DRAFT

Amendment 48

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

Modernization of the Wreckfish Individual Transferable Quota Program

Environmental Assessment, Initial Regulatory Flexibility Act Analysis, and Regulatory Impact Review

DRAFT May 2024

South Atlantic Fishery Management Council
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Award Number FNA15NMF4410010

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

Proposed actions: The actions in Amendment 48 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region would modernize the wreckfish individual transferable quota program and modify management measures. Actions would establish an electronic reporting system, trip and landing notification, cost recovery, revise sector allocations, commercial vessel permit requirements, the fishing year, participation and eligibility requirements for the individual transferable quota program, and monitoring requirements including pre-landing notification and landing site and offloading time requirements.

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This [EIS/EA] applies CEQ's NEPA regulations currently in effect. *See* 50 C.F.R. § 1506.13

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Why is the South Atlantic Fishery Management Council considering action?

The Wreckfish Individual Transferable Quota (ITQ) program is a limited access privilege program under the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), which needs to be reviewed every five to seven years (16 U.S.C. 1853a(c)(1)(G)). The most recent review by the South Atlantic Fishery Management Council (Council) evaluated progress made in meeting the goals and objectives of the Wreckfish ITQ program. The review does not attempt to comprehensively evaluate management of the snapper grouper fishery.

The Wreckfish ITQ program was reviewed in 2019 and examined how the Wreckfish ITQ program changed between a 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. The 2019 review found that the program has been relatively successful in achieving its stated objectives, although there is still room for improvement, particularly with respect to confidentiality issues and related constraints; moving away from a paper coupon-based program to an electronic program; cost recovery; wreckfish permit requirement; allocation issues; and offloading sites and times. The Council determined that Amendment 48 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region consider actions and alternatives necessary to improve and modernize the Council's Wreckfish ITQ program.

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

Purpose of Action:
The recommendation to evaluate sector allocations (currently 95% commercial and 5% recreational) came from the Snapper Grouper Advisory Panel due to concern that the recreational allocation for wreckfish is too high. A lower recreational allocation may be more appropriate, especially considering the low wreckfish encounter rate in the Marine Recreational Information Program survey. Additionally, the recreational allocation was intended to allow some retention in the case of bycatch due to wreckfish having high release mortality and not to encourage targeting of wreckfish recreationally.

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.

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

Purpose of Action:
Data management, data quality, data analysis, and user experience could be greatly enhanced by moving from a paper system to an electronic system. The migration to an electronic system would increase timeliness of reported data, improve data quality, reduce cost and time for management, provide additional flexibility and benefits to fishermen, and improve program enforcement and monitoring.

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.

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

Purpose of Action:
The requirements to possess two permits (the wreckfish permit and a federal commercial snapper grouper permit) in addition to owning ITQ shares is duplicative and therefore unnecessarily burdensome for program participants and data managers. For fishermen the additional burden is from annual fees for two permits. For data managers, the two permits increase the administrative processing burden, unnecessarily complicating the use of data by program analysts. Additionally, in regard to the wreckfish permit, requiring the National Marine Fisheries Service (NMFS) to determine whether an entity is an employee, contractor, or agent of the vessel owner is difficult without requesting more information than is typically requested of permit applicants, creates additional administrative burden for applicants and NMFS, and complicates the data confidentiality of this small fishery for wreckfish.

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.

Action 4. Wreckfish Individual Transferable Quota Online Shareholder Account Eligibility

Purpose of Action:
This action would add language to the Code of Federal Regulations (CFR) establishing requirements for opening a wreckfish shareholder account in the new online system.

Preferred 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 federal commercial snapper grouper unlimited permit.

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

Purpose of Action:
This action would add language to the CFR establishing requirements for obtaining and maintaining shares in the online system. There are no requirements for obtaining and maintaining shares in an online system, which would allow wreckfish shares to be obtained and maintained by an individual that does not possess the necessary requirements to harvest wreckfish.

Preferred 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. 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

Purpose of Action:
This action would add language to the CFR establishing a protocol for NMFS reclaiming shares if an account no longer meets requirements to maintain shares, as established in Action 5. As such, Action 6 is applicable only if an alternative other than Alternative 1 (No Action) is chosen in Action 5.

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

Preferred Sub-alternative 2b. One year following the effective date implementing this amendment.

Preferred 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:

Preferred Sub-alternative 3a. One year following the end date on a shareholder's snapper grouper unlimited permit.

Action 7. Redistribution of reclaimed shares to remaining shareholders.

Purpose of Action:
This action would add language to the CFR establishing a protocol for NMFS to redistribute shares that have been reclaimed. As such, Action 7 is applicable only if an alternative other than Alternative 1 (No Action) is chosen in Action 5 and Action 6.

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

Preferred 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

Purpose of Action:
This action would add language to the CFR establishing requirements for a shareholder to receive their annual allocation, ensuring that shareholders are up to date with cost recovery fees and fishery monitoring requirements.

Preferred 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:

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

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

Purpose of Action:
This action would add language to the CFR establishing requirements for obtaining annual allocation through transfer in the online system. Currently, there are no requirements for obtaining annual allocation through transfer in an online system, which would allow wreckfish allocation to be obtained and maintained by an individual that does not possess the necessary requirements to harvest wreckfish.

Preferred 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.

Preferred 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

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

Preferred 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:

Preferred Sub-alternative 2a. June 1.

Action 11. Modify the commercial fishing year for wreckfish.

Purpose of Action:
The Wreckfish program would be built into the existing Southeast Catch Share Online System, which has a mandatory down time period from December 31 at 6 pm eastern standard time (EST) to January 1 at 2 pm EST. A calendar year fishing year would reduce administrative burden and system downtime as the ITQ program moves towards an electronic reporting system.

Preferred Alternative 2. The commercial fishing year for wreckfish begins on January 1 and ends on December 31. From January 15 through April 15, each year, no person may harvest or possess wreckfish on a fishing vessel, in or from the exclusive economic zone.

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

Purpose of Action:
This action proposes a pre-landing (hail-in) requirement for the wreckfish portion of the snapper grouper fishery. The Magnuson-Stevens Fishery Conservation and Management Act (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).). These types of tools have proven successful in other catch share programs.

Preferred 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.

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

Purpose of Action:
Catch share programs are required to include an effective system for enforcement, monitoring, and management of the program. The landing locations and fixed times for offload support the ability of the agency to enforce and monitor the program. These tools have proven successful in other catch share programs.

Preferred 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 National Marine Fisheries Service Office for Law Enforcement prior to a vessel landing such wreckfish at these sites. Landing locations must be publicly accessible via freely traversable roads and 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 time requirements for wreckfish.

Purpose of Action:
Wreckfish shareholders expressed that the daily unloading timeframe (8 am 5 pm) is overly burdensome. The allowable offloading time requirement affects the efficiency of their fishing operations. Shareholders would like to see the approved offloading times requirement removed. catch share programs are required to include an effective system for enforcement, monitoring, and management of the program. The fixed times for offload support the ability of the agency to enforce and monitor the program. These tools have proven successful in other catch share programs.

Preferred Alternative 2. Wreckfish may only be offloaded between the hours of 6 am and 6 pm, local time.

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

Purpose of Action:
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, is mandated under section 304(d)(2)(A) of the Magnuson-Stevens Act.

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

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 National Marine Fisheries Service.

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

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

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

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

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

Preferred Alternative 2. The cost recovery fee will be based on actual[1] ex-vessel value of the wreckfish landings.

[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.).

Chapter 1. Introduction

1.1 What actions are being proposed in this plan amendment?

The actions in Amendment 48 to the Fishery Management Plan (FMP) for the Snapper Grouper Fishery of the South Atlantic Region (Snapper Grouper FMP) would modify management of wreckfish. Actions in Amendment 48 to the Snapper Grouper FMP (Snapper Grouper Amendment 48) would modernize the wreckfish individual transferable quota program and modify management measures. Actions would establish an electronic reporting system, trip and landing notification, cost recovery, revise sector allocations, commercial vessel permit requirements, the fishing year, participation and eligibility requirements for the individual transferable quota program, and monitoring requirements including pre-landing notification and landing site and offloading time requirements.

1.2 Who is proposing the amendment?

The South Atlantic Fishery Management Council (Council) is responsible for managing snapper grouper species in the South Atlantic region. The Council develops the amendment and submits it to the National Marine Fisheries Service (NMFS). NMFS determines whether to approve, disapprove, or partially approve the amendment. NMFS also determines whether to publish a rule to implement the amendment on behalf of the Secretary of Commerce. NMFS is an agency of the National Oceanic and Atmospheric Administration within the Department of Commerce. Guided by the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), the Council works with NMFS and other partners to sustainably manage fishery resources in the South Atlantic.

The Council and NMFS are also responsible for making this document available for public comment. The draft environmental assessment (EA) was made available to the public during the scoping process, public hearings, and Council meetings. The EA/amendment was made available for comment during the amendment review and will be available during rulemaking process.

1.3 Where is the project located?

Management of the federal snapper grouper fishery located off the southeastern United States (South Atlantic) in the 3-200 nautical miles U.S. exclusive economic zone (EEZ) is conducted under the FMP (SAFMC 1983) (Figure 1.3.1). There are 55 species managed by the Council under the FMP, including wreckfish.

