



# Amendment 48 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region

## Modification of the Snapper Grouper FMP Goals and Objectives and Modernization of the Wreckfish Individual Transferable Quota Program

### Options Paper



**September 2020**

A publication of the South Atlantic Fishery Management Council pursuant to National Oceanic and Atmospheric Administration Award Number FNA10NMF4410012

# 1 Snapper Grouper FMP Goals and Objectives

## 1.1 Objectives of the Snapper Grouper Fishery Management Plan

The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) national standard guidelines require fishery management councils to establish objectives in each FMP and propose management measures that will achieve the objectives. In establishing the objectives, the councils should balance the biological needs of the fish stock(s) with human needs, reconcile both present and future costs and benefits, integrate both private and public interests, and provide for a comprehensive approach to addressing problems within the fishery. Also, as the needs of a fishery change over time, fishery management councils are encouraged to regularly reassess the FMP objectives (50 C.F.R. § 600.305(b)).

Amendment 17A to the Snapper Grouper FMP was the last amendment to list and modify the objectives in the Snapper Grouper FMP. The 2016-2020 Vision Blueprint for the Snapper Grouper Fishery (Vision Blueprint) was approved by the Council at their December 2015 meeting. The Vision Blueprint reorganized the Snapper Grouper FMP goals and objectives into four goal areas: (1) Science, (2) Management, (3) Communication, and (4) Governance. Each goal area has a set of objectives intended to drive management of the snapper grouper fishery (**Table 1.1.1**). However, the Vision Blueprint reorganization of the Snapper Grouper FMP goals and objectives was never formally adopted in an FMP.

### **ACTION 1: MODIFY SNAPPER GROUPE FMP GOALS AND OBJECTIVES**

**Alternative 1 (No Action):** Do not modify the goals and objectives of the Snapper Grouper Fishery Management Plan of the South Atlantic Region.

**Alternative 2:** Modify the goals and objectives of the Snapper Grouper Fishery Management Plan of the South Atlantic Region as shown in **Table 1.1.1**.

**Table 1.1.1.** Management objectives for the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region.

<b>Goal 1 (Science):</b> Management decisions for the snapper grouper fishery are based upon robust, defensible science that considers qualitative and quantitative data analyzed in a timely, clear, and transparent manner that builds stakeholder confidence.	
<i>Objective 1</i>	Promote collection of quality data to support management plans and programs considered by the Council.
<i>Objective 2</i>	Encourage development of mechanisms to effectively engage and collaborate with stakeholders on cooperative research, data collection and analysis.
<i>Objective 3</i>	Improve knowledge about the social and economic elements of the snapper grouper fishery in the South Atlantic.
<i>Objective 4</i>	Support improved and expanded monitoring and reporting programs for the snapper grouper fishery.
<i>Objective 5</i>	Promote data collection and analysis to support ecosystem and habitat considerations for the snapper grouper fishery.
<b>Goal 2 (Management):</b> Adopt management strategies for the snapper grouper fishery that rebuild and maintain fishery resources, adapt to regional differences in the fishery, and consider the social and economic needs of fishing communities.	
<i>Objective 1</i>	Develop management measures that consider sub-regional differences and issues within the fishery.
<i>Objective 2</i>	Develop innovative management measures that allow consistent access to the fishery for all sectors.
<i>Objective 3</i>	Ensure that management decisions help maximize social and economic opportunity for all sectors.
<i>Objective 4</i>	Develop management measures that reduce and mitigate discards.
<i>Objective 5</i>	Support management measures that incorporate ecosystem and habitat considerations for the snapper grouper fishery.
<i>Objective 6</i>	Develop management measures that support optimal sector allocations for the snapper grouper fishery.
<b>Goal 3 (Communication):</b> Employ interactive outreach strategies that encourage continuous participation and support two-way engagement between managers and snapper grouper fishery stakeholders while building a greater understanding of science and management.	
<i>Objective 1</i>	Develop communication approaches that provide streamlined and timely information to increase awareness and engage stakeholders.
<i>Objective 2</i>	Ensure that Council communication encourages and supports engagement with a diverse audience of stakeholders.
<i>Objective 3</i>	Improve awareness and understanding of fishery science and research and how these inform management.
<i>Objective 4</i>	Improve awareness and understanding of how social and economic issues are linked to fisheries management measures.
<b>Goal 4 (Governance):</b> Commit to a transparent, balanced, and timely decision-making process that allows flexible yet well-defined protocols and strategies for managing the snapper grouper fishery.	
<i>Objective 1</i>	Create an accountable and flexible decision-making process for development and evaluation of management measures.
<i>Objective 2</i>	Build capacity to streamline management efforts and better coordinate with management partners.
<i>Objective 3</i>	Improve communication with stakeholders to ensure the needs of the fishery are understood and considered throughout the Council process.

