

DECISION DOCUMENT
AMENDMENT 18B
to the Fishery Management Plan for the
Snapper Grouper Fishery
of the South Atlantic Region

JUNE 2012



Golden Tilefish, *Lopholatilus chamaeleonticeps*

Why is the South Atlantic Council taking Action?

Recent amendments to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region (Snapper Grouper FMP) have imposed more restrictive harvest limitations on snapper grouper fishermen. In an effort to identify other species to harvest, more fishermen may target golden tilefish. An increase in effort on golden tilefish would intensify the “race to fish” that already exists, which has resulted in a shortened fishing season for the last six years. The fishing season for golden tilefish in recent years has already been shortened to such a degree that South Carolina longline fishermen -- who are typically unable to fish until April or May due to weather conditions -- and hook and line fishermen from Florida --who typically do not fish until the fall -- are increasingly unable to participate in the golden tilefish segment of the snapper grouper fishery. The South Atlantic Fishery Management Council (South Atlantic Council) is concerned an increase in effort on golden tilefish could deteriorate profits.

Purpose for Action

The ***purpose*** of Amendment 18B is to limit participation in the golden tilefish component of the snapper grouper fishery through establishment of longline endorsements, changes to the fishing year, allocation of the annual catch limit (ACL) between gear groups, and modifications to golden tilefish trip limits.

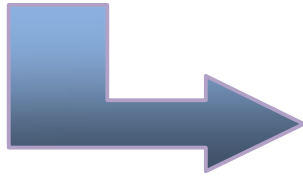
The actions proposed in this amendment will address issues that have arisen as a result of a more stringent regulatory regime in the South Atlantic region.

Need for Action

The ***need*** for action in Amendment 18B is to reduce overcapacity in the golden tilefish component of the snapper grouper fishery.

What Are the Proposed Actions?

There are 8 actions being proposed in Amendment 18B to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region (Amendment 18B). Each *action* has a range of *alternatives*, including a 'no action alternative' and a 'preferred alternative'.



Proposed Actions in Amendment 18B

1. Limit Participation in the Golden Tilefish Component of the Snapper Grouper Fishery
2. Establish Initial Eligibility Requirements for a Golden Tilefish Longline Endorsement
3. Establish an Appeals Process
4. Allocate Commercial Golden Tilefish ACL Among Gear Groups
5. Allow for Transferability of Golden Tilefish Endorsements
6. Adjust the Golden Tilefish Fishing Year
7. Modify the Golden Tilefish Trip Limit
8. Establish Trip Limits for Fishermen Who Do Not Receive a Golden Tilefish Longline Endorsement

What Is the Status of the Golden Tilefish Stock?

Golden tilefish were assessed through the Southeast Data, Assessment and Review (SEDAR) process in 2011 using data through 2010.

SEDAR is a cooperative Fishery Management Council process initiated to improve the quality and reliability of fishery stock assessments in the South Atlantic, Gulf of Mexico, and US Caribbean. The Caribbean, Gulf of Mexico, and South Atlantic Fishery Management Councils manage SEDAR in coordination with NOAA Fisheries Service and the Atlantic and Gulf States Marine Fisheries Commissions. SEDAR seeks improvements in the scientific quality of stock assessments, constituent and stakeholder participation in assessment development, transparency in the assessment process, and a rigorous and independent scientific review of completed stock assessments.

Following the assessment, the South Atlantic Council's Scientific and Statistical Committee (SSC) reviews the stock assessment information and advises the South Atlantic Council on whether the best available data were utilized and whether the outcome of the assessment is suitable for management purposes.

The stock assessment for golden tilefish (SEDAR 25 2011) indicated that the South Atlantic population is **not overfished nor undergoing overfishing**. The current level of spawning stock biomass (SSB_{2010}) is estimated to be well above the minimum stock size threshold (MSST) -- $SSB_{2010}/MSST = 2.43$. The current level of fishing is slightly higher than one-third of F_{MSY} ($F_{2008-2010}/F_{MSY} = 0.36$).

Golden Tilefish Life History *An Overview*



- On the Atlantic coast, they occur from Nova Scotia to South Florida.
- Most often found around 600 feet, over mud or sand bottom.
- May live up to 50 years.
- Spawn from March to July with peak in April.
- Not undergoing overfishing, not overfished.

What Are the Alternatives?

1. Limit Participation in the Golden Tilefish Component of the Snapper Grouper Fishery

Alternative 1 (No Action). Do not limit effort in the golden tilefish component of the snapper grouper fishery through a longline endorsement program.

Alternative 2 (Preferred). Limit golden tilefish effort through a golden tilefish longline endorsement program: Distribute golden tilefish longline endorsements for snapper grouper permit holders that qualify under the eligibility requirements specified in Action 2. Only snapper grouper permit holders with a golden tilefish longline endorsement associated with their snapper grouper permit will be allowed to possess golden tilefish.

Summary of Effects

Biological: **Alternative (Preferred)** address endorsement restrictions for entities that qualify for a longline endorsement. Longline gear is more efficient than hook and line gear in capturing golden tilefish. Yet, allowing more efficient gear to capture golden tilefish would not be expected to negatively impact the stock since ACLs and accountability measures (AMs) are in place to prevent overfishing. Furthermore, a longline endorsement could slow the rate the golden tilefish ACL is met and help prevent overages, thus having biological benefits. While it has not been very well documented, longline gear could be more likely to interact with protected species and negatively impact bottom habitat than hook and line gear. Currently anyone with a commercial snapper grouper permit can use longline gear. Thus, capping the number of individuals who can use longline gear could have greater biological benefits for the stock and protected species than **Alternative 1 (No Action)**. Any differences in the biological effects of the sub-alternatives are expected to be small.