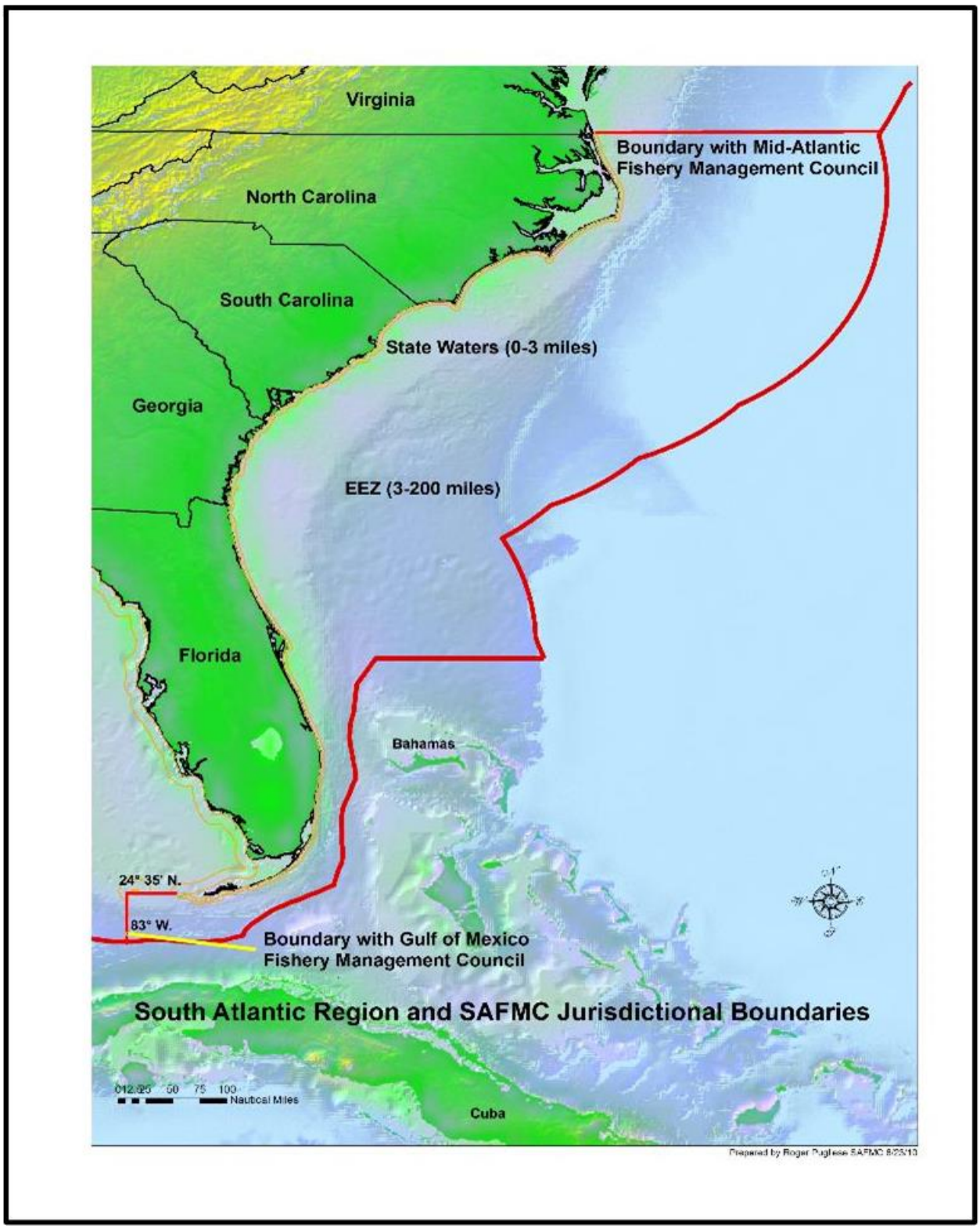

Figure 1.3.1. Jurisdictional boundaries of the Council.

1.4 Why is the Council considering action (purpose and need statement)?

Purpose: The *purpose* of this action is to modernize the Wreckfish individual transferable quota (ITQ) program, and revise management measures.

Need: The *need* for this action is to improve program monitoring and enforcement, as well as data collection and management, provide more flexibility for fishers, increase profitability in the Wreckfish ITQ program, and implement a cost recovery program as mandated by the Magnuson-Stevens Act.

The Wreckfish ITQ program is considered to be a limited access privilege program under the Magnuson Stevens Act, which needs to be reviewed every five to seven years (16 U.S.C. § 1853A(c)(1)(G)). The review does not attempt to comprehensively evaluate management of the snapper grouper fishery.

The Council reviewed the program in 2009 and completed a subsequent review in 2019. That review examined how the Wreckfish ITQ program changed between a 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. The 2019 review found that the program has been relatively successful in achieving its stated objectives, although there is still room for improvement, particularly with respect to confidentiality issues and related constraints. The 2019 review also recommended: moving away from a paper coupon-based program to an online program; a cost recovery program; reviewing wreckfish permit requirements; changing sector allocations; and modifying offloading sites times. The Council determined that Snapper Grouper Amendment 48 considers actions and alternatives necessary to improve and modernize the Council's Wreckfish ITQ program, including cost recovery, which is mandated for all ITQ programs.

1.5 Wreckfish Individual Quota Program Goals and Objectives

The review of the Wreckfish ITQ Program (2019) evaluated the program based on whether it met the original goals and objectives established in Amendment 5 to the Snapper Grouper FMP (Amendment 5; SAFMC 1991). Since the beginning of the program in 1991, the wreckfish portion of the snapper grouper fishery has changed significantly through regulation and participation. The following goals and objectives for the Wreckfish ITQ program were listed as justification for limiting participation in the fishery for wreckfish 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."

Wreckfish ITQ shareholders reviewed the current goals and objectives in October 2020 and agreed that the current program successfully met all six goals and objectives. The shareholders expressed concern about giving wreckfish fishermen an unrealistic expectation of permanent ownership in the fishery for wreckfish (Objective One) as unused shares have been reallocated in the past (Amendment 20A to the Snapper Grouper FMP; Amendment 20A; SAFMC 2011) and creating any new avenues for fishermen to enter the program (Objective Six) because the fishery for wreckfish is already at maximum capacity with current effort. The Council reviewed the goals and objectives during their December 2020 meeting and chose to retain the current goals and objectives for the Wreckfish ITQ program without modification. The Council determined no changes were needed because there have not been substantial modifications to the program and the current amendment proposes only modernizing existing systems.

1.6 What is the history of management for the wreckfish portion of the snapper grouper fishery?

Snapper grouper regulations in the South Atlantic were first implemented in 1983. The reader is referred to the following link for the management history, summary of changes under each amendment, implementation dates, an up-to-date list of amendments under development and more, for all of the species in the Snapper Grouper FMP: https://safmc.net/fishery-managementplans/snapper-grouper/. Below are amendments to the Snapper Grouper FMP addressing wreckfish within the EEZ off the South Atlantic.

Wreckfish was not included in the original Snapper Grouper FMP but was added in Amendment 3 to the Snapper Grouper FMP (Amendment 3; SAFMC 1990). The stock on the Charleston Bump was discovered accidentally in the mid-1980s by swordfish fishermen recovering lost longline gear in the area (Gauvin et al. 1994). At the time, entrance into the fishery for wreckfish was relatively easy due to the lack of regulations (e.g., no permit requirements) and the low cost of converting boats with mechanized hydraulic gear from the swordfish, shark, snapper grouper, and deepwater shrimp fisheries. The wreckfish were larger (~30 pounds [lb]) than local grouper species and trips were correspondingly lucrative. Fearing a biological collapse, the Council passed Amendment 3 (SAFMC 1990) at its February/March 1990 meeting, which included the following management actions:

1. Added wreckfish to the management unit.
2. Defined optimum yield (OY).
3. Defined overfishing.
4. Required a permit to fish for, land, or sell wreckfish.

5. Established a data collection system for management.
6. Established a control date of March 28, 1990, for a limited-entry program.
7. Established a fishing year beginning April 1.
8. Established a total allowable catch - initially set at 2 million pounds (mp).
9. Established a 10,000 pounds trip limit.
10. Established a spawning season closure from January 15 through April 15.

The initial management measures were quickly found to be insufficient for restricting landings to the total allowable catch (TAC), as the newly permitted fishermen caught the entire 2 mp TAC in the first four months of the 1991-1992 season. Amendment 4 to the Snapper Grouper FMP (SAFMC 1991b) was not primarily directed at regulating wreckfish but did add one significant restriction with the banning of bottom longline gear in the wreckfish portion of the snapper grouper fishery. Before that longline ban went into effect in October 1991, however, the Council passed Amendment 5 (SAFMC 1991a), which introduced the ITQ program that is still in place.

The wreckfish ITQ is the oldest finfish ITQ in the United States and the second oldest ITQ overall (after ocean quahog/surf clam). The final rule for Amendment 5 introduced a regulatory system of transferable and divisible privileges to catch and sell wreckfish in the area under the Council's jurisdiction. On the first page of Amendment 5, the ITQs are defined in two separate but related ways. Percentage shares are an individual "fisherman's permanent holding in the fishery based on the initial allocation of shares that can be modified by trading." Individual quotas are "the quantity of wreckfish that a percentage share translates into in a particular year." Amendment 5 introduced a system for tracking and monitoring both percentage share and individual quota transactions, and these systems are still in use. The ITQ program did not replace the wreckfish vessel permit requirement established in Amendment 3 (SAFMC 1990), and wreckfish fishermen are still required to have this permit to harvest wreckfish. Wreckfish dealers have also been required to be permitted since Amendment 5, though the original wreckfish dealer permit was replaced with the Gulf and South Atlantic Dealer permit in Amendment 40 to the Snapper Grouper FMP (2013). Fishermen and dealers must comply with the data reporting requirements of the wreckfish ITQ as outlined in Amendment 5.