## 2 Wreckfish ITQ Program Modernization

### 2.1 Background

The Council is required by the 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. Analyses were broken down into several elements including: Data collection and reporting; Biological, Economic, and Social Environment; Allocations, Transferability and caps; Eligibility, Participation, and New entrants; Catch and sustainability; Monitoring and enforcement; Safety at Sea; Administration and Cost recovery, and Duration of privileges and subsequent distributions. In addition, the review highlighted recommendations provided by the Council, the Wreckfish Shareholders, the Council's Scientific and Statistical Committee (SSC), the SSC's Socio-Economic Panel, and the Council's Advisory Panels. In general, the program has been relatively successful in achieving its stated objectives, although there is still room for further improvement, particularly with respect to confidentiality and related constraints; moving away from a coupon-based program to an electronic one; cost recovery; Wreckfish permit requirement; allocation issues; offloading sites and times; and economic data collection. Snapper Grouper Amendment 48 will consider actions and alternatives necessary to improve and modernize the Council's Wreckfish ITQ program.

Several conclusions and recommendations made in the 2019 review are not addressed in Amendment 48. Research recommendations will appear in the Council's Biennial Research Recommendations report to the Southeast Fisheries Science Center (SEFSC). Confidentiality issues which hampered some of the analyses, particularly social analyses that could be described in the review, cannot be addressed in a plan amendment. These issues stem from the few participants in the program and inability to get the unanimous consent needed to release the confidential information. The Snapper Grouper Advisory Panel made a recommendation to have the Council's SSC reanalyze the Wreckfish stock status data and consider increasing the acceptable biological catch (ABC) for the species.

The Wreckfish shareholders themselves made several recommendations. They requested the Council prioritize a new stock assessment for Wreckfish. They also requested the ability to carryover any annual catch limit (ACL) that is unused from one fishing year to the next fishing year. Additionally, Wreckfish shareholders voiced opposition to implementing a cost recovery program and would like to see the Council remove the current restrictions on designated landing sites and times, both seen as being overly burdensome in such a small fishery.

### 2.1.1 Wreckfish ITQ Goals and Objectives

The review of the Wreckfish ITQ program (2019) evaluated the program based on whether the program had met its original goals and objectives. Since the beginning of the program in 1991 (SAFMC 1990), the fishery has changed significantly through regulation and participation.

It is reasonable for the Council to review the program's goals and objectives to determine whether they are sufficient for a modernized and updated Wreckfish ITQ program. Snapper Grouper Amendment 5 (SAFMC 1991) listed the following goals and objectives for the Wreckfish ITQ program as justification for limiting participation in the fishery through an ITQ program:

1. "Develop a mechanism to vest fishermen in the Wreckfish fishery and create incentives for conservation and regulatory compliance whereby fishermen can realize potential long-run benefit ..."
2. "Provide a management regime which promotes stability and facilitates long-range planning and investment by harvesters and fish dealers while avoiding, where possible, the necessity for more stringent management measures and increasing management costs over time."
3. "Develop a mechanism that allows the marketplace to drive harvest strategies..."
4. "Promote management regimes that minimize gear and area conflicts..."
5. "Minimize the tendency for over-capitalization in the harvesting and processing/distribution sectors."
6. "Provide a reasonable opportunity for fishermen to make adequate returns from commercial fishing by controlling entry so that returns are not regularly dissipated by open access, while also providing avenues for fishermen not initially included in the limited entry program to enter the program."

