



THE SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL

Snapper Grouper Amendment 48

Wreckfish Individual Transferable Quota Program Modernization

Law Enforcement Advisory Panel

Discussion Document

January 2024

Background

The South Atlantic Fishery Management Council (Council) is required by the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) to review the Wreckfish Individual Transferable Quota (ITQ) program every five to seven years. The Council initially reviewed the program in 2009. The review completed in 2019 was the first subsequent review. That review examined how the Wreckfish ITQ program changed between the baseline time period (2009/2010 – 2011/2012 fishing years) and the review time period (2012/2013 – 2016/2017 fishing years) with respect to various social, economic, biological, and administrative factors, and offered conclusions and recommended changes to the program based on the findings.

Snapper Grouper Amendment 48 considers actions and alternatives necessary to improve and modernize the Council’s Wreckfish ITQ program based on recommendations from the ITQ Review. One of those recommendations included modifications to monitoring for the wreckfish ITQ fishery. Specially, the Council would like the Law Enforcement Advisory Panel to provide comment on the actions related to pre-landing notifications and offloading site and time requirements in the fishery.

Actions in this Amendment

Action 1. Revise sector allocations and sector annual catch limits for wreckfish.

Action 2. Implement an electronic reporting system for the wreckfish individual transferable quota (ITQ) program.

Action 3. Modify the requirement to possess a commercial vessel permit for wreckfish.

Action 4. Wreckfish Individual Transferable Quota Online Shareholder Account Eligibility.

Action 5. Requirements for Obtaining and Maintaining Wreckfish Individual Transferable Quota Shares in the Online System.

Action 6. Share Divestment for Permit-Required Accounts.

Action 7. Redistribution of reclaimed shares to remaining shareholders.

Action 8. Wreckfish Individual Transferable Quota Requirements to Obtain Annual Allocation from Shares.

Action 9. Wreckfish Individual Transferable Quota Requirements to Obtain Annual Allocation through Transfer.

Action 10. Retaining Annual Allocation before a Commercial Annual Catch Limit Reduction.

Action 11. Modify the commercial fishing year for wreckfish.

Action 12. Pre-landing Notification Requirement for Commercial Vessels Participating in the Wreckfish Component of the Snapper Grouper Fishery.

Action 13. Modify offloading site requirements and establish approved landing locations for wreckfish.

Action 14. Modify offloading time requirements for wreckfish.

Action 15. Implement a cost recovery plan and associated conditions for the wreckfish individual transferable quota program.

Sub-Action 15-1. Implement a cost recovery plan for the wreckfish individual transferable quota program.

Sub-Action 15-2. Collection of wreckfish individual transferable quota program cost recovery fees.

Sub-Action 15-3. Frequency of wreckfish individual transferable quota program cost recovery fee submission.

Sub-Action 15-4. Determination of wreckfish individual transferable quota program cost recovery fees.

Objectives for this Meeting

- Review and provide input on the actions highlighted above.

Tentative Amendment Timing

	Process Step	Date
✓	Council reviews options paper and directs staff to hold a meeting of the wreckfish shareholders and wholesale dealers.	September 2020
✓	Meeting of the wreckfish shareholders and wholesale dealers.	October 2020
✓	Council reviews shareholder input and approves amendment for scoping.	December 2020
✓	Scoping Hearing	March 2021
✓	Council reviews public input and provides guidance to staff.	March 2021
✓	Council discusses path forward for amendment.	September 2021
✓	Council reviews and approves actions/alternatives to be analyzed.	March 2022
✓	Wreckfish Shareholders Meeting	Summer 2022
✓	Council reviews draft amendment, selects preferred alternative, and approves for public hearings.	September 2022
✓	Public Hearings	March 2023
✓	Council reviews the draft amendment, modifies the document, as necessary.	March 2023
✓	Council reviews offloading site and time requirements and hail-in/hail-out options.	June 2023
✓	Council receives additional information on cost recovery and reviews related actions.	September 2023
✓	Wreckfish Advisory Group and Sub-Committee meeting to discuss monitoring, participation, and eligibility requirements.	September 2023
✓	Snapper Grouper Committee is updated on WAG/WSC discussions.	December 2023
	Law Enforcement Advisory Panel reviews monitoring actions.	January 2024
	Snapper Grouper Committee reviews draft amendment, selects preferred alternatives, and approves for public hearings.	March 2024
	Public Hearing	June 2024
	Council reviews amendment and considers for formal approval.	June 2024
	Implementation	2025/2026?