Following the implementation of the ITQ program, the fishery for wreckfish experienced a steady drop in landings throughout the latter half of the 1990s and early 2000s. The reasons for this are discussed extensively in Yandle and Crosson (2015), who concluded that shareholders had chosen to invest in other, more lucrative fisheries following a drop in wreckfish prices. Most shareholders were not active in the fishery for wreckfish, and most of the wreckfish shares went unharvested during this time.

Amendment 20A (SAFMC 2012) revised the Wreckfish ITQ program with the following actions:

1. Define and revert inactive wreckfish shares. Inactive shares were defined as shares belonging to any ITQ shareholder who had not reported wreckfish landings between April 16, 2006, and January 14, 2011. Inactive shares were eligible for redistribution among active shareholders.
2. Redistribute reverted quota shares to remaining shareholders using total wreckfish landings from April 16, 2006, through January 14, 2011.

3. Establish a share cap of 49% of the total shares of wreckfish quota a single entity may own, and
4. Establish an appeals process for redistribution of reverted wreckfish quota shares. Five percent of the wreckfish shares for fishing year 2012/2013 were set aside to resolve appeals for a period of 90-days starting on the effective date of the final rule, October 26, 2012 (77 FR 59129).

Chapter 2. Proposed Actions and Alternatives

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

2.1.1 Alternatives

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.

Discussion:

The Snapper Grouper Advisory Panel and Wreckfish Shareholders recommended that the South Atlantic Fishery Management Council (Council) revisit sector allocations for wreckfish. There is concern that the recreational allocation for wreckfish is too high since it was originally intended to allow some retention in the case of bycatch due to wreckfish having high release mortality and not to encourage targeting of wreckfish recreationally. The shareholders felt that a lower allocation may be more appropriate, especially considering the low encounter rate as reported in the Marine Recreational Information Program (MRIP) survey.

Amendment 25 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region (Snapper Grouper FMP; Amendment 25; SAFMC 2011) made the first specific allocation of wreckfish to the recreational sector. That amendment established an annual catch limit (ACL) and allocated 95% of the total wreckfish ACL to the commercial sector and 5% to the recreational sector. Prior to Amendment 25 (SAFMC 2011) it was illegal for recreationally harvested wreckfish to be possessed unless the fisherman also held a South Atlantic Commercial Snapper Grouper Permit.

According to Southeast Region Headboat Survey data, no wreckfish have been landed by South Atlantic headboats since the recreational sector was given its allocation (K. Donnelly, pers. comm., Beaufort Laboratory, 3/19/2019). Recreational landings are currently tracked using MRIP. Wreckfish intercepts by MRIP are exceedingly rare. Since 1981, only one intercepted trip by a charter vessel off of Hatteras, North Carolina, in 2012 reported harvest of wreckfish (Pers. comm., National Marine Fisheries Service [NMFS], Fisheries Statistics Division, 3/19/2019). With wreckfish MRIP intercepts being so rare, it is uncertain how many wreckfish

are being caught by the recreational sector, though it is likely the recreational sector is not fully utilizing its current allocation.

To view the Council's Allocation Trigger Policy visit: https://safmc.net/fishery-management/sector-allocations/

2.1.2 Comparison of Alternatives:

Biological effects are not expected to be substantially different between **Alternative 1 (No Action)** and **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4** since the allocation percentages do not affect the total ACL established for wreckfish and the commercial sector is well regulated under an ITQ program. Substantial changes in fishing effort or behavior are not expected because of this action, thus the proposed allocations under this action would not be expected to result in any biological effects, positive or negative, on the wreckfish stock or co-occurring species.[2]

In general, sector ACLs that allow for more fish to be landed can result in increased positive economic and social effects if harvest increases without notable long-term effects on the health of a stock. The sector ACL does not directly impact the fishery for a species unless harvest changes, fishing behavior changes, or the sector ACL is exceeded, thereby potentially triggering accountability measures (AMs) such as harvest closures or other restrictive measures. As such, sector ACLs that are set above observed landings for a species and do not change harvest or fishing behavior may not have realized economic effects each year. Nevertheless, sector ACLs set above observed average harvest levels do create a gap between the sector ACL and typical landings that may be utilized in years of exceptional abundance or accessibility of a species, thus providing the opportunity for increased landings and a reduced likelihood of triggering restrictive AMs. As such there are potential economic benefits from sector ACLs that allow for such a gap (**Table 2.1.1.1**). Under this notion, **Alternative 4** would allow for the highest potential economic benefits for the commercial sector followed by **Alternative 3**, **Preferred Alternative 2**, and **Alternative 1 (No Action)**. The opposite would be true for the recreational sector, where **Alternative 1 (No Action)** would allow for the highest potential economic benefits followed by **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4**.

Table 2.1.1.1. Commercial and recreational allocation alternatives and resulting annual catch limits.

Action 1	Commercial Allocation	Commercial ACL (lb ww)	Recreational Allocation	Recreational ACL (lb ww)
Alternative 1 (No Action)	95%	369,645	5%	19,455
Preferred Alternative 2	**98%**	**381,318**	**2%**	**7,782**
Alternative 3	99%	385,209	1%	3,891
Alternative 4	99.5%	387,155	0.5%	1,946

Note: Total wreckfish ACL is 389,100 pounds whole weight for 2020 and subsequent fishing years.

There can be additional social effects. In the past, there was some resistance to further decreasing a given sector's percentage allocation. Under **Preferred Alternative 2**, **Alternative**

[2] This statement applies to all actions, unless otherwise stated.

3, and **Alternative 4** there would be a decrease in the recreational percentage compared to **Alternative 1 (No Action)**. These alternatives could have some negative social effects if recreational fishermen have a negative perception of this change due to the decrease in fishing opportunity and concerns about long-term social effects, especially if other actions further decreased harvest opportunities. However, the recreational sector has not met its ACL in recent years, which may subvert any negative perceptions.

The overall administrative effects would likely be minimal and the same across the action alternatives. The wreckfish commercial sector is already managed under an ITQ program, which is a considerable administrative burden to the agency. Upon implementation of one of the action alternatives, there would be a temporary increased administrative burden to reallocate quota share to individuals in the program. However, this burden would be only at the implementation stage and minimal moving forward.

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

2.2.1 Alternatives

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 reporting system for the Wreckfish ITQ program to electronically track ownership and transfers of quota shares and allocation, (quota pounds), record wreckfish landings, and deduct wreckfish landings from shareholder's allocation. Replace the wreckfish logbook with the coastal fisheries logbook program.

Discussion:
Data management, data quality, data analyses, and user experience could be greatly enhanced by moving from a paper system to an online system. The migration to an online system would increase timeliness of reported data, improve data quality, reduce agency management time, provide additional flexibility and benefits to fishermen, and improve program enforcement and monitoring.

Note: A dealer who first receives wreckfish must have a Gulf and South Atlantic dealer permit, and a person issued a Gulf and South Atlantic dealer permit must submit a detailed electronic report of all fish first received for a commercial purpose within a specified time via the dealer electronic trip ticket reporting system. Under **Preferred Alternative 2**, a wreckfish dealer would no longer need to enter information from a paper coupon and submit records to NMFS. Rather, the dealer would establish a dealer account in the system to submit Wreckfish landings electronically. Upon submission, an allocation equal to the landing is deducted from the shareholder/vessel account that landed the fish.

2.2.2 Comparison of Alternatives:

The current ITQ monitoring system utilizes paper resources for share certificates, allocation coupons, wreckfish vessel logbooks, and wreckfish dealer logbooks. Data regarding the program is transcribed to various data systems and must be merged to form a complete dataset. The current paper-based system is managed through two different offices: the Southeast Regional Office (SERO) and the Southeast Fisheries Science Center (SEFSC). SERO processes share transfer requests and issues allocation each, while SEFSC monitors landings and allocation coupon transfers. The paper-based nature of the program relies on mailed in reports and creates significant manual work to enter the information into an electronic record for monitoring and analysis. The information submitted is not always consistent between the shareholder and dealer, creating data errors. Due to the division in the management of the ITQ program, data are not retained within a single database or monitored by a single office.

Maintaining data across multiple datasets and locations creates a challenge for monitoring the program in its entirety. SERO and SEFSC each effectively manage their components of the

program, this separated paper-based structure prevents NMFS from monitoring activity on a real-time basis, inhibits analysis of the program, and increases the costs of monitoring the program and evaluating its performance. Managing the Wreckfish ITQ program in one system that has built-in quality assurance measures (prevents quality issues) may decrease monitoring costs and will improve timeliness through increased access to data for analysis. Consolidating the program to one office (SERO) and an online system would enhance customer service to the stakeholders of the program. Thus, program performance could be improved by moving to an electronic system as proposed in **Preferred Alternative 2**. The current structure of the Wreckfish ITQ program lends itself well to the electronic reporting system already in place for other catch share programs managed or hosted by the SERO (e.g., Gulf of Mexico Individual Fishing Quota (IFQ) programs, pilot catch share program for the Gulf Headboat Collaborative, etc.). **Preferred Alternative 2** would build the Wreckfish ITQ online program within the existing SERO Catch Share Online System.