Economic: Given the fact that the longline sector has accounted for over 90% of commercial landings of golden tilefish, an endorsement system for this sector would help

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in addressing overcapacity and effort expansion in the commercial sector. It is likely, however, that the effects of an endorsement system would be temporary. Effort and capital stuffing would not be totally constrained because eligible longline participants could still do it, especially if they perceive the endorsement system as a prelude to a catch share program. In addition, expansion of the hook and line sector could still occur. Perhaps, the best an endorsement can do is to prevent a surge in effort from other sources than those included in the longline endorsement and the hook and line sector. An endorsement coupled with a quota increase, as proposed in Regulatory Amendment 12 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region (Regulatory Amendment 12), can do better in addressing overcapacity and forestalling a derby than either alone. Together, they offer a higher likelihood of extending the fishing season and thereby providing opportunities for the industry to remain profitable.

Social: Although this proposed action would not limit total golden tilefish harvest, restricting participation may affect the total amount of golden tilefish harvested as well as change product flow through the various communities and dealers. If the more significant harvesters receive endorsements, total volume and the communities where most golden tilefish are landed should not be affected. It is possible, however, that the smaller harvests by some fishermen make up a larger portion of total harvest quantities by these fishermen or sales activity by some dealers. Therefore, the proposed endorsement system should preserve, and possibly increase, the social benefits to the more active producers and dealers, and associated communities. However, absent fishermen landing in multiple ports and selling to multiple dealers in the same city, reduced social and economic benefits could be experienced by some communities and dealers as well as the fishermen who do not receive an endorsement.

Recommendations

Interdisciplinary plan development team (IPT) & Staff: None

Snapper Grouper Advisory Panel (AP): The AP supports the Council's preferred to establish a longline endorsement.

Scientific and Statistical Committee (SSC): The SSC commented that limiting access might be favorable because the golden tilefish has been closing earlier each year. The SSC cautioned that by concentrating catch to specialists (i.e., fishermen that only target a specific species or species complex), these fishermen would be more susceptible to biological and regulatory fluctuations. The SSC recommends the South Atlantic Council consider that fishermen are generally in favor of limiting entry in their own fishery due to increases in personal revenue and spreading the catch among fewer participants. Additionally, this approach may not achieve the management goal of balancing regional differences in-season.

2. Establish Initial Eligibility Requirements for a Golden Tilefish Longline Endorsement

Alternative 1 (No Action). Do not establish initial eligibility requirements for a golden tilefish longline endorsement

Alternative 2. Establish initial eligibility requirements for a golden tilefish longline endorsement based on the following criteria:

Sub-alternative 2a. To receive a golden tilefish longline endorsement, the individual must have a total of 2,000 pounds gw golden tilefish caught (with longline gear) between 2006 and 2008.

Sub-alternative 2b. To receive a golden tilefish longline endorsement, the individual must have a total of 5,000 pounds gw golden tilefish caught (with longline gear) between 2006 and 2008.

Sub-alternative 2c. To receive a golden tilefish longline endorsement, the individual must have an average of 5,000 pounds gw golden tilefish caught (with longline gear) between 2006 and 2008.

Sub-alternative 2d. To receive a golden tilefish longline endorsement, the individual must have an average of 5,000 pounds gw golden tilefish caught (with longline gear) between 2007 and 2009.

Sub-alternative 2e. To receive a golden tilefish longline endorsement, the individual must have an average of 10,000 pounds gw golden tilefish caught (with longline gear) between 2007 and 2009.

Sub-alternative 2f (Preferred). To receive a golden tilefish longline endorsement, the individual must have an average of 10,000 pounds gw golden tilefish caught (with longline gear) for the best 3 years within the period 2006 through 2010.

NEW Sub-alternative 2g. To receive a golden tilefish longline endorsement, the individual must have an average of 5,000 pounds gw golden tilefish caught (with longline

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gear) for the best 3 years between 2006 and 2010.

NEW Sub-alternative 2h. To receive a golden tilefish longline endorsement, the individual must have an average of 5,000 pounds gw golden tilefish caught (with longline gear) for the best 3 years between 2006 and 2011.

NEW Sub-alternative 2i. To receive a golden tilefish longline endorsement, the individual must have an average of 10,000 pounds gw golden tilefish caught (with longline gear) for the best 3 years between 2006 and 2011.

Summary of Effects

Biological: All of the sub-alternatives under **Alternative 2** would result in a reduction in the number of participants but not necessarily limit effort or harvest. It is possible that alternatives that limit the number of participants could also result in a reduction in the amount of gear deployed and golden tilefish landed. If this were the case, then biological benefits could be expected for golden tilefish and the chance of interactions with protected species could be reduced. **Sub-alternative 2h** would result in 23 longline endorsements (**Table 1**). Therefore, the biological benefits of this sub-alternative could be less than under other sub-alternatives. However, it is also possible that effort would remain the same regardless of the number of vessels fishing. Therefore, the biological effects of **Sub-alternatives 2a-2i** could be very similar.

