

DRAFT
SUMMARY REPORT
WRECKFISH SUB-COMMITTEE
SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL
Saint Augustine, Florida
September 20, 2023

The Sub-Committee approved the September 2023 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. At their June 2023 meeting, the South Atlantic Fishery Management Council's (Council) Snapper Grouper Committee received presentations from National Marine Fisheries Service's Southeast Regional Office (SERO) on different monitoring options for the wreckfish ITQ fishery and participation and eligibility decisions required to modernize the fishery. 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 to move 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, specifically the offloading site and time requirements. 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. As such, Amendment 48 considers additional options for monitoring of the wreckfish ITQ fishery.

Council staff reviewed input received from the most recent Wreckfish Advisory Group (ITQ shareholders) meeting and presented draft actions and alternatives related to monitoring, participation, and eligibility for the Sub-Committee to consider for inclusion in Amendment 48.

The following motions were approved:

DIRECTION TO STAFF: LOOK UP RATIONALE FOR THE ORIGINAL SPAWNING SEASON CLOSURE TIME PERIOD.

MOTION: SELECT ALTERNATIVE 2 AS PREFERRED UNDER ACTION 5

Action 5. Modify offloading site and time requirements for wreckfish.

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

MOTION FAILS (1-2)

MOTION 1: SPLIT ACTION 5 INTO TWO ACTIONS, ONE ADDRESSING OFFLOADING HOURS AND ONE ADDRESSING OFFLOADING SITES.

APPROVED BY SUB-COMMITTEE.

DIRECTION TO STAFF: BRING THIS AMENDMENT AND NEW ACTIONS TO THE LAW ENFORCEMENT ADVISORY PANEL BEFORE THE MARCH 2024 MEETING. TOPICS: OFFLOADING SITE (FIXED FACILITY) AND TIME REQUIREMENTS, MONITORING ACTIONS.

MOTION 2: CHANGE THE PREFERRED ALTERNATIVE IN SUB-ACTION 6-4 TO ALTERNATIVE 2.

Sub-Action 6-4. Determination of wreckfish individual transferable quota program cost recovery fees.

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

APPROVED BY SUB-COMMITTEE.

MOTION 3: ADD CONSIDERATION OF TIME FOR PRICE DETERMINATION FOLLOWING LANDING, INCLUDING ALTERNATIVES FOR 15-DAYS, 30-DAYS.

APPROVED BY SUB-COMMITTEE.

- DIRECTION TO STAFF: IPT TO DISCUSS HOW TO INCORPORATE THIS INTO THE AMENDMENT AND CONSIDER INPUT PROVIDED BY SHAREHOLDERS

MOTION 4: DO NOT INCLUDE AN ACTION FOR A TRIP DECLARATION (HAIL OUT) REQUIREMENT IN AMENDMENT 48.

APPROVED BY SUB-COMMITTEE.

MOTION 5: ADD ACTION B. (HAIL-IN) TO AMENDMENT 48, AS MODIFIED.

Action B. 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 (other than a vessel monitoring system). 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.
APPROVED BY SUB-COMMITTEE.

DIRECTION TO STAFF: HAVE NOAA OLE AND STATE AGENCIES PROVIDE INFORMATION ON WRECKFISH CITATIONS AND HOW OFTEN WRECKFISH VESSELS ARE INTERCEPTED AT THE DOCK.

DIRECTION TO STAFF: CONSIDER A NOTIFICATION TIME OF LESS THAN 3 HOURS IN ADVANCE AND PROVIDE MORE CLARITY ON “NMFS APPROVED METHOD” LANGUAGE. PROVIDE INFORMATION ON HOW OTHER SYSTEMS THAT INCLUDE CALL-IN TO A 24-HOUR LINE FUNCTION AND ACCOUNT FOR THINGS LIKE TECHNICAL ISSUES.

MOTION 6: ADD ACTION C TO AMENDMENT 48, AS MODIFIED.

Action C. 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 or renewable commercial snapper grouper unlimited permit.

~~**Alternative 3.** 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 or renewable commercial snapper grouper unlimited permit and a valid wreckfish permit.~~

APPROVED BY SUB-COMMITTEE.

MOTION 7: ADD ACTION D TO AMENDMENT 48, AS MODIFIED.

Action D. 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) or maintain shares (hold existing shares in 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 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.

~~**Alternative 4.** To obtain (transfer into a shareholder account) or maintain shares (hold existing shares in 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 or renewable commercial snapper grouper unlimited permit and hold a valid wreckfish 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.

DIRECTION TO STAFF: PROVIDE INFORMATION FROM NOAA GC ON SANCTIONS AND HAVE THE IPT DISCUSS VALID VS. VALID OR RENEWABLE LANGUAGE.

MOTION 8: BRING ACTION E INTO THE DOCUMENT AS MODIFIED.

Action E. 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.

~~**Sub-alternative 2c.** 5 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.

~~**Sub-alternative 3c.** 5 years following the transfer or termination of the permit.~~

APPROVED BY SUB-COMMITTEE.

DIRECTION TO STAFF: WORK WITH IPT TO ADD LANGUAGE ON HOW DIVESTMENT WORKS IN CASE OF DEATH.

MOTION 9: ADD ACTION F TO AMENDMENT 48

Action F. 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.

APPROVED BY SUB-COMMITTEE.

MOTION 10: ADD ACTION G TO AMENDMENT 48, AS MODIFIED

Action G. 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 active wreckfish individual transferable quota shares and be in good standing with respect to:

Sub-alternative 2a. Collection and submission of cost recovery fees.

Sub-alternative 2b. Wreckfish individual transferable quota reporting requirements.

Sub-alternative 2c. Commercial snapper grouper unlimited permit reporting requirements.

APPROVED BY SUB-COMMITTEE.

DIRECTION TO STAFF: ADD AN ALTERNATIVE UNDER ACTION G TO REQUIRE AN SG1 PERMIT TO OBTAIN ANNUAL ALLOCATION FROM SHARES. IPT TO DISCUSS VALID VS. VALID AND RENEWABLE.

MOTION 11: ADD ACTION H TO AMENDMENT 48, AS MODIFIED

Action H. 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.

~~**Alternative 4.** Individual transferable quota annual allocation can be transferred only to accounts with a valid snapper grouper unlimited permit and valid wreckfish permit. Eligible accounts must be associated with individuals who are United States citizens or permanent resident aliens.~~

APPROVED BY SUB-COMMITTEE.

MOTION 12: ADD ACTION I TO AMENDMENT 48

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

Purpose of Action: While no stock assessment or ACL reduction is expected for wreckfish, this action would provide the Regional Administrator with the ability to withhold annual allocation in the event a reduction is required in the future.

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.

APPROVED BY SUB-COMMITTEE.

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)

MOTION 13: ADOPT THE FOLLOWING TIMING AND TASKS:

1. Update the full Snapper Grouper Committee on decisions made during the December 2023 Council meeting.
2. Continue to develop Snapper Grouper Amendment 48 (Wreckfish) including the addition of monitoring, participation, and eligibility actions, as approved.
3. Convene the next meeting of the Wreckfish Sub-Committee via webinar prior to the March 2024 Council meeting.