Benefits of moving from the paper-based program (**Alternative 1 (No Action)**) to the online electronic system (**Preferred Alternative 2**) may include:

- One database containing all program activity (e.g., Wreckfish landings; participation; transfers of quota shares and quota pounds; ex-vessel, share, and quota pound prices; cost recovery fees and collections; monitoring requirements (e.g., declarations).
- More timely and accurate data reporting and real-time monitoring.
- Improved method and reduced time to transfer shares and quota pounds.
- Automated share cap calculations and increased timeliness in share transfers.
- Ability to match permit holders to shareholder accounts.
- Ability for participants to view a history of their online actions (i.e., share transfers, allocation transfers, and landings)
- Elimination of paper coupons, which would:
    - Allow quota pounds to be transferred or landed in one-pound increments rather than the current 100- and 500-pound increments, which would eliminate loss of quota pounds due to denominational restrictions.
    - Eliminate the need to print coupons and mail coupons to the shareholders.
    - Eliminate the need to mail in coupons to the SEFSC.

Moving to an online Wreckfish ITQ program as proposed under **Preferred Alternative 2**, is an administrative action that would modernize and improve an already existing program. Establishing an electronic ITQ system would not directly affect the physical or biological environment but may have an indirect effect. There may be positive indirect biological effects because the electronic system may be more efficient for both fishermen and managers and would allow for better tracking of catch and allocation.

In general, positive economic and social effects of online reporting requirements under **Preferred Alternative 2** would likely be associated with decreased time and financial burden for Wreckfish ITQ shareholders, crew, and dealers to meet the requirements when compared to the paper-based reporting system. If dealers and shareholders currently involved in the fishery for wreckfish do not already have the computer or smartphone and internet connection to report electronically, **Preferred Alternative 2** would introduce a new cost. However, it is likely that

these businesses are already equipped for electronic reporting, so this would not be a new or additional cost.

From an administrative perspective, the efficiency of the Wreckfish ITQ program could be improved by moving to an online system as proposed in **Preferred Alternative 2**. The current structure of the Wreckfish ITQ program lends itself well to the online reporting system already in place for other catch share programs managed by SERO (e.g., Gulf of Mexico IFQ programs, pilot catch share program for the Gulf Headboat Collaborative, etc.).

Preferred Alternative 2 would increase the administrative burden on NMFS initially related to development and implementation of an online system. These costs could be minimized by working through the already developed catch share system managed by SERO described above.

2.3 Action 3. Modify the requirements to commercially harvest or sell wreckfish.

2.3.1 Alternatives

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.

Discussion:
Currently, to obtain a wreckfish permit, the entity must first be a wreckfish shareholder or the shareholder's agent, employee, or contractor (hereafter referred to as agent). To harvest wreckfish, the vessel owner or the operator of the vessel must be the wreckfish shareholder or agent of the shareholder and must also possess the South Atlantic commercial snapper grouper permit. Therefore, the only restriction on entry into the Wreckfish ITQ program as a shareholder is the availability of wreckfish shares, while the restriction to harvest wreckfish is also limited by commercial snapper grouper permit. Since the federal commercial snapper grouper permit is a limited access permit and can only be obtained by transfer, except for specific exceptions, an entity must obtain and exchange two such permits for one new permit, which may inhibit participation in the program. If a permit holder transfers a permit to a corporation in which that permit holder or immediate family members are shareholders of the corporation, then the transfer is exempt from the 2 for 1 provision and the permit is designated as a family/corporate transfer. However, if that permit is transferred by sale of the corporation to a non-family member, it is still subject to the 2 for 1 requirement. The details of transfer provisions for a commercial snapper grouper permit are specified in 50 C.F.R. § 622.171.

The wreckfish permit was originally implemented via Amendment 3 to the Snapper Grouper FMP (Amendment 3; SAFMC 1990). As stated in Amendment 3, the purpose of the permit was to allow for collection of critical data such as catch per unit effort, size composition, reproduction and feeding habits. These data are important in monitoring the biological status of

the wreckfish and its exploitation level. This same data is also collected under the commercial snapper group (unlimited) permit adding to the duplicative nature of the wreckfish permit. However, upon implementation of the ITQ program, the wreckfish permit was retained. To obtain a wreckfish permit, an applicant must possess a certificate of percentage share, which is generated by NMFS and sent to the shareholder.

The requirements to possess two permits in addition to owning ITQ shares does not provided additional information to the NMFS or aid in enforcement, and therefore, may be unnecessarily burdensome for program participants and managers. Additionally, requiring NMFS to determine whether an entity is an employee, contractor, or agent of the vessel owner is difficult without requesting more information than is typically requested of permit applicants and it creates additional administrative burden for applicants and NMFS. Further, a commercial vessel permit for snapper grouper is either a transferable commercial permit (also known as an unlimited permit) or a trip-limited commercial permit. A vessel for which a trip-limited permit for South Atlantic snapper grouper has been issued is limited to 225 pounds of snapper grouper. It was the Council original intent in implementing permit requirements for wreckfish that a commercial snapper grouper (unlimited) permit be required, not the commercial snapper grouper (trip-limited) permit. The Council felt the 225-pound limit was too low to make commercial harvest of wreckfish feasible.

In the electronic system (Action 2), the vessel's permit holder must exactly match the shareholder account to allow for harvesting rights, landings, cost recovery fees, etc. There are times when the shareholder's agent utilizes the vessel permitted to the agent and not the shareholder. Under this scenario, the electronic system would not be able to accurately account for the vessel with the wreckfish permit as it is not directly permitted to the shareholder.

Note: Currently, a dealer may first receive wreckfish only from a vessel for which a commercial permit for wreckfish has been issued. Under **Preferred Alternative 3** and **Alternative 4** (which remove the wreckfish permit), a dealer may first receive wreckfish only from a vessel for which a commercial permit for South Atlantic snapper grouper (unlimited) has been issued to the vessel (**Alternative 4**) and the permit holder must be a wreckfish shareholder (**Preferred Alternative 3**).

2.3.2 Comparison of Alternatives:

Changing the permit requirement for wreckfish shareholders is an administrative action that would not directly affect the physical or biological environment. There may be positive indirect biological effects because **Alternative 2** and **Preferred Alternative 3** would remove the ability for an employee, contractor, or agent of the shareholder to participate in the fishery for wreckfish, leading to more direct involvement in the fishery by the wreckfish permit holder. **Alternative 4** would eliminate the wreckfish permit but would require that the shareholder have a snapper grouper unlimited permit. However, this action would not change how the fishery for wreckfish is prosecuted and, as such, would not have a direct biological impact on wreckfish, co-occurring species or protected species. All current wreckfish shareholders possess a snapper grouper unlimited permit, as would be required under **Alternative 2, Preferred Alternative 3, and Alternative 4.**

When compared to **Alternative 1 (No Action)** the proposed alternatives would be less burdensome on shareholders, as well as on NMFS (Table 2.3.2.1). **Alternative 2** is slightly more restrictive than **Preferred Alternative 3** as it maintains the requirement to purchase a commercial wreckfish permit. However, **Alternative 2** would require less information to be provided by the shareholder when compared to the requirements under **Alternative 1 (No Action)**. Additionally, **Alternative 2**, **Preferred Alternative 3**, and **Alternative 4** would create fewer requirements to participate into the fishery for wreckfish, with **Alternative 4** having the lowest threshold for participation.

Additional or similar requirements for entry as those under **Alternative 1 (No Action)** may be implemented as part of the online reporting system (Action 2), which would affect the social effects of this action.

Table 2.3.2.1. Requirements to commercially harvest or sell wreckfish under each Action 3 alternative.

Requirement	Alternative 1	Alternative 2	Pref. Alternative 3	Alternative 4
Wreckfish Permit	X	X		
Snapper Grouper Permit	X	X (Unlimited)	X (Unlimited)	X (Unlimited)
Shareholder	X	X	X	
Employee, contractor, or agent of the shareholder.	X			

The administrative impacts would be associated with education and outreach, compliance, and law enforcement. In the online system, the vessel's permit holder must exactly match the shareholder account to allow for harvesting rights, landings, cost recovery fees, etc. There are times when the shareholder's agent utilizes a vessel permitted to the agent and not the shareholder. The landings under this scenario are attributed to the permit holder and are considered confidential to that permit holder. Under this scenario, the system would not be able to accurately account for the vessel with the wreckfish permit that is not directly permitted to the shareholder (**Alternative 1 (No Action)**).

Under **Alternative 1 (No Action)**, the existing Catch Share Online System (used for the Gulf of Mexico IFQ programs) would have to be significantly modified to handle the shareholder's agent's ability to harvest under a vessel not permitted to the shareholder. This would add significant administrative burden and delay implementation. While still substantial, there may be a reduced administrative burden with **Alternative 2** and **Preferred Alternative 3** if the online ITQ system is developed under Action 2. The online system would be able to keep track of shareholder landings amongst the active vessels. **Alternative 4** and **Preferred Alternative 3** would remove the requirement for a wreckfish permit; thus, eliminating some of the administrative burden. Under these alternatives, the Catch Share Online System would not require significant modifications. Even under **Alternative 4**, a vessel would still require allocation to harvest wreckfish. Allocation must be transferred from a wreckfish shareholder.

Alternative 4 could function similarly in the fishery for wreckfish to **Preferred Alternative 3** and **Alternative 2** if restrictions were placed on allocation transfer (e.g., transfer of allocation

only allowed to an account with shares) (Action 9). This would be a more streamlined approach than using a separate permit to accomplish the same end.

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

2.4.1 Alternatives

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.

Preferred 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.

Discussion

The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) required that any limited access privilege program to harvest fish prohibit any person other than a United States citizen, a corporation, partnership, or other entity established under the laws of the United States or any State, or a permanent resident alien, that meets the eligibility and participation requirements established in the program from acquiring a privilege to harvest fish, including any person that acquires a limited access privilege solely for the purpose of perfecting or realizing on a security interest in such privilege (**Alternative 1 (No Action)**). **Preferred Alternative 2** would add an additional requirement to open a wreckfish ITQ shareholder account, by also requiring a valid commercial unlimited snapper grouper (unlimited) permit.