Actions and Alternatives for LE AP Discussion

Action 12. Pre-landing Notification Requirement for Commercial Vessels Participating in the Wreckfish Component of the Snapper Grouper Fishery.

Purpose of Action: *This proposes a hail-in requirement for the wreckfish fishery. The Magnuson Stevens Act requires that limited access privilege programs “include an effective system for enforcement, monitoring, and management of the program, including the use of observers or electronic monitoring systems.” (16 U.S.C. 1853a)*

Alternative 1 (No Action). Commercial vessels participating in the wreckfish component of the snapper grouper fishery are not required to notify the National Marine Fisheries Service in advance of landing wreckfish.

Alternative 2. The owner or operator of a commercial snapper grouper unlimited permitted vessel participating in the wreckfish component of the snapper grouper fishery is responsible for ensuring that the National Marine Fisheries Service is contacted at least three hours, but no more than 24 hours, in advance of landing using a National Marine Fisheries Service approved method. When providing advance notice of landing, they must include the expected date and time, pre-approved landing location, estimated weight of wreckfish on-board the vessel, dealer where the wreckfish are to be received, shareholder, and vessel.

Discussion:

- The Council is considering a pre-landing notification requirement (hail-in) for the wreckfish component of the snapper grouper fishery. The owner or operator of a commercial snapper grouper unlimited permitted vessel participating in the wreckfish component of the snapper grouper fishery would be responsible for ensuring that the NMFS is contacted in advance of landing using a NMFS approved method.
 - The Council has indicated that they would like this method to be something other than requiring a vessel monitoring system (VMS) on board, such as a 24-hour call in line.
- Information collected during a pre-landing notification *may* include the expected date and time of landing, pre-approved landing location, estimated weight of wreckfish on-board the vessel, dealer where the wreckfish are to be received, shareholder, and vessel.
- Pre-landing notifications would be required *only* for trips commercial trips targeting wreckfish.
- Establishing a pre-landing notification requirement does not modify the offloading site and time requirements. Modification of those requirements is discussed in Action 13 and Action 14 of Snapper Grouper Amendment 48.

Note: NMFS would develop the specific details of how the system would operate and would provide the Council with the opportunity to have input into the system design. As part of this

system, an approved emergency system could be developed if the software/hardware used becomes non-operational.

Questions for the Law Enforcement Advisory Panel:

1. To your knowledge, how often are wreckfish vessels currently intercepted at the dock?
2. In what ways would a pre-landing notification improve monitoring and enforcement of the wreckfish individual transferable quota fishery?
3. What information would be helpful for wreckfish fishermen to provide when calling in to give their pre-landing notification?
4. The current alternative would require NMFS to be contacted at least three hours in advance of landing. Is that sufficient time for law enforcement officers to get to the landing location to inspect offload? Could that time period be shortened?

Action 13. Modify offloading site requirements and establish approved landing locations for wreckfish.

***Purpose of Action:** This proposes removing offloading site requirements and establishing a list of approved landing locations to maintain the ability to monitor the fishery while allowing fishermen more flexibility.*

Alternative 1 (No Action). Wreckfish must be offloaded only at the fixed facility of a dealer with a Gulf of Mexico and South Atlantic Dealer Permit. Wreckfish may be offloaded at a location other than a fixed facility of a dealer who holds a Gulf of Mexico and South Atlantic dealer permit if the wreckfish shareholder or the vessel operator advises the NMFS Office for Law Enforcement of the location not less than 24 hours prior to offloading. There are no landing location requirements for wreckfish.