#### **ACTION 2: MODIFY WRECKFISH ITQ GOALS AND OBJECTIVES**

**Alternative 1 (No Action):** Do not modify Wreckfish ITQ Program Goals and Objectives.

**Alternative 2:** Modify the Wreckfish ITQ Program Goals and Objectives.

## 2.2 Actionable Conclusions and Recommendations from the 2019 ITQ Review

### 2.2.1 Allocation Issues

Recreational landings of Wreckfish are rarely encountered using the Marine Recreational Information Program (MRIP), or its predecessor, the Marine Recreational Fisheries Statistics Survey (MRFSS). In fact, as of 2019, there are no records of recreational Wreckfish landings by MRIP/MRFSS since 2012. However, 5% of the Wreckfish ACL is set aside for the recreational sector.

The Council may want to revisit sector allocations for Wreckfish in this amendment. Several suggestions have been made for how the Council might consider allocations for Wreckfish in the future, including getting rid of sector allocations altogether or continued monitoring of future

MRIP landings to see if Wreckfish start to become prevalent thus requiring additional sector allocation consideration.

### **ACTION 3: WRECKFISH SECTOR ALLOCATIONS**

**Alternative 1 (No Action):** Wreckfish are currently allocated 95% to the commercial sector and 5% to the recreational sector.

**Alternative 2:** Modify the Wreckfish sector allocation so that 98% is allocated to the commercial sector and 2% to the recreational sector.

**Alternative 3:** Allocate Wreckfish 100% to the commercial sector.

**Alternative 4:** Remove sector allocations from the Wreckfish fishery.

#### **2.2.2 Cost Recovery**

Cost recovery, the collection of a fee to recover the actual cost directly related to the management, data collection, and enforcement of any limited access privilege program (LAPP), is mandated under section 304(d)(2)(A) of the Magnuson-Stevens Act. The fee shall not exceed 3% of the ex-vessel value of fish harvested under such a program. When establishing a cost recovery fee, there should be a defined methodology and means to identify and assess the actual cost directly associated with the program. The Wreckfish ITQ program does not currently contain a cost recovery fee.

Should the Council proceed with establishing a cost recovery fee, a methodology must be established to recover the costs directly related to the program. These are considered incremental costs, which are costs that would not have been incurred if the program had not been established. Measuring actual incremental costs can be difficult, as it is a with-without a program comparison, not a pre-post program comparison. Typical categories that are tracked for cost recovery may include, but are not be limited to:

- Personnel – Includes both full time employees and contract employees.
- Information Technology (IT) - costs related to stakeholder data collection, public access to non-confidential data, software necessary to maintain access for stakeholders and NMFS staff; computers needed to manage the program; servers needed to maintain an online system.
- Travel – Full or partial costs of travel for the purpose of program management, program outreach, program presentations/reports, and direct assistance to stakeholders.
- Supplies - Full or partial costs of materials that promote the program or reduce the burden of reporting. This may include printing charges or equipment needed to create outreach materials (e.g., laminators, scanners, printers).
- Training – Full or partial costs of training directly associated with the support of the program.

These costs would need to be tracked directly to the LAPP program. Labor is typically tracked through time allocation to a program, while other costs are tracked through various systems recording the actions using specific program-based cost recovery codes. When and from whom

the fees would be collected are important issues to explore as the Council considers implementing a cost recovery fee in the Wreckfish ITQ program. The Magnuson-Stevens Act states that fees must be collected at the time of landing, filing of a landing report or sale of fish, or in the last quarter of the calendar year. There are multiple of approaches used in current catch shares systems across the nation. In the Gulf of Mexico, the cost recovery fee is collected by the dealers but submitted to NMFS at the end of each quarter. When a dealer does not comply with the submission of the cost recovery time, their account is suspended until payment is received. In other programs, the fees are calculated based on a standard price for each species determined by the value and volume in the previous year. The standard price is typically published near the start of the fishing year. Likewise, in other programs the person responsible for payment of the cost recovery fees could be the allocation holder who made the landings or the shareholder owning the long-term privilege. Methods of payment of cost recovery can vary as well, with some programs issuing paper bills and others utilizing the Department of Treasury's pay.gov online billing system. The Gulf of Mexico IFQ programs use the pay.gov system and have a direct link for each shareholder in their online account.

