issued permits and, therefore, are already reporting on a weekly basis. Since dolphin wahoo permits extend to Maine, and coastal migratory pelagics permits to New York, there will be several potential dealers who report to NERO, and thus the action would bring the Southeast Regional Office-issued dealer permits into a more consistent reporting process across regions.

Council Decisions: Action 2

1. Do you want to change your preferred alternative for frequency of reporting?

Option 1. No change to existing Preferred Alternative 3 b (weekly reporting) for Action 2. Note: This would keep the same preferred alternative as the Gulf Council and would not delay completion of the amendment.

Option 2. Select Alternative 3c as preferred for Action 2.

Note: This would give the Southeast Fisheries Science Director the authority to change all dealer reporting from weekly to daily if the determination is made that weekly reporting is not sufficient to prevent annual catch limit overages. This would prevent the Councils from having to prepare another amendment to make this change if a change to daily reporting is required in the future. The Gulf Council discussed this alternative but unfortunately it was explained in terms of requiring daily reporting for some species and weekly for others which is not the way this alternative is structured. The Gulf Council did not change their preferred from Alternative 3b (weekly reporting).

Option 3. Others??

2. Do you want to approve the Gulf Council's additional wording in Preferred Alternative 5?

Option 1. No change to existing wording for Action 2, Preferred Alternative 5.

Option 2. Accept the revised wording for Action 2, Preferred Alternative 5:

During catastrophic conditions only, the annual catch limit (ACL) monitoring program provides for use of paper-based components for basic required functions as a backup. The Regional Administrator (RA) will determine when catastrophic conditions exist, the duration of the catastrophic conditions, and which participants or geographic areas are deemed effected by the catastrophic conditions. The RA will provide timely notice to affected participants via publication of notification in the Federal Register, NOAA weather radio, fishery bulletins, and other appropriate means and will authorize the affected participants' use of paper-based components for the duration of the catastrophic conditions. The paper forms will be available from NOAA Fisheries. The RA has the authority to waive or modify reporting time requirements.

Note: The South Atlantic Council will need to approve the addition of "The RA has the authority to waive or modify reporting time requirements."

Note: Any selected Preferred Alternative will include "Dealers reporting purchases of king mackerel landed by the gillnet sector for the Gulf West Coast Florida Southern Sub Zone must submit forms daily by 6:00 A.M."

Option 3. Others??

Action 3. Requirements to Maintain a Dealer Permit

Alternative 1: No Action – Regardless of whether a purchase is made, purchase forms must be submitted for Gulf of Mexico reef fish and South Atlantic snapper-grouper (excluding wreckfish). For the remaining species, a purchase form is required only if a purchase is made. During complete months encompassed by the South Atlantic wreckfish spawning season closure, a wreckfish dealer is not required to submit a report stating that no wreckfish were received.

The Secretary of Commerce has re-delegated the authority to assess civil monetary penalties and permit sanctions to the NOAA Office of General Counsel. The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) requires notice and an opportunity for a hearing before an administrative law judge before a monetary penalty or permit sanction may become final. The procedures governing the administrative proceedings for assessments of civil penalties and permit sanctions are found at 15 C.F.R. Part 904. The NOAA Office of General Counsel – Enforcement Section Policy for the Assessment of Civil Administrative Penalties and Permit Sanctions (Penalty Schedule) is found at: http://www.gc.noaa.gov/documents/031611_penalty_policy.pdf (See particularly pages 24, 25, 34-36)

Alternative 2: “No purchase forms” must be submitted at the same frequency, via the same process, and for the same species as specified for “purchased forms” in Actions 1 and 2”. A dealer would only be authorized to receive commercially-harvested species if the dealer’s previous reports have been submitted by the dealer and received by NOAA Fisheries in a timely manner. Any delinquent reports would need to be submitted by the dealer and received by NOAA Fisheries before a dealer could receive commercially harvested species from a federally-permitted U.S. vessel.