Alternative 2. Remove the offloading site requirements for wreckfish. Individual transferable quota wreckfish must be landed at an approved landing location. Landing locations must be approved by NMFS Office for Law Enforcement prior to a vessel landing individual transferable wreckfish at these sites. Landing locations must be publicly accessible via public roads or navigable waters and no other condition may impede free and immediate access to the site by an authorized law enforcement officer.

Discussion:

- Creating a list of approved landing locations would serve a similar purpose to offloading site requirements but would align with the pre-landing notification requirements described in Action 12, Alternative 2.
- Additionally, a list of approved landing locations would allow fishermen more flexibility as they would not need to offload at the fixed facility of the dealer with a GSAD permit, but instead could land at any location so long as it meets the access requirements.

Questions for the Law Enforcement Advisory Panel:

1. Are there any concerns with moving from offloading site requirements to approved landing locations for the wreckfish individual transferable quota fishery?
2. Should there be any other requirements for approved landing locations outside of what is currently listed in the alternative (accessible via public roads or navigable waters, no conditions impeding free and immediate access)?

Action 14. Modify offloading time requirements for wreckfish.

Alternative 1 (No Action). Wreckfish may only be offloaded between the hours of 8 a.m. and 5 p.m., local time.

Preferred Alternative 2. Wreckfish may only be offloaded between the hours of 6 a.m. and 6 p.m., local time.

Alternative 3. Wreckfish may only be offloaded between the hours of 5 a.m. and 8 p.m., local time.

Alternative 4. Remove the requirement to offload wreckfish between the hours of 8 a.m. and 5 p.m., local time.

Discussion:

- Wreckfish individual transferable quota shareholders have expressed that designated landing sites and the daily unloading timeframe are overly burdensome, particularly the hours allowed for offloading, contrary to what fishermen reported when the ITQ was laid out in Snapper Grouper Amendment 5.
 - Specifically, shareholders reported that they rarely, if ever, encounter law enforcement officials at the dock when they offload and the allowable offloading time requirement affects the efficiency of their fishing operations.
 - If they arrive at the dock too late to offload, the fish must remain aboard overnight. Unloading the next day impedes the fleet from going back out on another trip by several hours, thereby reducing the number of daylight hours they can fish.
- Ideally, shareholders would like to see the approved offloading sites and times requirements removed. Shareholders feel these requirements are holdovers from when the program was initially begun with 49 participants, many more than are currently in the fishery.
- NMFS law enforcement has noted that enforcement has not typically been seen at these types of offloads due to difficulty in knowing when a vessel may be landing, stemming from a lack of VMS or other reporting measures.
- The offloading site and time requirements were implemented to aid NMFS law enforcement in monitoring offloading of wreckfish by requiring offloading occur during hours when officers were typically working, and it was safe to be monitoring offloads (daylight hours).
- Since fishermen report that they rarely encounter law enforcement when offloading and law enforcement has noted that not knowing where/when a specific vessel was landing

makes dockside monitoring challenging, the intended outcome of approved offloading sites and times as a deterrent for landing unreported fish has not been realized.

Questions for the Law Enforcement Advisory Panel:

1. If the Council moves forward with pre-landing notifications (Action 12) and approved landing locations (Action 13) would offloading time requirements still be needed to properly monitor the fishery and ensure officer safety?
 - a. If yes, what is the widest range of hours that would be sufficient?

Appendix A: Actions Included in Snapper Grouper Amendment 48

Action 1. Revise sector allocations and sector annual catch limits for wreckfish.

Alternative 1 (No Action). Retain the current commercial sector and recreational sector allocations as 95% and 5%, respectively, of the total annual catch limit for wreckfish.

Preferred Alternative 2. Allocate 98% of the total annual catch limit for wreckfish to the commercial sector. Allocate 2% of the total annual catch limit for wreckfish to the recreational sector.

Alternative 3. Allocate 99% of the total annual catch limit for wreckfish to the commercial sector. Allocate 1% of the total annual catch limit for wreckfish to the recreational sector.

Alternative 4. Allocate 99.5% of the total annual catch limit for wreckfish to the commercial sector. Allocate 0.5% of the total annual catch limit for wreckfish to the recreational sector.