Some anticipated recovered costs could be related to costs of issuing Wreckfish share certificates and coupons, processing share transfers, recording coupon transfers, permit issues and renewals, and management and analyses of the data. These costs may differ for the current system versus moving towards an online electronic system. In fact, many of these costs could be eliminated under an online electronic system for both program participants and NMFS. Opportunity cost savings in the form of time saved resulting from the elimination of paper forms are expected to be significant.

Typically, the collection of cost recovery fees is not expected to affect the physical or biological environment, nor have any impacts on the fishing. Adverse social and economic effects may result as net revenues could decrease by up to 3 percent of the ex-vessel value due to the collection of fees. However, cost recovery fees for most U.S. catch share programs are less than 3%. For e.g., the cost recovery fee in the Northeast Golden Tilefish ITQ program, which also has a small number of participants, has been less than 1%. It is possible that some potential loss in ex-vessel revenue caused by cost recovery could be offset by the opportunity cost savings realized from the time saved from switching from paper to an online electronic system.

If Wreckfish were to switch to an online system, this would simplify the methods used to determine the cost recovery fee and track payment of the cost recovery fee. In addition, much of the infrastructure for an online electronic system is already in place as a result of SERO managing an online Catch Share System. Thus, the incremental costs of shifting to such a system would likely be less than for a program that would have to be built from scratch. Further, per the discussion above, any potential adverse effects could be largely offset by the benefits that would accrue if program management is changed to an online electronic-based system.

#### **ACTION 4: COST RECOVERY PROGRAM**

**Alternative 1 (No Action):** There is no Cost Recovery Program associated with the Wreckfish ITQ program.

**Alternative 2:** Establish a Cost Recovery Program for the Wreckfish ITQ Program.



Note: Should the Council establish a cost recovery program multiple alternatives and/or sub-alternatives would need to be developed.

### 2.2.3 Migration to an Electronic System

Data management and user experience could be greatly enhanced by moving from a paper system to an electronic system. The migration to an electronic system could:

- Increase timeliness of reported data
- Improve data quality
- Reduce cost and time for management
- Provide additional flexibility to fishermen
- Improve program enforcement and monitoring

An electronic system could also add increased flexibility to the fishermen. By moving to an electronic system, the system would be capable of tracking allocation to a single pound. This would allow for a 1 to 1 ratio between landings and allocation, unlike the current system. The online system may be able to streamline the ability of fishermen to monitor their activities. The current system in the Gulf of Mexico has been modified numerous times to collect and produce information that may help the fishermen such as the creation of ledgers. Ledgers have been created that help detail an individual's landings, share transfers, and allocation transfers. Fishermen have then used these ledgers to aid in documentation of the business. Due to the nature of the online system, there are multiple how-to documents and frequently asked questions that are updated quarterly and available for download. There is also the possibility of using the electronic catch share system to replace the Wreckfish logbook and Wreckfish dealer reports. Replacement of those logbooks would require additional modification of the current system which has the base structure to allow for this modification. Having all logbooks in the same catch share system would enhance the data management of the program, as all information would be stored and maintained in one database system.

An online system could be used to enhance data collection through the mandatory reporting of fields when completing transfers (shares and allocation) or landings. Through the use of technology, the Council could require specific fields be completed (e.g., share value, ex-vessel price) or constrain the values entered into the required fields. The system could also automatically fill in information regarding the initiator of any transaction (e.g., transfer or landing), as well as the recipient for transfers or dealer for landings, decreasing the reporting burden for fishermen.

Coupon transfer prices are reported on the vessel logbooks, and thus are mandatory. Should the Council migrate to an electronic reporting system, reporting coupon transfer prices would not necessarily have to be mandatory. The value of transferred shares is manually entered by shareholders on the back of share certificates when shares are transferred, but the reporting of the transferred value is not mandatory. Relatively few share transactions occur in a given year and even over an extended period of time. Thus, generating statistically accurate estimates of share prices requires that a census of such data be collected to the extent possible. Only slightly more than half of the share transfers between fishing year (FY) 2009 and FY 2016 reported a value for



the transferred shares, and the percentage of share transfers where a value was recorded has noticeably declined in recent years, causing estimates of share prices over that time to be suspect. Shifting to an electronic system where reporting of the transferred share value is required before a share transfer is processed would help ensure accurate estimates of share prices can be provided. Share prices are an important indicator of how well the program is expected to perform economically in the future, and thus provide useful information to analysts and managers.