2.4.2 Comparison of Alternatives:

Determining ITQ shareholder account eligibility is an administrative action that would not directly affect the physical or biological environment.

Adding the requirement of a valid snapper grouper (unlimited) permit to be eligible to open a wreckfish individual transferable quota shareholder account under **Preferred Alternative 2** may add an additional cost to participants in the wreckfish portion of the snapper grouper fishery in comparison to **Alternative 1 (No Action)** if they do not already possess such a permit. If a participant already holds a valid snapper grouper unlimited permit, then there would be no difference in economic effects between the two alternatives.

The additional burden would be experienced by new entrants into the fishery for wreckfish, as all current participants in the wreckfish ITQ program possess a federal commercial snapper grouper unlimited permit. Thus, current participants would not experience additional social effects under **Preferred Alternative 2** when compared to **Alternative 1 (No Action)**.

Preferred Alternative 2 would have higher administrative impacts than **Alternative 1 (No Action**) as NMFS would need cross reference to check the citizenship status of shareholders and

permit status. The cost for this may be minimized by using the existing structure and methods in the current Catch Share Online System that automatically links the shareholders with the citizenship information collected by the permits system. Both **Alternative 1 (No Action)** and **Preferred Alternative 2** add administrative burden in the form of cost to the agency in building an online system as well as the need for increased outreach and education to ensure participants understand the electronic system.

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

2.5.1 Alternatives

Alternative 1 (No Action). There are 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 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.

Preferred 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. A shareholder account is associated with a permit if the permit has the exact same entities listed on both the shareholder account and permit.

Discussion

Alternative 1 (No Action) would allow shares to be obtained and maintained within the online system regardless of entity citizenship status or harvest eligibility. **Alternative 2** would implement requirements for entity citizenship status, as required by the Magnuson-Stevens Act, and **Preferred Alternative 3** would specify requirements for entity citizenship status and harvest eligibility (Action 3) by requiring a valid or renewable commercial snapper grouper unlimited permit to maintain shares. To obtain shares, Preferred Alternative 3 would require a valid commercial snapper grouper unlimited permit. The permit may be "valid or renewable" for the maintenance of shares, as it is possible that an account may switch from valid to renewable status on occasion as they go through the process of renewing a permit. The length of time between the end date of the shareholder's snapper grouper unlimited permit and share divestment is discussed in Action 6.

2.5.2 Comparison of Alternatives:

Establishing requirements for obtaining and maintaining ITQ shares is an administrative action that would not directly affect the physical or biological environment.

Alternative 1 (No Action) is not a viable option as it does not meet the requirements as stated under the Magnuson-Stevens Act for Limited Access Privilege Programs. **Alternative 2** would be more restrictive than **Alternative 1 (No Action)** and create more of a barrier to entry since it may limit potential fishery participants to those who meet the qualifications but is required under

the Magnuson-Stevens Act. **Preferred Alternative 3** would be the most restrictive of the alternatives considered since it would include all of the requirements of **Alternative 2** as well as require a valid commercial snapper grouper unlimited permit. This permit is required to harvest Wreckfish. This permit requirement may add an additional cost to participants in the wreckfish portion of the snapper grouper fishery in comparison to **Alternative 1 (No Action)** and **Alternative 2** if they do not already possess such a permit. If a participant in the fishery for wreckfish already holds a valid snapper grouper unlimited permit, then the economic effects would be similar between **Alternative 2** and **Preferred Alternative 3**.

Requirements to obtain and maintain wreckfish quota directly affect who is able to participate in the wreckfish program and thus which communities are able to experience the social benefits of the shares from the Wreckfish ITQ program. **Alternative 1 (No Action)** would allow any individual to obtain and maintain wreckfish ITQ shares in the online system, while **Alternative 2** and **Preferred Alternative 3** would set up increasing requirements for operating in the online system. Lower requirements to obtain and maintain shares may allow the benefits of the Wreckfish ITQ program to be spread throughout the South Atlantic region as opposed to concentrating in a few communities and may separate out the privilege from the ability to harvest wreckfish. Alternatively, stricter requirements for obtaining and maintaining shares, specifically **Preferred Alternative 3**, ensure that those individuals with shares also meet the requirements to harvest wreckfish (**Action 3**) ensuring that the benefits from shares have the potential to be realized by the participants holding the shares.

Alternative 2 and **Preferred Alternative 3** would have higher administrative effects compared to **Alternative 1 (No Action)** as the online system would need to be developed to be able to cross reference with the permits database to verify citizenship and permit status. **Preferred Alternative 3** would have a larger administrative burden for the development of the system as both citizenship status and permit status would need to be checked.

2.6 Action 6. Share Divestment for Permit-Required Accounts

2.6.1 Alternatives

Alternative 1 (No Action). The Wreckfish ITQ program does not specify requirements for NMFS to reclaim shares of shareholder accounts not in compliance with the requirements to maintain shares.

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

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

Preferred Sub-alternative 2b. One year following the effective date implementing this amendment.

Sub-alternative 2c. Three years following the effective date implementing this amendment.

Preferred 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 National Marine Fisheries Service:

Preferred Sub-alternative 3a. One year following the end date on a shareholder's snapper grouper unlimited permit.

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

Discussion

If the Council chooses to establish requirements to maintain wreckfish shares (Action 5) there would need to be a process in place for reclaiming shares from individuals that no longer meet the requirements. **Preferred Alternative 2** and its sub-alternatives set a time period for individuals to come into compliance with the new regulations once the requirements to obtain and maintain shares in the electronic system in Snapper Grouper Amendment 48 become effective. **Preferred Alternative 3** and its sub-alternatives would set a time period for individuals to divest their shares once they are out of compliance before NMFS would reclaim the shares. In the case of death, NMFS would require notification and proof of death,

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.

but as long as an estate is still being addressed, the shareholder account and associated shares would not be reclaimed immediately.

2.6.2 Comparison of Alternatives:

Establishing a protocol for share divestment is an administrative action that would not directly affect the physical or biological environment.

Under **Alternative 1 (No Action)**, the Wreckfish ITQ program does not specify requirements for NMFS to reclaim wreckfish shares from non-compliant shareholders. This would be a benefit for such shareholders but could represent a cost to other shareholders and the fishery for wreckfish as a whole if the non-compliant shareholders quota is not being utilized. **Preferred Alternative 2** and **Preferred Alternative 3** would allow NMFS to reclaim these shares and make them available to other compliant wreckfish shareholders. Thus, this could lead to better utilization of the commercial wreckfish quota as a whole and increase net economic benefits.

Preferred Alternative 2 and **Preferred Alternative 3** specify requirements and would authorize NMFS to reclaim shares from shareholder accounts that were not in compliance with the requirements to maintain shares (Action 5) and would prevent individuals from holding on to shares that they did not have the ability to utilize, ensuring that the social benefits of wreckfish ITQ shares were fully realized and utilized by communities.

The agency would need to track compliance with regulations for **Preferred Alternative 2** and **Preferred Alternative 3** and associated sub-alternatives when compared with **Alternative 1 (No Action)** and create a mechanism to reclaim and hold shares from accounts not in compliance with the regulation. This would require increased cost and administrative burden to the agency to track accounts, create an account to hold the reclaimed shares, and create a method to transfer shares and record the reason for the reclamation. A current process for this does not exist in the SERO Catch Share Online System and would need to be developed.

2.7 Action 7. Redistribution of reclaimed shares to remaining shareholders.

2.7.1 Alternatives

Alternative 1 (No Action). There are no requirements for the National Marine Fisheries Service to 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.

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

Discussion

This action tiers off Action 5 (requirements to obtain and maintain shares) and Action 6 (share divestment). Should NMFS reclaim shares from an account no longer in compliance with the requirements to maintain shares, the reclaimed shares would be redistributed to remaining shareholders based on the alternative chosen in this action. In the case that a shareholder has met the share cap, they would not be eligible to receive the redistributed shares. Calculations will be adjusted for those that have met or will meet the share cap through the distribution process.

2.7.2 Comparison of Alternatives:

Establishing a protocol for the redistribution of shares to remaining shareholders is an administrative action that would not directly affect the physical or biological environment.

Alternatives 2 through **4 (Preferred)** would result in a net economic benefit for compliant shareholders in the wreckfish portion of the snapper grouper fishery in comparison to **Alternative 1 (No Action)** due to the redistribution of shares to these participants. **Alternatives 2** through **4 (Preferred)** would likely lead to better utilization of the wreckfish quota and an increase in net economic benefits through harvesting or utilizing the redistributed quota. Additionally, this redistribution of quota shares would provide a net economic benefit to recipients from the proceeds of the quota if sold.

Alternative 2, **Alternative 3**, and **Preferred Alternative 4** and their sub-alternatives would allow NMFS to reclaim and redistribute shares that were not held by accounts in compliance with the requirements to maintain shares (**Action 5**). How **Alternative 2**, **Alternative 3**, and **Preferred Alternative 4** and its sub-alternatives would affect fishing communities in the South

Atlantic would depend on the distribution of active shares and their locations at the time of redistribution. Overall, redistributing reclaimed shares would have a positive social effect on active shareholders as it would increase their opportunity to harvest wreckfish and ensure that the available quota was able to be more fully utilized.

The administrative impacts of the alternatives and associated sub-alternatives would be similar in that the system will use the creation of automated code to track dates and redistribute shares. However, **Alternative 1 (No Action)** would have the least administrative burden on the agency followed by **Alternative 2, Alternative 3** and **Preferred Alternative 4,** and associated sub-alternatives. The current SERO Catch Share Online System does not have this capability, and development would be needed.

