

DRAFT
SUMMARY REPORT
WRECKFISH SUB-COMMITTEE
SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL
Webinar
February 8, 2024

The Sub-Committee approved the February 2024 meeting agenda.

Snapper Grouper Amendment 48 (Wreckfish)

A review of the Wreckfish Individual Transferable Quota (ITQ) Program was completed in 2019 and included recommendations for improvement, specifically modernization of the program. Due to the complexity and depth of discussion needed on these topics, the Council established an ad-hoc advisory group consisting of the current shareholders (Wreckfish Advisory Group) and a Wreckfish Sub-Committee to discuss continued development of Amendment 48.

Snapper Grouper Amendment 48 considers actions that address recommendations from the 2019 review, including moving from the current paper-based coupon systems to an electronic reporting system. Moving to electronic reporting will require the Council to review current participation and eligibility requirements in the fishery. Currently, there are some aspects of eligibility and participation in an electronic system that are not specified in the current wreckfish ITQ regulations. As such, simply retaining the status quo requirements is not sufficient to move forward with electronic reporting.

Additionally, Amendment 48 considers modifications to monitoring requirements for the fishery. Shareholders report that they never encounter law enforcement officials at the dock and the offloading time requirement negatively affects the efficiency of their fishing operations. Since fishermen report that they rarely encounter law enforcement when offloading, the intended outcome of approved offloading sites and times as a deterrent for landing unreported fish has not been realized.

In September 2023, the Sub-Committee added additional actions to Amendment 48 to address monitoring and participation and eligibility requirements for the Wreckfish ITQ program. The Council approved these decisions in December 2023. At the February 2024 meeting, Council staff presented updated amendment and decision documents for Sub-Committee discussion.

The following motions were approved:

DIRECTION TO STAFF: ENSURE THAT DISCUSSION OF DEALER REPORTING REQUIREMENTS IS INCLUDED IN THE DISCUSSION OF ACTION 2 (ELECTRONIC REPORTING).

DIRECTION TO STAFF: MODIFY THE LANGUAGE OF THE ACTION 3 (PERMIT REQUIREMENTS) TITLE TO CLARIFY THAT IT IS PERMIT REQUIREMENTS TO COMMERCIALY *HARVEST* WRECKFISH.

Action 3. Modify the requirements to commercially harvest or sell wreckfish possess a commercial vessel permit for wreckfish.

MOTION 1: SELECT ALTERNATIVE 2 AS PREFERRED UNDER ACTION 4.

Action 4. Wreckfish Individual Transferable Quota Online Shareholder Account Eligibility

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.

APPROVED BY SUB-COMMITTEE

MOTION 2: SELECT ALTERNATIVE 3 AS PREFERRED UNDER ACTION 5.

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

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.

APPROVED BY SUB-COMMITTEE

MOTION 3: SELECT SUB-ALTERNATIVE 2B and SUB-ALTERNATIVE 3A AS PREFERRED UNDER ACTION 6.

Action 6. Share Divestment for Permit-Required Accounts

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 2b. 1 year 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 end date on a permit.

APPROVED BY SUB-COMMITTEE

DIRECTION TO STAFF: MODIFY THE LANGUAGE OF ALTERNATIVE 3 SUB-ALTERNATIVES TO SPECIFY THAT IT IS THE END DATE OF THE REQUIRED SNAPPER GROUPER UNLIMITED PERMIT.

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 end date on a shareholder's snapper grouper unlimited permit.

Sub-alternative 3b. 3 years following the end date on a shareholder's snapper grouper unlimited permit.

DIRECTION TO STAFF: ADD TEXT BOX EXAMPLES INTO AMENDMENT, FOR TERMS USED IN THIS ACTION. SPECIFICALLY, DETAIL WHAT AN "END DATE" IS AND PROVIDE INFORMATION ON HOW IT CAN BE TRIGGERED AND HOW IT IS DIFFERENT FROM A TERMINATION DATE.