Enforcement of the program could also be improved through the use of an electronic online system. Other catch share programs in the Southeast region use the electronic nature of the program to send notifications to enforcement about landings. The system could be modified to aid in alerting enforcement of offloading times, which may provide a mechanism to investigate the need for offload time restrictions.

In conclusion, moving towards an online electronic system would enhance the program in many ways as well as align with NMFS' desire to improve data collection through the modernization of data collection platforms and the use of innovative technologies. While the initial creation of such a system may create a short-term administrative burden on NMFS, the benefits of such a system would be realized immediately and provide a long-term benefit to the program.

The current system utilizes paper resources for share certificates, allocation coupons, vessel logbooks, and dealer logbooks. Data regarding the program is transcribed to various electronic systems and must be merged together to form a complete dataset. In the past, there were some concerns with the ability to fully merge the files, as information may not be similarly reported by both vessel and dealer logbooks. For instance, both the dealer and vessel operator at times are not reporting every trip and the information reported by both is not always consistent. Additionally, the current system is managed jointly but separately between the Southeast Regional Office (SERO) and SEFSC, with SERO issuing Wreckfish permits, share certificates, and coupons, and SEFSC managing the vessel and dealer logbook programs. While SERO processes requests to transfer shares, SEFSC monitors coupon transfers. This dual data management structure creates an unnecessary administrative burden for NMFS and inefficiency in the use of annual allocation for shareholders. Additionally, the current use of coupons for allocation comes with limitations, as the coupons must be printed and mailed, and are only created in two denominations (100 lb and 500 lb). Very rarely are landings from a trip in these increments. In general, the use of an electronic online catch share system could enhance the management of the program as all functions relating to the program would be accessed through a web-interface and stored in one electronic database system.

One of the key aspects of the base catch share electronic system method is a direct connection and relationship with the permits managed by SERO. The current catch share system streamlines access with the permits database. The ability to link with the permits database could be used to create a more efficient methods to track participation in the program, link participant attributes with transactions (e.g., community to coupon price), and link shareholders directly to landings and the vessels used to land Wreckfish.

Another benefit of an electronic system would be the ability to increase the efficiency and timeliness of program resource distributions and transactions. For example, annual distribution of coupons and transfer of shares and coupons among participants could occur electronically. By using an electronic system, to transfer shares, the participants would no longer need to obtain ink signatures and mail the certificates to SERO. This would allow for share transfers to be completed in a timelier manner and would provide for an improved tracking system for share ownership. The online system could be built to contain algorithms that would determine if an entity would exceed a share cap, rather than manually calculating ownership levels for each entity.

Annual distribution of allocation would also occur electronically. This would reduce the administrative and financial burden on NMFS, as coupons would no longer need to be printed and mailed to recipients. Instead, the system could distribute the allocation to all participants electronically at the start of the season. The ability to transfer the allocation (coupons) to other participants would also be greatly enhanced. Transfers could be completed more readily through an electronic process that tracks and records the date, quantity, and value of the transferred allocation. The current process requires the signing and submission of coupons, and the details of the transaction need to be entered into a system for tracking purposes. In the past, coupons have been lost in the mail or to an accident (e.g., fire). The ability to quickly replace those paper coupons was hampered by the need to print additional paper coupons, enter the coupon numbers into a tracking system, and then mail the paper coupons to the recipient. An electronic online system would eliminate these unnecessary delays, as all coupons would be dispersed electronically.

## **ACTION 5: ELECTRONIC MONITORING SYSTEM**

**Alternative 1 (No Action):** The current paper-based system utilizes paper resources for share certificates, allocation coupons, vessel logbooks, and dealer logbooks.