Action 2. Implement an electronic reporting system for the wreckfish individual transferable quota (ITQ) program.

Alternative 1 (No Action). Retain the current ITQ paper-based reporting system including, share certificates, allocation coupons, vessel logbooks, and dealer reports.

Preferred Alternative 2. Implement an electronic system of reporting for the wreckfish ITQ program to electronically track ownership and transfers of quota shares, distribution, and transfers of annual allocation (quota pounds), and electronically record wreckfish landing information as part of the coastal fisheries logbook program.

Action 3. Modify the requirement to possess a commercial vessel permit for wreckfish.

Alternative 1 (No Action). To commercially harvest or sell wreckfish, a commercial vessel permit for wreckfish and a commercial permit for South Atlantic snapper grouper must have been issued to the vessel and the permit must be on board. To obtain a commercial vessel permit for wreckfish, the applicant must be a wreckfish shareholder; and either the shareholder must be the vessel owner, or the owner or operator must be an employee, contractor, or agent of the shareholder.

Alternative 2. To commercially harvest or sell wreckfish, a commercial vessel permit for wreckfish and a commercial permit for South Atlantic snapper grouper (unlimited) must have been issued to the vessel and the permits must be on board. To obtain a commercial vessel permit for wreckfish, the permit holder must be a wreckfish shareholder.

Preferred Alternative 3. To commercially harvest or sell wreckfish, a commercial permit for South Atlantic snapper grouper (unlimited) must have been issued to the vessel, the permit must be on board, and the permit holder must be a wreckfish shareholder.

Alternative 4. To commercially harvest or sell wreckfish, a commercial permit for South Atlantic snapper grouper (unlimited) must have been issued to the vessel and the permit must be on board.

Action 4. Wreckfish Individual Transferable Quota Online Shareholder Account Eligibility

Alternative 1 (No Action). To be eligible to open a wreckfish individual transferable quota shareholder account, individuals must be United States citizens, permanent resident aliens, or a corporation, partnership, or other entity eligible to own and control a United States fishing vessel.

Alternative 2. To be eligible to open a wreckfish individual transferable quota shareholder account, individuals must be entities who are United States citizens, permanent resident aliens, or a corporation, partnership, or other entity eligible to own and control a United States fishing vessel and hold a valid commercial snapper grouper unlimited permit.

Action 5. Requirements for Obtaining and Maintaining Wreckfish Individual Transferable Quota Shares in the Online System

Alternative 1 (No Action). No requirements to obtain or maintain wreckfish individual transferable quota shares in an online system.

Alternative 2. To obtain (transfer into a shareholder account) or maintain shares (hold existing shares in a shareholder account), all shareholder accounts must be associated with individuals who are United States citizens, permanent resident aliens, or a corporation, partnership, or other entity eligible to own and control a United States fishing vessel.

Alternative 3. To obtain (transfer into a shareholder account) all shareholder accounts must be associated with entities who are United States citizens, permanent resident aliens, or a corporation, partnership, or other entity eligible to own and control a United States fishing vessel and hold a valid commercial snapper grouper unlimited permit. To maintain shares (hold existing shares in a shareholder account) an account must hold a valid or renewable commercial snapper grouper unlimited permit or the shares will be reclaimed by the National Marine Fisheries Service (NMFS). A shareholder account is associated with a permit if the permit has the exact same entities listed on both the shareholder account and permit.

Action 6. Share Divestment for Permit-Required Accounts

Alternative 1 (No Action). NMFS will not reclaim shares of shareholder accounts not in compliance with the requirements to maintain shares.

Alternative 2. Shareholder accounts must be in compliance with the requirements to maintain shares, or NMFS will reclaim all shares in a shareholder account:

Sub-alternative 2a. On the effective date implementing this amendment.

Sub-alternative 2a. 1 year following the effective date implementing this amendment.

Sub-alternative 2b. 3 years following the effective date implementing this amendment.

Alternative 3. After implementation of this amendment, if a shareholder is no longer in compliance with the requirements to maintain shares, the shareholder(s) must divest of the account's shares, or the shares will be reclaimed by NMFS:

Sub-alternative 3a. 1 year following the transfer or termination of the permit.