Regulation Effective Date: the date the regulations in Snapper Grouper Amendment 48 specific to obtaining and maintaining wreckfish individual transferable quota through an online system become effective, as listed in the amendment final rule published in the federal register.

Permit End Date: the date when a permit is no longer valid for harvest (permit remains in renewable state for one year from the end date). Permit end dates can be triggered by permit transfers, sale of a vessel, end of vessel lease agreement, or expiration of the permit.

Permit Expiration Date: a permit is valid for one year from the effective date. This is known as the expiration date. When a permit expires, the expiration date becomes the end date.

Permit Termination Date: if not renewed, a permit will be terminated one year after the permit expiration date.

MOTION 4: SELECT SUB-ALTERNATIVE 4B AS PREFERRED UNDER ACTION 7.

Action 7. Redistribution of reclaimed shares to remaining shareholders.

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

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

APPROVED BY SUB-COMMITTEE

DIRECTION TO STAFF: HAVE THE IPT DISCUSS WHAT "WRECKFISH ITQ REPORTING REQUIREMENTS" COULD INCLUDE AND THE ADMINISTRATIVE

BURDEN OF MONITORING COMPLIANCE. BRING THIS INFORMATION TO THE MARCH 2024 COUNCIL MEETING (ACTION 8. WRECKFISH INDIVIDUAL TRANSFERABLE QUOTA REQUIREMENTS TO OBTAIN ALLOCATION FROM SHARES).

Wreckfish individual transferable quota shareholder reporting requirements:

- Coastal fisheries logbook (upon implementation of this amendment and Snapper Grouper Amendment 54 (commercial e-logbook));
- Up to date personal information in their permit application (ex. affirming US citizenship, telephone number, mailing and physical addresses, and business ownership);
- Landings reported in the online system.

To monitor wreckfish reporting requirements and cost recovery fee submission the agency would need to develop database code that authorizes actions within the electronic system to meet the criteria for obtaining allocation from shares. Requiring the snapper grouper unlimited permit (**Alternative 2**) would require database connections to the permits system. Requiring good standing with reporting requirements and cost recovery submission (**Alternative 3**) would require additional database coding.

DIRECTION TO STAFF: CLARIFY THAT THE INTENT IS TO USE RELEASING ALLOCATION AS AN ENFORCEMENT TOOL.

DRAFT MOTION: SELECT ALTERNATIVE # AS PREFERRED UNDER ACTION 8. 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.

MOTION 5: SELECT ALTERNATIVE 2 AND ALTERNATIVE 3 AS PREFERRED UNDER ACTION 9.

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

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.

APPROVED BY SUB-COMMITTEE

DIRECTION TO STAFF: HAVE THE IPT CREATE A GRAPHIC TO EXPLAIN HOW A GIVEN VESSEL MIGHT NAVIGATE THE ABILITY TO HOLD SHARES, RECEIVE ALLOCATION FROM SHARES, RECEIVE TRANSFERRED ALLOCATION, AND HARVEST UNDER THE CURRENT PREFERRED ALTERNATIVES.

Under the current preferred alternatives, what do I need to participate in the commercial wreckfish individual transferable quota fishery?

Step 1 (Action 4): To be eligible for an online account:

- ✓ United States citizenship;
- ✓ Valid snapper grouper unlimited permit.

Step 2 (Action 5): To obtain and maintain ITQ shares:

- ✓ United States citizenship;
- ✓ Valid snapper grouper unlimited permit (obtain);
- ✓ Valid or renewable snapper grouper unlimited permit (maintain).

Step 3a (Action 8): To obtain allocation from shares:

No preferred alternatives currently selected under this action, but the options are as follows:

- ✓ Wreckfish individual transferable quota shares;
- Valid or renewable snapper grouper unlimited permit;
- In good standing with collection and submission of cost recovery fees;
- In good standing with wreckfish reporting requirements.