Proposed Actions in the Generic Dealer Amendment

1. What dealer permits would be required and for which species?
2. How frequently and by what method would dealers be required to report?
- 3. Are there requirements for maintaining a dealer permit?**

Summary of Effects

Biological: The requirements to maintain a dealer permit are administrative in nature and provide a means of collecting data from the industry and does not directly affect the biological environment, but does have an indirect biological effect. **Alternative 1 (No Action)** currently only requires the Gulf of Mexico reef fish and South Atlantic snapper-grouper dealers to submit purchase forms indicating no purchase was made. By submitting the form when no purchase is made, this assures the report is not missing and allows more accurate monitoring of managed species necessary to prevent exceeding the ACLs and subsequent potential stock depletion from excessive harvest during a fishing year. **Alternative 1 (No Action)** may result in negative biological impacts for species managed in FMPs that do not require the submission of the “No Purchase Form”. For example, the probability of exceeding ACLs is greater in **Alternative 1 (No Action)**, especially for species that are managed by in-season AMs. **Action 1, Preferred Option 2b** and South Atlantic **Preferred Option 3b** in conjunction with **Action 3 Alternative 2** will require species managed in six additional FMPs to submit “no purchase forms”. The biological benefits will be realized for these additional species as the accuracy in monitoring will be increased and thus reducing the likelihood of exceeding their ACL and subsequent potential stock depletion because of excessive harvest during a fishing year.

Economic: Alternative 1 (No Action) would not result in any change to the current dealer reporting requirements for periods during which no purchase is made. As a result, there would not be expected to be any change in the direct costs or benefits to dealers or other entities. However, current dealer reporting regulations do not require “no purchase forms” to be submitted by all dealers. The more information that is available, even when action is based on projections, the better the management decision. The economic benefits associated with a decision would be expected to increase the better the management decision. “No purchase forms” contain useful information that informs the management process. The absence of “no purchase forms” as a reporting requirement could result in the delay of important management decisions or taking an inappropriate action. For example, a delay in management action because a “no purchase form” is not submitted would result NOAA Fisheries having to assume landings occurred when they did not, and that could result in a fishery being closed too soon, resulting in decreased revenue, profit, and other associated adverse

Action 3 Alternatives¹ *(preferred alternatives currently not specified)*

1. **No action.** No purchase forms required for Snapper Grouper of Reef Fish
2. “No purchase forms” must be submitted at the same frequency, via the same process, and for the same species as specified for “purchased forms” in Actions 1 and 2. A dealer would only be authorized to receive commercially-harvested species if the dealer’s previous reports have been submitted by the dealer and received by NOAA Fisheries in a timely manner. Any delinquent reports would need to be submitted and received by NOAA Fisheries before a dealer could receive commercially harvested species from a federally-permitted U.S. vessel.

economic effects. Thus, management delay and/or incorrect projections could result in adverse economic consequences for affected fishermen and associated businesses.

The requirement to submit “no purchase forms” under **Alternative 2** would be expected to eliminate the problems, and associated economic effects, that would exist under **Alternative 1 (No Action)**. Although a requirement for the submission of “no purchase forms” would increase the reporting burden, no estimate of the frequency with which these reports would be expected to be submitted is available. However, consistent with previous discussion on the efficiency of electronic reporting, any additional burden would be expected to be minimal. In addition to requiring the submission of “no purchase forms,” under **Alternative 2** a dealer would only be authorized to purchase commercially harvested species from a federally permitted vessel if they are up to date in submitting their reports. This aspect of **Alternative 2** may be the most economically significant component of this alternative for individual dealers. Any adverse economic effects associated with problems with the overall stock and management effects of harvest monitoring require cumulative problems across the industry in order to be triggered (no individual harvester creates an overage), and any effects would be delayed until at least the following year for those species with post-season AMs, but would detract from the future harvest for those species with in-season AMs. Further, individual dealers may be able to avoid economic losses despite quota reductions (harvests could be “business as usual” for the vessels handled by a particular dealer or compensation through the purchase of other species could occur). An inability to make current purchases, however, due to failure to be up to date with reporting requirements, would be more immediate (current fishing year) and limited to the specific dealer. Thus, although the dealer would also have the individual ability to self-correct the situation and not be dependent on or affected by the behavior of others, and thereby be capable of limiting the magnitude of any economic harm, any disruption would be direct, immediate (depending on enforcement), and personally received. Because avoiding such situations would be expected to be in the best economic interests of dealers, these situations would be expected to occur infrequently.

In summary, because of the expected low costs associated with compliance and the economic benefits associated with an improved harvest monitoring capability, **Alternative 2** would be expected to result in greater economic benefits than **Alternative 1 (No Action)**.