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

2.8.1 Alternatives

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.

Preferred 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:

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

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

Discussion

Alternative 2 and **Preferred Alternative 3** would create additional requirements to obtain annual allocation from shares outside of holding shares (**Alternative 1 (No Action)**). **Alternative 2** would require shareholders to hold a valid or renewable commercial snapper grouper unlimited permit. In addition, requiring shareholders to hold a valid or renewable commercial snapper grouper unlimited permit, **Preferred Alternative 3** would require shareholders to be compliant with collection and submission of cost recovery fees (**Preferred Sub-Alternative 3a**) and Wreckfish ITQ reporting requirements (**Sub-Alternative 3b**). Wreckfish ITQ reporting requirements include: the coastal fisheries logbook, which is a requirement of the commercial snapper grouper (unlimited) permit (upon implementation of this amendment and Amendment 54 to the Snapper Grouper FMP (commercial e-logbook)); up to date personal information in permit application (ex. affirming U.S. citizenship, telephone number, mailing and physical addresses, and business ownership); and landings reported in the online system. If shareholders are not in good standing at the start of the year when annual allocation is initially released, it could be released to them once they are in good standing. Multiple alternatives could be selected under this action and the Council's intent is to use the release of allocation to encourage compliance with the collection and submission of the cost-recovery fee.

2.8.2 Comparison of Alternatives:

Establishing requirements for obtaining annual allocation is an administrative action that would not directly affect the physical or biological environment.

Alternative 2 would require a valid or renewable commercial snapper grouper unlimited permit to obtain annual allocation from shares. This would represent a cost if current shareholders do not have this permit and must purchase one to remain active in the wreckfish portion of fishery. Without a permit, the snapper grouper fishery a shareholder could not harvest the fish and only be allowed to transfer the allocation. If a fishery participant already holds a valid snapper grouper unlimited permit, then there would be no economic effects on that individual. Currently,

all shareholders have a valid snapper grouper unlimited permit, thus any additional costs would only be potentially incurred by new entrants. **Preferred Alternative 3** would require participants to have or acquire Wreckfish ITQ shares to obtain annual allocation as well as be compliant in respect to cost recovery fees (**Preferred Sub-alternative 3a**) and Wreckfish ITQ reporting requirements (**Sub-alternative 3b**), which represent costs that are discussed in subsequent actions covering these topics.

Alternative 2 would require the shareholders to also meet the requirements necessary to harvest wreckfish, in this case a commercial unlimited snapper grouper permit. **Alternative 2** ensures that there is the potential for the highest social benefits to be realized through harvest of all available wreckfish allocation. The social effects of those specific requirements are discussed under Action 15 and Action 2, respectively. Overall, requiring shareholders to be in compliance with these regulations would aid in management of wreckfish ensuring social benefits are achieved in the long-term and the agency receives the cost recovery fees to manage the program.

For all alternatives, the agency would need to develop features to track the allocation from shares requirements. **Alternative 2** would require the development of a process that links to the permits system and could use a modification of the process used for the Gulf of Mexico IFQ programs. **Preferred Alternative 3** would require new development, as this does not exist in the current SERO Catch Share Online System. **Preferred Sub-Alternative 3a** would require new development of to determine if the cost recovery fees were collected and submitted. **Preferred Sub-Alternative 3b** would require new development to determine if all landing transactions were submitted to both the coastal logbook program and within the ITQ system.

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

2.9.1 Alternatives

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

Preferred 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.

Preferred 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.

Discussion

Preferred Alternative 2 would require that allocation only be transferred to a Wreckfish ITQ account holding shares. **Preferred Alternative 3** would require that allocation only be transferred to a Wreckfish ITQ account associated with a valid snapper grouper unlimited permit. Multiple alternatives can be selected as preferred under this action.

2.9.2 Comparison of Alternatives:

Establishing requirements to obtain annual allocation through transfer is an administrative action that would not directly affect the physical or biological environment.

Preferred Alternative 2 would be more restrictive than **Alternative 1 (No Action)** and potentially add a cost to fishery participants if they do not already possess wreckfish shares. As such, shares would need to be purchased or annual allocation could not be transferred. The valid snapper grouper unlimited permit requirement of **Preferred Alternative 3** may add an additional cost to wreckfish fishery participants in comparison to **Alternative 1 (No Action)** and **Preferred Alternative 2** if they do not already possess such a permit. A snapper grouper unlimited permit is required to harvest wreckfish using the ITQ allocation.

Preferred Alternative 2 would mirror what is currently in place under the paper-based reporting system, requiring individuals interested in receiving allocation via transfer to already hold Wreckfish ITQ shares, which would result in additional burden to new individuals interested in participating in the fishery for wreckfish as they would need to both find a current shareholder willing to sell them a percentage of wreckfish shares. Additionally, **Preferred Alternative 2** would result in the benefits of allocation being realized only in communities with active wreckfish shareholders, as is currently the case under the paper-based reporting system. **Preferred Alternative 3** would not require someone receiving allocation via transfer to have shares but would require them to have a commercial snapper grouper unlimited permit, which is a requirement to harvest wreckfish (**Action 3**). This would ensure that the annual wreckfish

allocation has the highest potential to be fully utilized and achieve optimum yield and thus the highest possible social benefits from harvest realized.

For all alternatives, including **Alternative 1 (No Action),** the agency would need to develop features to determine which accounts meet eligibility requirements to receive transferred allocation. Developing those features for **Preferred Alternative 2** and **Preferred 3** would require linkages to the permits system and use a modification of the existing SERO Catch Share Online System.

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

2.10.1 Alternatives

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

Preferred 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:

Preferred Sub-alternative 2a. June 1.

Sub-alternative 2b. August 1.

Discussion

There is currently no stock assessment scheduled for wreckfish and no Council action that would reduce the commercial ACL. Additionally, any change in catch levels would require a recommendation from the Council's Scientific and Statistical Committee and the development of an amendment to the Snapper Grouper FMP. The Regional Administrator would *only* withhold allocation *if* the commercial annual catch limit were to be reduced ACL based on the corresponding Council-approved amendment.

2.10.2 Comparison of Alternatives:

This action is primarily administrative, with little or no direct or indirect effects expected to the biological environment regardless of which alternative is selected. Reducing the ACL for wreckfish would be a separate action and any effects to the biological environment from that action would be analyzed in the plan amendment or framework action supporting the reduction. However, under specific circumstances, **Alternative 1 (No Action)** could delay the implementation of an ACL decrease by a year. This could occur if the need for the ACL reduction were identified too late in the year for implementing a framework action to retain annual allocation on January 1. The result would be the necessary ACL decrease would be delayed until the next year. This could have negative biological effects on the species requiring an ACL decrease.

In that case, these potential additional wreckfish landings would provide net economic benefits for wreckfish fishery participants but could also lead to longer-term economic costs if overfishing were to occur. **Preferred Alternative 2** would reduce the risk of overfishing wreckfish in years that the ACL is being reduced, which could lead to long-term economic benefits. In the short-term, there would be economic costs due to the reduced quota available to the fishery and likely reduced landings of wreckfish. The likelihood of these reduced landings occurring is higher under **Sub-alternative 2b** than under **Preferred Sub-alternative 2a**.

While this opportunity to continue to harvest wreckfish at the higher level would provide social benefits for wreckfish fishery participants, it could also lead to long-term loss of social benefits if overfishing was to occur. **Preferred Alternative 2** would reduce the risk of overfishing wreckfish in years that the ACL is being reduced, which would promote long-term social benefits. The likelihood of these reduced landings occurring is higher under **Sub-alternative 2b** than under **Preferred Sub-alternative 2a**.

Should the ACL need to be withheld, **Preferred Alternative 2** would reduce the burden on the administrative environment compared to **Alternative 1 (No Action)**. However, if the expected ACL decrease did not occur, NMFS would then need to distribute the held back amount. **Sub-alternative 2b** and **2a** would have the same administrative burden. Regardless of which alternative is selected as preferred, this action would have minimal effects on the administrative environment.

2.11 Action 11. Modify the commercial fishing year for wreckfish.

2.11.1 Alternatives

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.

Discussion:

The current Catch Share Online System has a required shut down time from December 31st at 6 pm eastern standard time (EST) to January 1st 2 pm EST to reset the system for the next calendar year. Consolidating the Wreckfish ITQ program reset timeframe with the existing catch share programs' reset time frame would reduce impacts on participants in all programs in the SE catch share online s including Gulf of Mexico Red Snapper IFQ, Gulf of Mexico Grouper-Tilefish IFQ, and law enforcement's Turtle Excluder Device reports. A calendar year fishing year would reduce administrative burden and system downtime as the Wreckfish ITQ program moves towards an online system. SERO

Modifications to the spawning season closure (from January 15 through April 15) are not being considered in the amendment because no new information on wreckfish spawning is available and current Wreckfish ITQ shareholders indicated a desire to keep the current spawning season closure in place.

2.11.2Comparison of Alternatives:

Regardless of the alternative selected, this action is not anticipated to have negative biological impacts on wreckfish. Neither alternative would modify would result in impacts to wreckfish, co-occurring species or protected species.

The commercial fishing year does not directly affect landings or fishing behavior; therefore, the economic and social effects of **Alternative 1 (No Action)** and **Preferred Alternative 2** would likely be similar. Net economic benefits are not expected to change between the two alternatives.