Sub-alternative 3b. 3 years following the transfer or termination of the permit.

Action 7. Redistribution of reclaimed shares to remaining shareholders.

Alternative 1 (No Action). NMFS will not reclaim and redistribute shares of shareholder accounts not in compliance with the requirements to maintain shares.

Alternative 2. Redistribute reclaimed shares to remaining shareholders equally.

Alternative 3. Redistribute reclaimed shares to remaining shareholders based on the proportion of remaining shares held by each remaining shareholder.

Alternative 4. Redistribute reclaimed shares to remaining shareholders based on landings history.

Sub-alternative 4a. Proportion of total wreckfish landings over the most recent five fishing years.

Sub-alternative 4b. Proportion of total wreckfish landings over the most recent three fishing years.

Action 8. Wreckfish Individual Transferable Quota Requirements to Obtain Annual Allocation from Shares.

Alternative 1 (No Action). To obtain annual allocation from shares, an account must hold active wreckfish individual transferable quota shares.

Alternative 2. To obtain annual allocation from shares, an account must hold a valid or renewable commercial snapper grouper unlimited permit.

Alternative 3. To obtain annual allocation from shares, an account must hold active wreckfish individual transferable quota shares and be in good standing with respect to:

Sub-alternative 3a. Collection and submission of cost recovery fees.

Sub-alternative 3b. Wreckfish individual transferable quota reporting requirements.

Action 9. Wreckfish Individual Transferable Quota Requirements to Obtain Annual Allocation through Transfer.

Alternative 1 (No Action). Do not limit who can receive annual allocation through transfer in the online system.

Alternative 2. Individual transferable quota annual allocation can be transferred only to individual transferable quota accounts holding shares. Eligible accounts must be held by individuals who are United States citizens or permanent resident aliens.

Alternative 3. Individual transferable quota annual allocation can be transferred only to accounts with an associated valid snapper grouper unlimited permit. Eligible accounts must be associated with individuals who are United States citizens or permanent resident aliens.

Action 10. Retaining Annual Allocation before a Commercial Annual Catch Limit Reduction

Alternative 1 (No Action). Distribute 100% of the wreckfish annual allocation to individual transferable quota shareholders on January 1st of each year.

Alternative 2. Provide the Regional Administrator with the authority to withhold the amount of wreckfish annual allocation before distribution at the beginning of a year in which a commercial annual catch limit reduction is expected to occur. Withheld wreckfish annual allocation will be distributed to shareholders if the effective date of the final rule implementing the quota reduction has not occurred by:

Sub-alternative 2a. June 1.

Sub-alternative 2b. August 1.

Action 11. Modify the commercial fishing year for wreckfish.

Alternative 1 (No Action). The commercial fishing year for wreckfish begins on April 15 and ends on April 14.

Preferred Alternative 2. The commercial fishing year for wreckfish begins on January 1 and ends on December 31.

Action 12. Pre-landing Notification Requirement for Commercial Vessels Participating in the Wreckfish Component of the Snapper Grouper Fishery.

Alternative 1 (No Action). Commercial vessels participating in the wreckfish component of the snapper grouper fishery are not required to notify the National Marine Fisheries Service in advance of landing wreckfish.

Alternative 2. The owner or operator of a commercial snapper grouper unlimited permitted vessel participating in the wreckfish component of the snapper grouper fishery is responsible for ensuring that the National Marine Fisheries Service is contacted at least three hours, but no more than 24 hours, in advance of landing using a National Marine Fisheries Service approved method. When providing advance notice of landing, they must include the expected date and time, pre-approved landing location, estimated weight of wreckfish on-board the vessel, dealer where the wreckfish are to be received, shareholder, and vessel.

Note: NMFS would develop the specific details of how the system would operate and would provide the Council with the opportunity to have input into the system design. As part of this system, an approved emergency system could be developed if the software/hardware used becomes non-operational.

Action 13. Modify offloading site requirements and establish approved landing locations for wreckfish.