**Alternative 2:** Require an electronic reporting system for the Wreckfish ITQ Program

If the Council chooses Alternative 2 as its preferred alternative, it should weigh in on issues such as level of reporting (individual and/or dealer), tracking of quota shares, allocations and dealer landing reports to be completed in electronic system, etc.

### **2.2.4 Eliminate the Wreckfish Permit Requirement**

An entity must possess Wreckfish coupons, a commercial snapper grouper vessel permit, and a commercial Wreckfish vessel permit in order to possess, land, and sell Wreckfish harvested from the South Atlantic exclusive economic zone (EEZ). Further, an entity must possess ITQ shares in order to receive coupons either prior to the start of the fishing year or through transfer. Given that ITQ shares are considered a “permit” for the purposes of sections 307, 308, and 309 in the Magnuson-Stevens Act (see section 303A(b)(1)), the requirements to possess two permits in addition to owning ITQ shares is duplicative and therefore unnecessarily burdensome for program participants and data managers. These requirements also unnecessarily complicate the use of data by program analysts.

All entities in the ITQ program also harvest other snapper grouper species, and thus would need a commercial snapper grouper permit to harvest those species regardless of whether they

participated in the Wreckfish ITQ program. The cost to apply for a commercial snapper grouper permit is \$25 and the applicant must complete a “Federal Permit Application for Vessels Fishing in the Exclusive Economic Zone.” However, the cost to apply for a commercial Wreckfish vessel permit is higher at \$50 and requires the submission of a separate but practically identical application form specifically for Wreckfish permits.

The additional requirement to possess a commercial Wreckfish permit does not enhance NMFS’ ability to track and monitor the harvesting activities of vessels in the program, nor does it provide additional information to analysts and program managers beyond the information already provided as a result of the commercial snapper grouper permit requirement. In fact, by generating an additional set of vessel permit data, the Wreckfish permit requirement adds an additional layer of complexity to the analysis of program related data.

Further, the regulations in section 622.170(a)(2) regarding the Wreckfish permit requirement complicate management of the program. Specifically, although the Wreckfish permit applicant must be a Wreckfish shareholder, the shareholder must be the vessel owner, or the vessel owner or operator must be an employee, contractor, or agent of the shareholder. No other permit requirement in fisheries managed by the Council requires NMFS to determine whether an entity is an employee, contractor, or agent of the vessel owner. Such determinations are difficult to make without requesting more information than is typically requested of permit applicants in fisheries managed by the Council, which creates additional administrative burden for applicants and NMFS. In addition, the fact that so many individuals could claim “rights” with respect to the confidentiality of the vessels’ landings data made it much more difficult to get consensus from all the affected parties with respect to waiving confidentiality.

In comparison, a Gulf of Mexico red snapper class 1 or class 2 license in conjunction with a commercial Gulf of Mexico reef fish vessel permit was required to harvest red snapper in the Gulf of Mexico prior to the creation of the red snapper ITQ program. Even though the requirement to possess a commercial Gulf of Mexico reef fish permit remains in place, the requirement to possess a class 1 or class 2 license was removed by the Gulf of Mexico Fishery Management Council when the red snapper ITQ program was implemented in order to reduce administrative burden for program participants and data managers.

Based on the above, it is recommended that the Council eliminate the requirement for vessels to possess a Wreckfish permit in order to harvest, possess, or sell Wreckfish harvested from the South Atlantic EEZ. The elimination of this requirement would remove section 622.170(a)(2) of the regulations and be consistent with National Standard (NS) 7, which requires the costs of management to be minimized where practicable, and mandates under E.O. 13771 to reduce regulatory costs.

Finally, the collection of economic data and analysis would be eased if it was integrated into an online electronic system. Fixed- and trip-level costs have only been collected twice in the history of the Wreckfish ITQ program, but this information is necessary to assess whether the program is meeting the goal of reducing inefficiencies in harvest. Requiring shareholders to fill out a short online fishing cost survey during the period in between Wreckfish fishing seasons would provide the necessary data to assess the program’s performance against economic metrics

on an ongoing basis. This would in turn provide the Council with more information to weigh proposed management changes.

#### **ACTION 6: WRECKFISH PERMIT REQUIREMENT**

**Alternative 1 (No Action):** Require vessels to possess a Wreckfish permit in order to harvest, possess, or sell Wreckfish harvested from the South Atlantic EEZ.