Table 1. Number of longline endorsements for sub-alternatives under **Action 2.**

Sub-alternatives for Longline Endorsements	Eligibility Requirement	Number of Endorsements
2a	At least 2,000 pounds gw when landings from 2006-08 are aggregated	17
2b	At least 5,000 pounds gw when landings from 2006-08 are aggregated	12
2c	At least 5,000 pounds gw when landings from 2006-08 are averaged	11
2d	Average of 5,000 pounds gw golden tilefish caught (with longline gear) between 2007 and 2009	12
2e	Average of 10,000 pounds gw golden tilefish caught (with longline gear) between 2007 and 2009	8
2f (Preferred)	Average of 10,000 pounds gw golden tilefish caught (with longline gear) for the best 3 years within the period 2006 through 2010	14
NEW Sub-alternative 2g	Average of 5,000 pounds gw golden tilefish caught (with longline gear) for the best 3 years between 2006 and 2010	18
NEW Sub-alternative 2h	Average of 5,000 pounds gw golden tilefish caught (with longline gear) for the best 3 years between 2006 and 2011	23
NEW Sub-alternative 2i	Average of 10,000 pounds gw golden tilefish caught (with longline gear) for the best 3 years between 2006 and 2011	16

Economic: **Sub-alternative 2f (Preferred)** would qualify 14 permit holders (of a possible 38 permit holders) for the longline endorsement. These eligible permit holders employed 18 vessels that landed at least one pound of golden tilefish in any one year during 2005-2011. On average, eligible permitted vessels landed approximately 257,000 pounds gutted weight (gw) of golden tilefish annually. These landings accounted for 84% of golden tilefish landings by all “longline” vessels (eligible and ineligible) and 73% of the eligible vessels’ landing of all species caught in the trip. Eligible vessels generated approximately \$700,000 (in 2010 dollars) of revenues from golden tilefish. These revenues accounted for 84% of all revenues from golden tilefish by all “longline” vessels (eligible and ineligible) and 82% of the eligible vessels’ revenues from all species caught in the trip. **Sub-alternative 2f (Preferred)** would disqualify 24 (43 minus 14) permit holders from obtaining a longline endorsement. These permit holders employed 25

vessels that landed at least one pound of golden tilefish in any one year during 2005-2011. Ineligible permitted vessels landed approximately 50,000 pounds gw of golden tilefish which accounted for 16% of golden tilefish landings by all “longline” vessels (eligible and ineligible) and 24% of the ineligible vessels’ landing of all species caught in the trip. These ineligible vessels’ landing of golden tilefish generated approximately \$135,000 in revenues, which accounted for 16% of all “longline” vessel revenues from golden tilefish and 37% of these vessels’ revenues from all species caught in the trip. If some of the current participants and practically all of the most recent and future participants were prevented from harvesting golden tilefish, effort increases would not be as much as when those other participants were allowed to harvest golden tilefish. In a sense, the endorsement system would slow down the speed at which the longline sector profit would be dissipated. Qualifying vessels would experience lower reductions in profits while non-qualifying vessels would forgo lower profits, resulting in relatively higher overall profit to the longline sector. This condition assumes particular significance since the longline sector is by far a major participant in the commercial harvest of golden tilefish.

Social: Typically, the fewer eligible individuals may be more likely to result in negative social impacts due to not being allowed to harvest golden tilefish. Under this assumption, **Sub-alternative 2h** would have the least negative social impact by allocating endorsements to the most fishermen, while **Sub-alternative 2e** would be most likely to result in negative impacts on fishermen who do not receive an endorsement. However, under any allocation scenario, fishermen who receive an endorsement would be expected to benefit due to less competition in fishing and in the markets.

Table 4-2 shows the estimated number of permits that would qualify for a longline endorsement in each state, based on the reported home port along with a column showing the number of permits with golden tilefish landings with longline from 2006 through 2011, to provide a baseline for comparison. Florida would receive the most endorsements under each sub-alternative. Although the highest number of Florida permits (19) would qualify under **Sub-alternative 2h**, over 30% of the total number of Florida permits with recent golden tilefish landings by longline would not receive an endorsement. The other sub-alternatives would allow less than half of the permits in Florida with recent landings to qualify for a longline endorsement, including **Sub-alternative 2f (Preferred)**. However, of the 28 permits with longline landings, 10 permits had less than 5,000 pounds gw total golden tilefish landings from 2006-2011, which suggests that some of the permit holders that do not qualify for a longline endorsement may not be dependent on the longline golden tilefish portion of the snapper grouper fishery and would not be impacted by the endorsement program.

No vessel in Georgia would receive an endorsement under any of the sub-alternatives but no landings have been reported in Georgia in recent years. Only one North Carolina permit would receive an endorsement under **Sub-alternative 2a** but not under any other sub-alternative. Two out of the three North Carolina vessels with golden tilefish longline landings have less than 5,000 lbs total landings from 2006-2011, so the endorsement

program may not negatively affect these fishermen. Of the five South Carolina vessels with recent landings, at least one qualifies under each sub-alternative. **Sub-alternatives 2f (Preferred)-2i** would be expected to result in the most (4 out of 5) South Carolina permits qualifying for an endorsement.

Table 2. Number of Snapper Grouper permits with golden tilefish landings with longline from 2006-2011 and estimated number of permits that would qualify for a long line endorsement based on homeport of associated vessel.