If Alternative 2, under Action 2, is selected as preferred, this action would be needed to align the online system maintenance and updates with those of other catch share programs managed by NMFS. The need for this action is purely administrative and **Preferred Alternative 2** under Action 4 would significantly reduce the administrative burden compared to **Alternative 1** (**No Action**) because the updates and maintenance of the ITQ program can happen at the same time as the other programs.

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

2.12.1 Alternatives

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.

Preferred 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.

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

Discussion

Under **Preferred Alternative 2,** which would require a pre-landing notification be submitted to NMFS in advance of landing, fishermen would be able to log into the electronic reporting system for the Wreckfish ITQ program and submit the pre-landing notification. Additionally, NMFS would pay for a call service center to staff a 24-hour line, where the call service would ask and enter all required fields within the pre-landing notification and submit on behalf of the fishermen. . NMFS would develop the specific details of how the notification process would operate and would provide the Council with the opportunity to have input into the process.

Selection of an alternative in this action other than **Alternative 1 (No Action)** does not modify the offloading site and time requirements. Modification of those requirements is discussed in Action 14 of this amendment. Currently, there are no provisions for equipment failure that results in an inability to provide a pre-landing notification in other southeast fisheries, as the Gulf IFQ programs have multiple methods to provide pre-landing information: Vessel Monitoring System, call service, website entry, and customer support line during business hours. To date, Gulf IFQ fishermen have always been able to use one of these methods to report their pre-landing notification and no additional measures were needed.

For Actions 12 - 14, **landing would mean to arrive at a dock, berth, beach, seawall, or ramp.** This definition matches the one used for the Gulf of Mexico IFQ programs. If a vessel were to move from one landing location to another for offloading wreckfish, they would need to make another pre-landing notification. This is common in the Gulf IFQ programs as fishermen may sell to more than one dealer.

2.12.2 Comparison of Alternatives:

Regardless of the alternative selected, this action is not anticipated to have negative biological effects on wreckfish. The commercial sector is constrained by its ACL and operates under a well-regulated ITQ system.

In comparison to **Alternative 1 (No Action), Preferred Alternative 2** would create a limited additional cost on wreckfish fishery participants due to the time it would take to notify NMFS in advance of landing wreckfish. This cost would likely be minimal on a per trip basis, as it would take place while underway or at port. Thus, there would be no increase in time on the part of fishery participants that would not have already been spent otherwise in the course of fishing operations.

Preferred Alternative 2 may result in positive or negative social effects when compared to **Alternative 1 (No Action)** depending on how individual fishing business must change their practices to account for the additional requirement. Providing advance notice of landing would take additional time when on a fishing trip when the captain and/or crew may traditionally have been completing other tasks. Additionally, increased monitoring requirements for the wreckfish fishery have been controversial with shareholders who feel it is overly burdensome and unnecessary for effective monitoring and management of the wreckfish portion fishery. According to the Magnuson-Stevens Act, Limited Access Privilege Programs must include an effective system for the enforcement, monitoring, and management of the snapper grouper fishery. Thus, **Preferred Alternative 2** may result in a decrease in support for and participation in management when compared to **Alternative 1 (No Action)**. Alternatively, law enforcement has noted that requiring a pre-landing notification would help enforcement and monitoring as wreckfish vessels are not being intercepted at the dock currently because there is no way for officers to know when the vessels might be landing and offloading catch.

The administrative effects under **Preferred Alternative 2** would be considerable when compared with **Alternative 1 (No Action)** as the agency would need to develop the functions to report pre-landing notifications and pay for the cost of a call service to receive calls at any time. The submission process would likely include creation of webpages for data entry. The agency would also likely need to support a call service center to take submissions when electronic submission is not possible. The communication process would also need to be built so that information submitted is also sent to law enforcement and port agents near the landing location in advance of landing. Administrative impacts on the agency would also be in the form of outreach and education to ensure the participants understand the program changes.

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

2.13.1 Alternatives

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.

Preferred 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 freely traversable roads and navigable waters and no other condition may impede free and immediate access to the site by an authorized law enforcement officer.

Discussion

Offload sites are different from landing locations. Landing locations are places where a vessel may arrive at a dock, berth, beach, seawall, or ramp. Landing locations may be areas where fish are not offloaded. As such, landing locations requirements offer shareholders more flexibility than offloading site requirements. Landing locations (as opposed to offloading site requirements) are utilized in the Gulf of Mexico IFQ programs.

Under **Preferred Alternative 2** "freely traversable roads" means that a law enforcement officer can travel across or through the path necessary to reach the landing location unimpeded i.e. no locked gates or private residences. NMFS may revoke a landing location's approval if a location does not meet the definition.

2.13.2 Comparison of Alternatives:

Alternative 1 (No Action) or **Preferred Alternative 2**, are not anticipated to have negative biological effects on wreckfish. The commercial sector is constrained by an ACL and operates under a well-regulated ITQ system.

Removing offloading site requirements under **Preferred Alternative 2** and allowing landing to take place at any NMFS approved location would increase flexibility in landing sites that could result in reduced costs if a vessel ends up traveling a shorter distance, thus decreasing fuel costs. Should this occur, there would be net economic benefits from **Preferred Alternative 2** in comparison to **Alternative 1 (No Action)**.

Removing offloading site requirements under **Preferred Alternative 2** and allowing landing to take place at any NMFS approved location would increase flexibility in landing sites that could

reduce the burden on vessels if they are now able to land at a more convenient location and could adjust to different locations as circumstances require. Overall, there would be social benefits from the increased flexibility under **Preferred Alternative 2** when compared to **Alternative 1 (No Action)**.

Preferred Alternative 2 would allow other landing locations to be approved by NMFS providing a bit more flexibility for fishermen but increasing the potential administrative burden on the agency initially. Once the system is in place, the administrative burden on the agency and law enforcement is expected to be minimal. There would also be the burden on the agency to build out a list of approved landing locations to be selected and if combined with Action 12, a way to include those in the pre-landing notification.

2.14 Action 14. Modify offloading time requirements for wreckfish.

2.14.1 Alternatives

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:
The current program limits offloading of wreckfish between minimum daylight hours, 8 a.m. – 5 p.m. local time and only at fixed dealer facilities. Landing at other locations may be approved if the vessel captain or shareholder notifies Law Enforcement at least 24 hours prior to offloading (landing locations are addressed in Action 13). Offloading may continue if an authorized officer is present at the offloading at or before 5 pm and is available to remain at the site while offloading continues. and authorizes the owner or operator of the vessel to continue offloading after 5 pm, local time.

Shareholders reported that they rarely, if ever, encounter law enforcement officials at the dock when they 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. Shareholders feel these requirements are holdovers from when the program was initially begun with 49 participants, many more than are currently in the fishery for wreckfish. NMFS law enforcement has noted that enforcement has not typically been seen at wreckfish 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 in Amendment 5 to the Snapper Grouper FMP (1991). The rationale was 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). Offloads were required to take place at a specific location to ensure that they were monitored regularly to deter fishermen from landing fish in excess of their quota allocations and the total allowable catch.

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. Law enforcement has noted that not knowing where/when a specific vessel was landing makes dockside monitoring challenging. Catch share programs are required to include an effective system for enforcement, monitoring, and management of the program. The landing locations and fixed times for offload are intended to support the ability of the agency to enforce and monitor the program. These tools have proven successful in other catch share programs.

2.14.2 Comparison of Alternatives:

Regardless of the alternative selected, this action is not anticipated to have negative biological impacts on wreckfish. The commercial sector is constrained by an ACL and operates under a well-regulated ITQ system.

Offloading time requirements implement a cost on fishery participants since they may hinder fishing activity that otherwise would have occurred should such restrictions not be in place. Thus, less restrictive time requirements offer comparative economic benefits. **Alternative 1 (No Action)** offers the fewest hours that wreckfish may be offloaded (9 hours), followed by **Preferred Alternative 2** (12 hours), **Alternative 3** (15 hours), and **Alternative 4** (24 hours). As such, **Alternative 4** offers the highest potential economic benefits to fishery participants, followed by **Alternative 3**, **Preferred Alternative 2**, and **Alternative 1 (No Action)** (Table 2.6.2.1).

Additionally, Wreckfish ITQ shareholders have expressed frustration with the current offloading time requirements under **Alternative 1 (No Action)**. **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4** would address a problem identified by wreckfish stakeholders and may help to improve perceptions of the management process.

By increasing the time window for offloads, the administrative burden on the agency is increased. **Preferred Alternative 2** and **Alternative 3** would increase the window for offloads, providing a bit more flexibility for fishermen but increasing the potential administrative burden on law enforcement. Additionally, the increased time allotment for **Preferred Alternative 2** matches the offloading times used in the Gulf of Mexico IFQ programs and provides a consistency for law enforcement. These hours were chosen in the Gulf of Mexico as they typically represent the daylight hours across the entire year and across time zones. **Alternative 3** would increase the hours and could jeopardize officer safety risk for law enforcement as it includes non-daylight hours throughout the year. **Alternative 4** would remove administrative burden from law enforcement and fishermen but may not provide an effective process for enforcement, monitoring and management. **Alternative 1 (No Action)** matches the minimum daylight hours that would be seen in a year, followed by **Preferred Alternative 2**, **Alternative 3** which matches the maximum daylight hours in the year, and **Alternative 4** (24 hours). Under the Magnuson-Stevens Act, all catch share programs need to include an effective system for enforcement, monitoring, and management of the program.

What do I need to do now that I have completed fishing for wreckfish?

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 receiving the wreckfish, 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.
- ✓ **Can land at any hour, just can't offload**
- ✓ **Cannot land prior to time listed in pre-landing notification.