**Alternative 2:** Remove the requirement for vessels to possess a Wreckfish permit in order to harvest, possess, or sell Wreckfish harvested from the South Atlantic EEZ.

#### **2.2.5 Revise approved offloading sites and times**

Shareholders expressed that having designated landing sites and the daily unloading timeframe to be overly burdensome, particularly the hours allowed for offloading, contrary to what fishermen reported when the ITQ was laid out in Amendment 5 (SAFMC 1991a). Shareholders reported that they rarely, if ever, encounter law enforcement officials at the dock when they do offload.

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. These requirements are holdovers from when the program was initially begun with 49 participants, many more than are currently in the fishery. 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. And because there are few participants in the fishery, there are few locations where the fish are offloaded. The need for approved offloading sites seems irrelevant to shareholders.

If electronic reporting is instituted for this fishery, offloading sites/times can be recorded as is done in other catch share programs in the Southeast region. Electronic reports can send notifications to enforcement about landings. If the system alerts enforcement of offloading times, offload time restrictions may no longer be needed.

#### **ACTION 7: APPROVED OFFLOADING SITES AND TIMES**

**Alternative 1 (No Action):** Maintain the current requirements for offloading Wreckfish only at approved offloading sites between the hours of 8 a.m. and 5 p.m., local time.

**Alternative 2:** Remove the requirement to require offloading of Wreckfish only at approved offloading sites between the hours of 8 a.m. and 5 p.m., local time.

**Alternative 3:** Require a hail out requirement as an advance notice of beginning a trip to be included as part of electronic monitoring to the Wreckfish ITQ program.

**Alternative 4:** Require a hail in requirement as an advance notice of landing to be included as part of electronic monitoring to the Wreckfish ITQ program.

### 2.2.6 Mandatory economic data collection

Economic data collection for the Wreckfish program has been limited to two surveys, one following the first year of the program (Richardson 1994) and another two decades later (Yandle and Crosson 2015). In comparison, the logbooks for other fisheries managed under the Snapper Grouper FMP are surveyed continuously, with 20% of vessels required to track per-trip and annual cost estimates in any particular year (Overstreet et al. 2018). This allows for continuous monitoring of the economic profitability and efficiency of the snapper grouper fleet, which in turn aids management of the fishery.

The current plan of the SEFSC is to collect cost data from this fishery in conjunction with the golden crab fleet approximately every five years. Because of the small size of both fleets, data collection needs to be a complete census, as individual boats vary greatly in their percentage of the catch. Increasing the rate of collection to an annual basis would require an increase in FTE staff time that may be infeasible unless it is integrated into an electronic data system at SERO as mentioned above.

NMFS technically has authority to collect economic data from Wreckfish fishermen. However, the Council may decide to tell NMFS their preference for economic data collection and frequency. The details of an economic data collection program for Wreckfish would be determined would be determined by NMFS.

#### **ACTION 8: ECONOMIC DATA COLLECTION**

**Alternative 1 (No Action):** Do not collection economic data on the Wreckfish ITQ program. There is no systematic data collection for the Wreckfish ITQ program.

**Alternative 2:** Collect economic cost data at a census level from Wreckfish ITQ program participants

**Sub-alternative 2a:** Every 5 years

**Sub-alternative 2b:** Annually

**COMMITTEE ACTION:** Provide guidance to staff regarding further development of Amendment 48.

Are there actions/alternatives the Committee would like to add?

Are there actions/alternatives the Committee would like to remove?

What additional information would the Committee like to receive?

Does the Committee want to recommend sending Amendment 48 out for scoping?

#### **DRAFT MOTION:**

SEND SNAPPER GROUPE AMENDMENT 48, THE WRECKFISH ITQ MODERNIZATION AMENDMENT OUT FOR SCOPING VIA WEBINAR PRIOR TO THE DECEMBER 2020 COUNCIL MEETING AND BRING THE RESULTS OF THE SCOPING SESSION BACK TO THE COUNCIL AT THE NEXT MEETING WHERE THIS AMENDMENT WILL BE DISCUSSED.