	With any landings 2006-2011	Sub-alt 2a	Sub-alt 2b	Sub-alt 2c	Sub-alt 2d	Sub-alt 2e	Sub-alt 2f (Pref)	Sub-alt 2g	Sub-alt 2h	Sub-alt 2i
FLORIDA	28	13	9	8	10	7	10	14	19	12
Brevard County	6	2	2	2	2	2	4	4	5	4
Indian River County	2	0	0	0	0	0	0	1	2	1
Martin County	4	3	1	0	1	0	1	2	2	1
Miami-Dade County	2	2	1	1	3	2	1	2	2	1
Monroe County	2	0	0	0	0	0	0	0	0	0
Palm Beach County	5	0	0	0	0	0	0	0	2	0
St Lucie County	2	2	1	1	1	1	1	1	1	1
Volusia County	5	4	4	4	3	2	3	4	5	4
NORTH CAROLINA	3	1	0	0	0	0	0	0	0	0
Dare County	3	1	0	0	0	0	0	0	0	0
SOUTH CAROLINA	5	3	3	3	2	1	4	4	4	4
Georgetown County	1	1	1	1	1	1	1	1	1	1
Horry County	4	2	2	2	1	0	3	3	3	3
TOTAL	36	17	12	11	12	8	14	18	23	16

Recommendations

IPT & Staff:

- Approve inclusion of **Sub-alternatives 2g-2i** in the amendment.
- Provide clarification: Is the intent that only individuals with a longline endorsement can use longline gear to catch golden tilefish? One interpretation would be that if a fisherman doesn't have an endorsement, that person would be restricted to the hook and line trip limit but could still use longline gear.

- Provide clarification: can longline gear can be used for other deepwater snapper grouper species like blueline tilefish, yellowedge grouper, snowy grouper, etc. Can golden tilefish be retained by these fishermen at all? Is the intent that these fishermen be allowed to keep 500 lbs per trip?

Snapper Grouper Advisory Panel: The AP supports **Sub-alternative 2a**. This is the original alternative recommended by the Golden Tilefish Workgroup.

Scientific and Statistical Committee: The SSC recommends the South Atlantic Council consider collecting some quantitative data before making any decisions on these endorsements. The South Atlantic Council may also want to consider the costs of these programs.

3. Establish an Appeals Process

Alternative 1 (No Action). Do not specify provisions for an appeals process associated with the golden tilefish endorsement program.

Alternative 2 (Preferred). A period of 90 days will be set aside to accept appeals to the golden tilefish endorsement program starting on the effective date of the final rule. The Regional Administrator (RA) will review, evaluate, and render final decisions on appeals. Hardship arguments will not be considered. The RA will determine the outcome of appeals based on NMFS' logbooks. If NMFS' logbooks are not available, the RA may use state landings records. Appellants must submit NMFS' logbooks or state landings records to support their appeal.

Alternative 3. A period of 90 days will be set aside to accept appeals to the golden tilefish endorsement program starting on the effective date of the final rule. The RA will review, evaluate, and render final decisions on appeals. Hardship arguments will not be considered. A special board composed of state directors/designees will review, evaluate, and make individual recommendations to the RA on appeals. Hardship arguments will not be considered. The special board and the RA will determine the outcome of appeals based on NMFS' logbooks. If NMFS' logbooks are not available, the RA may use state landings records. Appellants must submit NMFS' logbooks or state landings records to support their appeal.

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4. Allocate Commercial Golden Tilefish ACL Among Gear Groups
5. Allow for Transferability of Golden Tilefish Endorsements
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Summary of Effects

Biological: Establishing an appeals process is an administrative action. Therefore, it is not anticipated to directly or indirectly affect the physical, biological or ecological environments in a positive or negative manner.

Economic: The number of appeals received largely determines the economic impacts of an appeals program. Fishermen excluded from the endorsement program who decide to appeal may incur costs associated with trying to prove their case. However, access to NMFS' logbook landings or state trip tickets should be at little or no cost to a fisherman. Some complications may arise in the case of transferred permits for the new permit owner may not have access to NMFS logbook landings for the previous owner. Access to state trip tickets in this situation would depend on the respective state's rule on access to trip ticket information.

Social: The absence of an appeals process under **Alternative 1 (No Action)** would be expected to increase the likelihood that one or more appropriate qualifiers would not receive an endorsement, resulting in less social benefits than would occur if an appeals process is established under **Alternative 2 (Preferred)** and **Alternative 3**. There would likely be minimal difference in the social effects between **Alternative 2 (Preferred)** and **Alternative 3**.

Recommendations

IPT & Staff: None

Snapper Grouper Advisory Panel: The AP supports the South Atlantic Council's preferred to establish an appeals process.

Scientific and Statistical Committee: The SSC provided no comments on this action.

4. Allocate Commercial Golden Tilefish Annual Catch Limit (ACL) Among Gear Groups

Alternative 1 (No Action). Do not allocate the commercial golden tilefish ACL among gear groups (currently commercial ACL = 541,295 pounds gw).

Alternative 2 (Preferred). Allocate the golden tilefish commercial ACL as follows: 75% to the longline sector and 25% to the hook and line sector (currently would be 405,971 pounds gw to longline and 135,324 pounds gw to hook and line).

Alternative 3. Allocate the golden tilefish commercial ACL as follows: 85% to the longline sector and 15% to hook and line sector (currently would be 460,101 pounds gw to longline and 81,194 pounds gw to hook and line).

Alternative 4. Allocate the golden tilefish commercial ACL as follows: 90% to the longline sector and 10% to hook and line sector (currently would be 487,165 pounds gw to longline and 54,130 pounds gw to hook and line).

NOTE: Values reflect South Atlantic Council's preferred ACL alternative in Regulatory Amendment 12 to, which is under development.