Step 3b (Action 9): To obtain allocation via transfer:

- ✓ United States citizenship;
- ✓ Wreckfish individual transferable quota shares;
- ✓ Valid snapper grouper unlimited permit.

Step 4 (Action 3): To commercially harvest wreckfish:

- ✓ Wreckfish individual transferable quota shares;
- ✓ Valid snapper grouper unlimited permit.

MOTION 6: SELECT ALTERNATIVE 2A AS PREFERRED UNDER ACTION 10.

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

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.

APPROVED BY SUB-COMMITTEE

DIRECTION TO STAFF: SPECIFY THAT THE AMOUNT WITHHELD WOULD BE EQUIVALENT TO THE DECREASE IN ACL APPROVED BY THE COUNCIL.

DIRECTION TO STAFF: BRING MORE DETAILS ON THE NMFS APPROVED OPTIONS TO THE MARCH COUNCIL MEETING (ACTION 12. PRE-LANDING NOTIFICATION REQUIREMENT FOR COMMERCIAL VESSELS PARTICIPATING IN THE WRECKFISH COMPONENT OF THE SNAPPER GROUPE FISHERY).

NMFS would authorize two different methods to provide the pre-notification:

- Fishermen may log into the electronic system and submit the pre-landing notification.
- NMFS would pay for a call service to staff a 24-hour line, where the call service will ask and enter all required fields within the pre-landing notification and submit on behalf of the fishermen.

Note: for the purpose of this action landing would mean to arrive at a dock, berth, beach, seawall, or ramp (matches Gulf IFQ definition).

DRAFT MOTION: SELECT ALTERNATIVE # AS PREFERRED UNDER ACTION 12.

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 of landing, the pre-approved landing location, the estimated weight of wreckfish on-board the vessel, the dealer where the wreckfish are to be received, and the identity of the shareholder and vessel.

What do I need to do now that I have completed fishing for wreckfish (IF Alternative 2 is chosen as preferred under Action 12)?

Step 1: Provide a pre-landing notification to NMFS (Action 12):

- ✓ Contact NMFS at least three hours, but no more than 24 hours, in advance of landing.
- ✓ Provide the expected date and time of landing, the pre-approved landing location, the estimated weight of wreckfish on-board the vessel, the dealer where the wreckfish are to be received, and the identity of the shareholder and vessel.

Step 2: Land at a pre-approved landing location (Action 13):

- ✓ Must be publicly accessible via public roads and navigable waters and no other condition may impede free and immediate access to the site by an authorized law enforcement officer.
- ✓ Must be approved by NMFS Office for Law Enforcement in advance of landing.

Step 3: Offload wreckfish (Action 14):

- ✓ Must occur between the hours of 6 a.m. and 6 p.m., local time.
 - unless an authorized officer is present at the offloading at 6 p.m., is available to remain at the site while offloading continues and authorizes the owner or operator of the vessel to continue offloading after 6 p.m., local time.

MOTION 7: SELECT ALTERNATIVE 2 AS PREFERRED UNDER ACTION 13.

Action 13. Modify offloading site requirements and establish approved landing locations 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 and navigable waters and no other condition may impede free and immediate access to the site by an authorized law enforcement officer.

APPROVED BY SUB-COMMITTEE

DRAFT MOTION: APPROVE SNAPPER GROUPER AMENDMENT 48 FOR PUBLIC HEARINGS AT THE JUNE 2024 COUNCIL MEETING.

Other Business

Note: Council staff drafts the timing and task motion based on Sub-Committee action. If points

require clarification, they will be added to the draft motion. The Sub-Committee should review this wording carefully to be sure it accurately reflects their intent prior to making the motion.

Timing and Task(s)

DRAFT MOTION: ADOPT THE FOLLOWING TIMING AND TASKS:

1. Conduct public hearings for Snapper Grouper Amendment 48 (Wreckfish) during the June 2024 Council meeting.
2. Continue to develop Snapper Grouper Amendment 48 (Wreckfish) for final approval consideration at the June 2024 Council meeting.