Social: The lack of penalties for non-compliance with any reporting requirements (**Alternative 1, No Action**) would likely reduce any social benefits discussed in **Sections 4.1.3** and **4.2.3** that would be expected from improved reporting and quota monitoring. Additionally, **Alternative 1 (No Action)** would add no penalty and would not require “no purchase forms” to be submitted to maintain the required frequency adopted under **Action 2**. **Alternative 1 (No Action)** would likely reduce the social benefits of any requirements selected in **Actions 1** and **2** compared to **Alternative 2**. While **Alternative 2** would have negative impacts on any dealers that do not comply with reporting requirements, enforceability of the proposed requirements in **Actions 1** and **2** will have broad social benefits discussed in **Sections 4.1.3** and **4.2.3** for the commercial sector as a whole by contributing to the effectiveness and expected benefits of improved reporting and better quota monitoring. Overall, without a proper and fair system in place to ensure all dealers are complying with reporting requirements (**Alternative 1, No Action**), the

benefits of improved reporting, better quota monitoring, and reduced AM triggers will likely be reduced and quota-tracking will not improve as expected under **Alternative 2**.

Administrative: Alternative 1(No Action) results in no change in administrative burden. **Alternative 2** results in an increase in administrative burden needed to track dealer compliance. In **Alternative 2**, the requirement to submit “no purchase forms” on a weekly basis will increase the number of responses from dealers, and is expected to result in an increase in the number of dealers that are non-compliant. The anticipated increase in non-compliant dealers will result in an increase in the administrative burden to law enforcement.

Council Decisions: Action 3

1. Do you want to accept the IPT's recommended change to the wording of Action 3, Alternative 2?

Option 1. No change to existing wording for Action 3, Alternative 2:

“No purchase forms” must be submitted at the same frequency, via the same process, and for the same species as specified for “purchased forms” in Actions 1 and 2”. A dealer would only be authorized to receive commercially-harvested species if the dealer’s previous reports have been submitted by the dealer and received by NOAA Fisheries in a timely manner. Any delinquent reports would need to be submitted **by the dealer** and received by NOAA Fisheries before a dealer could receive commercially harvested species from a federally-permitted U.S. vessel.

Note: This would not delete “by the dealer” after submitted in the last sentence. This would be different from the wording approved by the Gulf Council and could delay completion of the amendment.

Option 2. Accept the IPT’s recommended change to the wording of Action 3, Alternative 2: “No purchase forms” must be submitted at the same frequency, via the same process, and for the same species as specified for “purchased forms” in Actions 1 and 2. A dealer would only be authorized to receive commercially-harvested species if the dealer’s previous reports have been submitted by the dealer and received by NOAA Fisheries in a timely manner. Any delinquent reports would need to be submitted and received by NOAA Fisheries before a dealer could receive commercially harvested species from a federally-permitted U.S. vessel.

Option 3. Others??

2. Do you want to approve the Gulf Council’s Preferred Alternative 2 for Action 3?

Option 1. Do not choose a Preferred Alternative for Action 3.

Note: This would prevent finalization of the amendment and delay implementation of improved reporting requirements.

Option 2. Choose Alternative 2 as preferred for Action 3: “No purchase forms” must be submitted at the same frequency, via the same process, and for the same species as specified for “purchased forms” in Actions 1 and 2. A dealer would only be authorized to receive commercially-harvested species if the dealer’s previous reports have been submitted by the dealer and received by NOAA Fisheries in a timely manner. Any delinquent reports would need to be submitted and received by NOAA Fisheries before a dealer could receive commercially harvested species from a federally-permitted U.S. vessel.

Option 3. Others??

Other Council Decisions for the Joint Dealer Amendment

Option 1. Approve the modified Joint Dealer Amendment for formal Secretarial review and deem the codified text as necessary and appropriate. Give staff editorial license to make any necessary editorial changes to the document/codified text and give the Council Chair authority to approve the revisions and re-deem the codified text.

Note: The modified amendment and codified text were reviewed and approved by the Gulf Council during their August 2012 meeting. If all actions by the Gulf Council are approved by the South Atlantic Council, the amendment could be submitted in late September. The intent is to have these changes implemented beginning on January 1, 2013.

Option 2. Others??