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Summary of Effects

Biological: The biological effect of **Alternatives 1 (No Action)-4** for golden tilefish would be similar since it is likely that the quota would be met regardless of which alternative is selected. However, alternatives that allocate a greater percentage of the golden tilefish ACL to the hook and line sector could be expected to have a greater biological effect if it eases the rate at which the overall ACL of 541,295 pounds gw is met. It is difficult to monitor landings in a derby fishery and overruns of the quota can have negative effects on the stock. Furthermore, alternatives that allocate a greater portion of the harvest to longline gear could have a greater negative impact on habitat since longline gear is considered to do greater damage to hard bottom habitat than vertical hook and line gear (SAFMC 2007). However, damage to bottom habitat with longline gear has not been well documented.

Economic: In general, an allocation provision that would change the “current” harvest distribution of golden tilefish between the longline and hook-and-line gear groups would tend to economically benefit one group at the expense of the other. Relative to the baseline, each allocation alternative would redistribute the harvest from the longline sector to the hook and line sector. This, in theory, would result in negative effects on the longline sector and positive effects on the hook and line sector. However, because the commercial quota will increase (if Regulatory Amendment 12 is approved) well above the baseline landings of both sectors, each allocation alternative would yield positive revenue effects to both sectors. The revenue effects to each sector would directly correlate with the size of its allocation—the higher a sector’s allocation the larger would be its revenue effects. Revenue gains of about \$80,000 (**Alternative 4**) to \$302,000 (**Preferred Alternative 2**) would accrue to the hook and line sector. The corresponding revenue gains to the longline sector would range from about \$271,000 (**Preferred Alternative 2**) to \$493,000 (**Alternative 4**). The net (total) revenue effects would be about \$573,000, which would be the same for each alternative because revenues were derived using the same price for both sectors.

Social: The allocation specified in **Alternative 2 (Preferred)** would not be consistent with the recent performance of this component of the snapper grouper fishery. **Alternatives 3 and 4** would be more consistent with the recent history of the commercial golden tilefish fishery than **Alternative 2 (Preferred)**, and would benefit the longline component of the commercial sector. **Alternatives 2 (Preferred)-4** would also benefit the hook and line sector more than **Alternative 1 (No Action)** by preserving access to the resource through gear allocations. The majority of permits that would receive longline endorsements under **Action 2** are from Florida. Therefore, those alternatives that allocate a larger portion of the ACL to the hook and line sector would likely have positive social benefits for individuals with federal snapper grouper commercial permits from states other than Florida. **Alternative 2 (Preferred)** would provide greater assurance than other alternatives that fishermen from all states would be able to fish for golden tilefish during periods of the year when the weather and economic conditions are favorable.

Recommendations

IPT & Staff: The South Atlantic Council should discuss AMs for each sector and provide guidance as to whether existing AMs would apply. If so, would a discussion in the document suffice to make this clear in the regulations?

Snapper Grouper Advisory Panel: The AP supports the South Atlantic Council's preferred to allocate the ACL between gear groups.

Scientific and Statistical Committee: The SSC recommends the South Atlantic Council consider developing a decision tree to specify methodology for making sector allocation decisions. The South Atlantic Council should consider how they might want to adjust these allocations over time.

5. Allow for Transferability of Golden Tilefish Endorsements

Alternatives in March 2012 draft:

Alternative 1 (No Action). Longline and hook and line golden tilefish endorsements cannot be transferred.

Alternative 2 (Preferred). A valid or expired longline golden tilefish endorsement can be transferred between any two individuals or entities that hold, or simultaneously obtain, a valid or renewable unlimited Federal commercial snapper grouper permit.

Sub-alternative 2a (Preferred).

Transferability allowed upon program implementation.

Sub-alternative 2b. Transferability not allowed during the first 2 years of the program.

Suggested changes to wording per Council guidance in March:

Alternative 1 (No Action). Golden tilefish longline endorsements cannot be transferred.

Alternative 2 (Preferred). A valid (not expired) golden tilefish endorsement or a renewable (expired but renewable) golden tilefish endorsement can be transferred between any two individuals or entities that hold, or simultaneously obtain a South Atlantic Unlimited Snapper Grouper Permit. Endorsements would be transferable, independently from the South Atlantic Unlimited Snapper Grouper Permit. Landings of golden tilefish using the golden tilefish longline endorsement would be associated with the South Atlantic Unlimited Snapper Grouper Permit to which the endorsement is linked at the time the landings take place.

Sub-alternative 2a. (Preferred). Transferability allowed upon program implementation.

Sub-alternative 2b. Transferability not allowed during the first 2 years of the program.

NOTE: Details on endorsement transferability are on page 105 of the draft amendment (pdf page 143).

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6. Adjust Golden Tilefish Fishing Year
7. Modify the Golden Tilefish Trip Limit
8. Establish Trip Limits for Fishermen Who Do Not Receive a Golden Tilefish Longline Endorsement

Biological: The biological effects of **Alternatives 1 (No Action)** and **2 (Preferred)** would be very similar, as landings would be constrained by the ACL. Therefore, the effects of these alternatives may be more economic and social than biological.