Alternative 1 (No Action). Wreckfish must be offloaded only at the fixed facility of a dealer with a Gulf of Mexico and South Atlantic Dealer Permit. Wreckfish may be offloaded at a location other than a fixed facility of a dealer who holds a Gulf of Mexico and South Atlantic dealer permit if the wreckfish shareholder or the vessel operator advises the NMFS Office for Law Enforcement of the location not less than 24 hours prior to offloading. There are no landing location requirements for wreckfish.

Alternative 2. Remove the offloading site requirements for wreckfish. Individual transferable quota wreckfish must be landed at an approved landing location. Landing locations must be approved by NMFS Office for Law Enforcement prior to a vessel landing individual transferable wreckfish at these sites. Landing locations must be publicly accessible via public roads or navigable waters and no other condition may impede free and immediate access to the site by an authorized law enforcement officer.

Action 14. Modify offloading site and time requirements for wreckfish.

Alternative 1 (No Action). Wreckfish may only be offloaded between the hours of 8 a.m. and 5 p.m., local time.

Preferred Alternative 2. Wreckfish may only be offloaded between the hours of 6 a.m. and 6 p.m., local time.

Alternative 3. Wreckfish may only be offloaded between the hours of 5 a.m. and 8 p.m., local time.

Alternative 4. Remove the requirement to offload wreckfish between the hours of 8 a.m. and 5 p.m., local time.

Action 15. Implement a cost recovery plan and associated conditions for the wreckfish individual transferable quota program.

Sub-Action 15-1. Implement a cost recovery plan for the wreckfish individual transferable quota program.

Alternative 1 (No Action). Do not implement a cost recovery plan for the wreckfish individual transferable quota program.

This is not a legally viable alternative.

Preferred Alternative 2. Implement an individual transferable quota cost recovery plan. The transferable quota shareholder landing wreckfish would be responsible for collection and submission of the cost recovery fee to NMFS.

Alternative 3. Implement an individual transferable quota cost recovery plan. The dealer receiving wreckfish would be responsible for collecting the cost recovery fee from the shareholder landing the wreckfish and submitting the fee to NMFS.

Sub-Action 15-2. Collection of wreckfish individual transferable quota program cost recovery fees.

Alternative 1 (No Action). Do not implement a cost recovery plan for the wreckfish individual transferable quota program.

This is not a legally viable alternative.

Alternative 2. Fees will be collected at the time of landing or report of landing.

Alternative 3. Fees will be collected upon the sale of such fish during the fishing season.

Preferred Alternative 4. Fees will be collected in the last quarter of the calendar year in which the fish is harvested.

Sub-Action 15-3. Frequency of wreckfish individual transferable quota program cost recovery fee submission.

Alternative 1 (No Action). Do not implement a cost recovery plan for the wreckfish individual transferable quota program.

This is not a legally viable alternative.

Preferred Alternative 2. Cost recovery fee will be submitted once per year.

Alternative 3. Cost recovery fee will be submitted twice per year.

Alternative 4. Cost recovery fee will be submitted four times per year.

Alternative 5. Cost recovery fee will be submitted twelve times per year.

Sub-Action 15-4. Determination of wreckfish individual transferable quota program cost recovery fees.

Alternative 1 (No Action). Do not implement a cost recovery plan for the wreckfish individual transferable quota program.

This is not a legally viable alternative.

Preferred Alternative 2. The cost recovery fee will be based on actual¹ ex-vessel value of the wreckfish landings.

Alternative 3. The cost recovery fee will be based on standard² ex-vessel value of the wreckfish landings as calculated by NMFS.

¹ Actual ex-vessel value is calculated by multiplying the wreckfish landings by the actual ex-vessel price, where the actual ex-vessel price is the total monetary sale amount a fisherman receives per pound of fish for ITQ landings from a registered ITQ dealer before any deductions are made for transferred allocation and goods and services (e.g. bait, ice, fuel, repairs, machinery replacement, etc.).

² Standard ex-vessel value is calculated by multiplying the wreckfish landings by the standard ex-vessel price, which is based on the average ex-vessel price for the previous fishing year and any expected price change in the current fishing year.