Economic: Under **Alternative 1 (No Action)** fishermen would be able to sell their snapper grouper permit but they would not be able to sell their golden tilefish gear endorsement which could result in difficulty selling their permit, vessel, and gear since permits are often sold with the vessel and gear. Since longline gear is restricted for many of the South Atlantic species, sale of the gear and a larger vessel suitable for targeting golden tilefish with longline gear would be difficult without sale of the golden tilefish longline endorsement. **Alternative 2 (Preferred)** would provide the opportunity for new entrants without an increase in the overall number of participants. If participation remains steady over the years of the program during which transferability is not allowed, aggregate profitability of golden tilefish harvest could remain steady. If, however, landings drop due to people leaving the golden tilefish component of the snapper grouper fishery and not transferring the endorsement due to restrictions, aggregate profitability would decline. However, at the same time, individual average profitability could increase because there would be less people sharing the same amount of landings as under **Alternative 1 (No Action)**.

Under **Alternative 2 (Preferred)**, are options for when transferability would be allowed. The rationale behind delaying transferability of catch privilege assets, like endorsements, is to allow people time to develop an understanding of the value of the endorsements before selling them. **Sub-alternative 2a (Preferred)** would allow for transferability of permits to take place immediately upon implementation and this is expected to maximize economic benefits. **Sub-alternative 2b** would require waiting for two years before transferability could occur. While this might allow people to best assess the value of the gear endorsements and make more accurate permit market transactions, it would delay transfers that could benefit fishermen.

Social: Generally, social and economic benefits are expected to be greater when individuals are given broader freedom to manage one's assets (freedom to sell the endorsement without time constraints). This is particularly true as situations can arise where a decision to stop fishing is not discretionary, as may be the case should an adverse health situation or personal financial crisis arise. Therefore, to the extent that a reduced ability to transfer endorsements results in reduced benefits, the longer the restriction on transferring endorsements applies, the greater the expected reduction in social benefits.

Recommendations

IPT & Staff: Approve suggested changes in language of alternatives.

Snapper Grouper Advisory Panel: The AP supports the South Atlantic Council's preferred endorsement transferability alternative.

Scientific and Statistical Committee: The SSC recognizes that the transferability of endorsements would increase the economic efficiency of the amendment.

6. Adjust the Golden Tilefish Fishing Year

Alternative 1 (No Action) (Preferred).

Retain the existing calendar year as the golden tilefish fishing year (January 1 through December 31).

Alternative 2. Specify the golden tilefish fishing year as September 1 through August 31.

Alternative 3. Specify the golden tilefish fishing year as August 1 through July 31.

Alternative 4. Specify the golden tilefish fishing year as May 1 through April 30.

Summary of Effects

Biological: While there is little biological benefit to changing the fishing year, a shift in the fishing year would allow hook and line fishermen to target golden tilefish in the fall. However, a change in the fishing year would also result in multiple species being open at the same time. Therefore, there could be economic benefit to some fishermen by retaining the January start date (**Preferred Alternative 1 (No Action)**) for golden tilefish. It is noted that **Action 5**, which includes alternatives that would allocate portions of the ACL to the longline and hook and line sector, would have a similar effect in ensuring fishermen would be able catch golden tilefish with hook and line gear.

Golden tilefish spawn off the southeast coast of the U.S. from March through late July, with a peak in April. **Preferred Alternative 1 (No Action)** would continue to open the fishing season before the start of the spawning season.

Economic: **Preferred Alternative 1 (No Action)** would make golden tilefish available to dealers during January-May, when other snapper grouper species are closed. This could increase the dockside price paid to fishermen for golden tilefish. Even if dockside prices do not increase in the early part of the year, keeping the start date at January 1 could help dealers maintain supply and therefore keep customers.

Social: Because **Alternative 1 (No Action, Preferred)** would not make any regulatory change in the fishing year, no changes in the manner in which the golden tilefish component of the snapper grouper fishery is prosecuted would be expected and, as a

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3. Establish an Appeals Process
4. Allocate Commercial Golden Tilefish ACL Among Gear Groups
5. Allow for Transferability of Golden Tilefish Endorsements
- 6. Adjust Golden Tilefish Fishing Year**
7. Modify the Golden Tilefish Trip Limit
8. Establish Trip Limits for Fishermen Who Do Not Receive a Golden Tilefish Longline Endorsement

result, no changes in the current social benefits of the snapper grouper fishery would be expected to occur. While adjusting the start of the fishing year, in conjunction with the ACL and AMs, would not affect the total available ACL, commencement of the fishing year in September (**Alternative 2**), August (**Alternative 3**), or May (**Alternative 4**) would be expected to allow increased participation and recovery of historic harvests. The earlier the start (May), the greater the opportunity for participation by North Carolina and South Carolina fishermen, with continued potential jeopardy for Florida hook and line vessels (quota management could still close the fishery in the fall). The later the start (September) the reverse would occur; Florida hook and line fishermen should be able to fish the entire fall whereas North Carolina and South Carolina fishermen could face abbreviated fishing opportunities depending on fall and winter weather conditions and the pace at which the ACL is harvested. The step-down trip limit would still apply, and the earlier the season began, the greater the likelihood that longline vessels, particularly Florida vessels, may lose traditional winter fishing time as these vessels would not be expected to be able to profitably fish under 300-pound trip limits. Both **Alternative 2** and **Alternative 3** would be expected to result in similar fishing opportunities for Florida fishermen, and improved opportunities relative to **Alternative 4**, whereas Carolina fishermen should face better opportunities under **Alternative 3** relative to **Alternative 2**, but reduced opportunities relative to **Alternative 4**.

Recommendations

IPT & Staff: None

Snapper Grouper Advisory Panel: The AP supports the South Atlantic Council's preferred alternative to retain the existing fishing year.

Scientific and Statistical Committee: With regard to the market for golden tilefish and keeping the fishery open during a time when other snapper grouper species are unavailable, the retention of the January 1 start date is preferable. However, the current year impacts the ability of people to fish in the northern portion of the South Atlantic. Allocating catch to the northern areas during different parts of the year, when other species are readily available, could reduce the overall value of the golden tilefish portion of the snapper grouper fishery.

7. Modify the Golden Tilefish Trip Limit

Alternative 1 (No Action). Currently there is a commercial trip limit of 4,000 pounds gw until 75% of the quota is taken. The trip limit is then reduced to 300 pounds gw.

Alternative 2 (Preferred). Remove the 300 pound gw trip limit when 75% of the ACL is taken.

Alternative 3. Prohibit longline fishing after 75% of the ACL is taken.

Summary of Effects

Biological: Preferred Alternative 2 would remove the 300-pound gw trip limit when 75% of the ACL is met. Reducing the 4,000 pounds gw trip limit to 300 pounds gw when 75% of the ACL is met was originally intended to allow golden tilefish to remain open all year, and allow for commercial hook and line from Florida fishermen to target golden tilefish in the fall. Furthermore, the action was intended to allow fishermen from the Carolina to harvest golden tilefish when weather conditions were most favorable. Based on data from 2007 to 2011, golden tilefish did not remain open all year even when the trip limit was reduced 300 pounds gw. As a derby fishery has developed for golden tilefish and the ACL has been met very rapidly in recent years, the 300 pound gw trip limit has not had the intended effect of providing the hook and line access to golden tilefish. However, the current advantage of retaining the 300-pound gw trip limit when 75% of the ACL is met it that can slow the rate at which the ACL is filled and increases the chance the ACL would not be exceeded. However, during 2010 and 2012, the golden tilefish were harvested very quickly and the landings could not be tracked accurately. As a result, an overage of the ACL occurred and the 300-pound gw trip limit was not triggered.

The expected biological effect of removing the trip limit reduction when 75% of the ACL is met is expected to be minimal. In the commercial fishery, most golden tilefish (90% during 2004-2010) are taken with longline gear deployed by large vessels that make long trips and depend on large catches (> 3,000 pounds gw) to make a trip economically feasible. Therefore, a 300-pound gw trip limit when 75% of the ACL is met should shut down the commercial longline sector, and might reduce their potential annual catch.

Economic: The economic effects of Alternatives 1 (No Action)-3 are largely distributional. Alternative 2 (Preferred) benefits longline fishermen while Alternative

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5. Allow for Transferability of Golden Tilefish Endorsements
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3 benefits hook and line fishermen compared to the status quo. If social and economic benefits are being reduced under the status quo, this would be expected to be corrected under **Alternative 2 (Preferred)**, particularly if considered in combination with other proposed actions for golden tilefish. In tandem with the other proposed golden tilefish management changes, it is expected that the elimination of the 300-pound gw step-down limit would result in increased social and economic benefits relative to **Alternative 1 (No Action)**. While **Alternative 3** would attempt to help recover the historic golden tilefish harvest patterns of Florida hook and line vessels by closing the longline fishery if the 300-pound gw trip limit is triggered, **Alternative 3** may not have any substantive effect on either the longline or hook and line sectors because it is generally assumed that using longline gear for golden tilefish is no longer profitable at the lower trip limit.

Social: If social benefits are being reduced under the status quo, this would be expected to be corrected under **Alternative 2 (Preferred)**, particularly if considered in combination with other proposed actions for golden tilefish. **Alternative 2 (Preferred)** would eliminate the step-down and should allow longline vessels to continue to harvest profitable quantities of golden tilefish. Regardless of the decision on the proposed change in the fishing year, elimination of the step-down would be expected to accelerate quota closure of the fishery by not reducing the pace of harvest. The magnitude of impact of accelerated quota closure on vertical line fishermen would depend on how harvests are affected by the proposed endorsement requirement and change in the fishing year. Nevertheless, in tandem with the other proposed golden tilefish management changes, it is expected that the elimination of the 300-pound gw step-down limit would result in increased social benefits relative to **Alternative 1 (No Action)**.

Recommendations

IPT: Suggested rewording for No-Action: Retain the current step-down regulations that implement a trip limit of 300 pounds gw once 75% of the quota is taken.

Staff: Retain current wording because it mentions the 4,000-pound trip limit currently in place: Currently there is a commercial trip limit of 4,000 pounds gw until 75% of the quota is taken. The trip limit is then reduced to 300 pounds gw.

Snapper Grouper Advisory Panel: The AP supports the South Atlantic Council's preferred to remove the 300-pound limit.

Scientific and Statistical Committee: SSC recommends looking at the amendment holistically in order to integrate all available tools. Different catch level reference points (overfishing limit, acceptable biological catch (ABC), ACL, and annual catch target (ACT)) should be considered part of an integrated, interdependent system.

For example, setting $ACL=ABC$ could work if you have a properly set ACT that triggers management actions before overages occur. Not setting an ACT (with management triggers properly set up) calls for $ABC < ACL$. Management, monitoring, and data collection also need to be better integrated. The South Atlantic Council should consider re-examining their current ACTs to ensure they are properly accounting for management

uncertainty, using real time data to monitor landings and adjust regulations. Electronic reporting has been used successfully to track individual quotas within catch-share programs. The SSC recommends an evaluation of the golden tilefish quota monitoring system to identify potential problems and prevent overages.

8. Establish Trip Limits for Fishermen Who Do Not Receive a Golden Tilefish Longline Endorsement

Alternative 1 (No Action). Currently there is a commercial trip limit of 4,000 pounds gw until 75% of the quota is taken. The trip limit is then reduced to 300 pounds gw.

Alternative 2. Establish trip limits of 300 pounds gw for the golden tilefish component of the snapper grouper fishery for commercial fishermen who do not receive a longline endorsement. Vessels with longline endorsements are not eligible to fish for this trip limit.

Alternative 3. Establish trip limits of 400 pounds gw for the golden tilefish component of the golden tilefish fishery for commercial fishermen who do not receive a longline endorsement. Vessels with longline endorsements are not eligible to fish for this trip limit.

Alternative 4 (Preferred). Establish trip limits of 500 pounds gw for the golden tilefish component of the snapper grouper fishery for commercial fishermen who do not receive a longline endorsement. Vessels with longline endorsements are not eligible to fish for this trip limit.

Alternative 5. Establish trip limits of 100 pounds gw for the golden tilefish component of the snapper grouper fishery for commercial fishermen who do not receive a longline endorsement. Vessels with longline endorsements are not eligible to fish for this trip limit.

Alternative 6. Establish trip limits of 200 pounds gw for the golden tilefish component of the snapper grouper fishery for commercial fishermen who do not receive a longline endorsement. Vessels with longline endorsements are not eligible to fish this trip limit.

Summary of Effects

Biological: Alternatives with more restrictive trip limits would be expected to have greater biological effects for golden tilefish as they would likely constrain the overall harvest. However, golden tilefish are not overfished and are not experiencing

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overfishing. Furthermore, ACL and AMs are in place to prevent overfishing from occurring. Thus, there is not a biological need for a more restrictive trip limit.

Economic: The effects of the various trip limit alternatives are presented in **Table 3**. Included in the analysis are all trips by hook and line vessels and longline vessels excluded from the endorsement system that landed at least one pound golden tilefish during 2005-2011. The revenue reductions would range from about \$100,000 with **Alternative 4 (Preferred)** to \$162,000 with **Alternative 5**. It is expected that the preferred alternative would have the least revenue reductions because it provides for the highest trip limit.

The revenue reductions from the various trip limit alternatives appear to be relatively high because of the inclusion of those longline trips that would not be taken by vessels excluded from the endorsement system. If these trips were excluded, the revenue effects would most likely be very low especially for a 500-pound trip limit (**Preferred Alternative 4**). However, these trips are included in the present analysis because they would now be subject to the trip limits.

A trip limit may be considered to have relatively short-term effects. A vessel incurring revenue reductions due to a trip limit may recoup its losses by taking more trips as long as those trips are still profitable. A relatively high trip limit, such as in **Alternative 4 (Preferred)**, would likely remain profitable for hook and line vessels. As shown in **Table 3**, this trip limit would affect only 22 trips out of the 2005-2011 average of 249 trips. It is then likely that a trip limit, as in **Alternative 4 (Preferred)**, would not be too constraining as to leave unharvested a good portion of the hook and line sector's quota.

Social: **Alternative 1 (No Action)** would be expected to generate little or no social impacts (positive or negative) because the only trip limit for vessels harvesting golden tilefish using gear other than longline would be the existing 225-lb limit for the limited snapper grouper permit holders, as long as the step-down approach was removed in **Action 7**. The highest proposed trip limit under **Alternative 4 (Preferred)** would be the most beneficial to vessels with unlimited snapper grouper permits, and **Alternative 5** would be the most restrictive to those vessels. Although lower trip limits may contribute to a longer fishing season, the more restrictive limits may cause some vessels to target other species to increase the economic efficiency of fishing trips.

Table 3. Effects of trip limit alternatives on the harvest and revenues of vessels not qualifying for the longline endorsement, assuming the preferred alternative in **Action 2** and using average 2005-2011 landings, revenues, and trips.

Trip Limit Alternative	Pounds (gw)	Revenue (2010 dollars)	Affected Trips
A-2: 300 lb	40,935	\$114,462	36
A-3: 400 lb	37,784	\$105,611	27
A-4: 500 lb	35,640	\$99,702	22
A-5: 100 lb	57,462	\$162,109	121
A-6: 200 lb	50,281	\$141,569	73

Recommendations

IPT: Suggest rewording of No Action: Do not establish trip limits for fishermen that do not receive a golden tilefish longline endorsement. Currently there is a commercial trip limit of 4,000 pounds gw until 75% of the quota is taken. The trip limit is then reduced to 300 pounds gw.

Staff: Retain current wording: Currently there is a commercial trip limit of 4,000 pounds gw until 75% of the quota is taken. The trip limit is then reduced to 300 pounds gw. It would be consistent with the wording of the No Action alternative in Action 7.

Snapper Grouper Advisory Panel: The AP supports the South Atlantic Council's preferred alternative to establish a 500-pound trip limit for fishermen who do not receive an endorsement.

Scientific and Statistical Committee: The SSC recommends the inclusion of the management goal of each action in order to properly evaluate the efficacy of the action. The South Atlantic Council should consider that 100% discard mortality exists for golden tilefish when reviewing new, restrictive regulations that could increase discards in this fishery. The SSC cautions that the price of fuel and the market price for the fish may not remain constant, thus causing a trip limit to become unprofitable. Also, fishermen may increase the number of trips to catch what they need.