Step 3: Offload wreckfish (Action 14):

- ✓ Must occur between the hours of 6 a.m. and 6 p.m., local time.
    - o unless an authorized officer is present at the offloading at or before 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.

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

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

2.15.1.1 Alternatives

Alternative 1 (No Action). There is no 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 the National Marine Fisheries Service.

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 the National Marine Fisheries Service.

Discussion:

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. As stated in the Magnuson-Stevens Act, the level of fees charged under cost recovery shall not exceed the administrative costs incurred in running the program. The collection of the fee is to recover the actual costs directly related to the management, data collection, and enforcement of the program. These fees shall not exceed 3% percent of the ex-vessel value of the fish harvested under the program and must be collected at either the time of the landing, filing of the landing report, sale of fish, or in the last quarter of the calendar year in which the fish is harvested.

2.15.1.2 Comparison of Alternatives

Cost recovery was not included in the Wreckfish ITQ program when it was implemented in 1992 and cost recovery is currently not in place. Cost recovery collection is required under the reauthorization of the Magnuson-Stevens Act. Typically, the collection of cost recovery fees is not expected to affect the physical or biological environment, nor have any impact on the stock, co-occurring species or protected species.

Preferred Alternative 2 and **Alternative 3** differ in that, under **Alternative 3**, NMFS would allow the dealer to collect the fee on its behalf. This agent (the dealer) would then be responsible for submitting the fee to the agency. Submission may occur at time frames outside the required collection time frames listed in Magnuson-Stevens Act and in Sub-Action 15-2. **Preferred Alternative 2** does not utilize an agent on behalf of NMFS to collect the fee and therefore collection and submission must occur at the times stated with in Magnuson Stevens Act and chosen in sub-actions 15.2 and 15.3.

NMFS would determine the percentage of the ex-vessel value of wreckfish landings that would be collected. The program would impose a fee of up to three percent of the ex-vessel value of wreckfish harvested under the ITQ program. Negative social and economic effects of the cost recovery fee would be associated with the cost of the fee itself as well as the time and materials required for completing the online forms and paying the fee. Payment of the fee would be through "*pay.gov.*" If the online system is selected, the online system would redirect the user to "*pay.gov*" and state the amount owed.

Preferred Alternative 2 and **Alternative 3** would have similar administrative impacts to the agency. With the electronic Wreckfish ITQ program as proposed in **Action 2**, it is expected that the electronic system would track and collect these fees. Alternative 2 will send the shareholder to pay.gov to pay the fee, while Alternative 3 would send the dealer to pay.gov to pay the fee.

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

2.15.2.1 Alternatives

Alternative 1 (No Action). Do not implement requirements for the collection of the cost recovery fees for the wreckfish individual transferable quota program.

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.

Discussion:
Cost recovery, the collection of a fee to recover the actual cost directly related to the management, data collection, and enforcement of any LAPP is mandated under section 304(d)(2)(A) of the Magnuson-Stevens Act. The Magnuson-Stevens Act requires that NMFS collect the fees at the timeframe listed in the above alternatives and does not allow any other alternatives.

2.15.2.2 Comparison of Alternatives

Typically, the collection of cost recovery fees is not expected to affect the physical or biological environment, or have any impact on the stock, associated species or protected species.

A cost recovery plan under **Alternative 2**, **Alternative 3**, and **Preferred Alternative 4** would result in an additional burden on Wreckfish ITQ shareholders when compared to **Alternative 1 (No Action)**. However, **Alternative 1 (No Action)** is not a legally viable alternative. Negative economic and social effects of the cost recovery fee would be associated with the cost of the fee itself as well as the time and materials required for completing the paperwork and paying the fee. Payment of the fee would be through "*pay.gov.*" If the online system is selected (Action 2), the online system would redirect the user to "*pay.gov*" and state the amount owed.

Alternatives 2 and **3** allow for fees to be submitted in more frequent increments, thereby creating a smaller payment per transaction than **Preferred Alternative 4**. The submission of payments throughout the year reduces the risk of non-payment if a shareholder or dealer (sub-action 6.1) goes out of business before payment is received. While the payment may increase the burden on the payee, the increased frequency may ensure full payment is made and the collected fees not spent on other fishing business actions.

Preferred Alternative 4 may require less effort for the shareholder to pay fees since it would only be required once per year, and thus there may be a slightly lesser burden associated with this alternative in relation to **Alternatives 2** and **3**. **Preferred Alternative 4** would require the entire fee to be paid in one payment and not allow the expense to be paid in increments throughout the year. Under this alternative, the agency would need to set a timeline to stop calculating the fee in order for payment to be made in the last quarter. Those landings not included would be moved to the next year's cost recovery fee payments.

Alternative 2 and **Alternative 3** would have increased administrative impacts compared to **Preferred Alternative 4,** depending on the alternative selected in Sub-Action 15.1. Under **Alternative 2**, fees would be collected upon landing. **Alternative 3** may not differ as landing and sales often occur in the same time frame and ex-vessel price is required to calculate the cost recovery fee. **Alternatives 2** and **3** may not be viable options if the fishermen are selected in sub-action 15.1. As the fee would need to be collected at the time of landing, report of landing, or sale, the agency may not be able to enter that information through pay.gov in sufficient time to collect the fee as stated by the Magnuson-Stevens Act. If Alternative 3 was selected under Sub-Action 15.1, the fee could be collected by the dealer as an agent for NMFS, and submission could occur under alternatives in Sub-Action 15.3. **Preferred Alternative 4** would result in the fewest transactions between the permit holder and NMFS but entails the greatest risk of unrecovered fees due to non-payment. With the electronic ITQ program as proposed in **Action 2**, it is expected that the electronic system would be able to track and collect these payments in a way that is less burdensome to permit holders, dealers and the agency compared to a paper-based program.

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

2.15.3.1 Alternatives

Alternative 1 (No Action). Do not implement requirements for the frequency of the collection of the cost recovery fees for the wreckfish individual transferable quota program.

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.

Discussion:

Cost recovery, the collection of a fee to recover the actual cost directly related to the management, data collection, and enforcement of any LAPP, is mandated under section 304(d)(2)(A) of the Magnuson-Stevens Act. This option is only available if NMFS uses an agent to collect the fee on their behalf. If no agent is used, the fee must be collected by NMFS at the timeframes listed in Sub-action 15-2, which would be limited by the administrative burden.

2.15.3.2 Comparison of Alternatives

Typically, the collection of cost recovery fees is not expected to affect the physical or biological environment, or have any impact on the stock, associated species or protected species.

Alternative 1 (No Action) represents the lowest costs to fishery participants and lowest benefits to NMFS. However, **Alternative 1 (No Action)** is not a legally viable alternative. This sub-action is only available if NMFS uses an agent to collect the fee on their behalf. The total fees submitted would be similar across **Alternatives 2 (Preferred)**, **3**, **4** and **5** as the fee is based on the ex-vessel value. Less frequency between when the fees must be submitted may lead to less administrative related costs from those submitting the fees to the agency and thus comparatively higher economic benefits, although this would increase the risk to the agency in recovering the fee. The calculation of the fees would be automated under the electronic reporting system (Action 2), and therefore there are no differences in the administrative burden other than the one-time cost to create the automation. The administrative burden for monitoring the payment of the cost recovery fees would increase in relation to the frequency of payments. Under this notion, **Preferred Alternative 2** may require less administrative burden on the part of the entity submitting the fees to NMFS, since it would only be required once per year, this would be followed by slightly higher administrative related costs associated with **Alternative 3** (submittal twice per year), **Alternative 4** (submittal four times per year), and **Alternative 5** (submittal 12 times per year). Frequency of submission of fees should be weighed against the risk of non-payment. Lower frequency of submission increases the risk of non-payment, while higher frequency increases the administrative burden to monitor payments.

Negative social effects of the cost recovery fee would be associated with the cost of the fee itself as well as the time and materials required for completing the paperwork and paying the fee. **Preferred Alternative 2** may require less effort to collect fees since it would only be required once per year, thus there may be a slight time burden associated with this alterative in relation to **Alternatives 3**, **Alternative 3** and **Alternative 5**.

"*Pay.gov*" would be used for NMFS to collect the cost recovery fees. "*Pay.gov*" allows payment submission through credit cards or through using the Automated Clearing House (ACH). The ACH deducts payments directly from the checking account specified. Within "pay.gov", credit card payments are limited to less than $30,000 and allow for instant refunds for overpayment. There is no maximum limit for ACH payments, but refunds for ACH payments require additional paperwork and signatures from SERO and other NMFS staff. Refunds for ACH payments may take weeks to be realized. Under **Preferred Alternative 2** fees are due the end of each calendar-year quarter, but no later than 30 days after the end of each calendar-year quarter.

Cost recovery for ITQ programs is a requirement of the Magnuson-Stevens Act and, as such, **Alternative 1 (No Action**) is not a viable alternative. With the electronic Wreckfish ITQ program as proposed in **Action 2**, it is expected that the electronic system would be able to track and collect these fees in a way that is less burdensome to permit holders, dealers and the agency compared to a paper-based program. The administrative burden on the fishermen and the agency is expected to be less with less transactions and as such the administrative burden would be greatest for **Alternative 5** and the least for **Preferred Alternative 2**.

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

2.15.4.1 Alternatives

Alternative 1 (No Action). Do not implement a requirement that specifies the type of value upon which cost recovery fees are based for the wreckfish individual transferable quota program.

Preferred Alternative 2. The cost recovery fee will be based on actual[3] ex-vessel value of the wreckfish landings.

Alternative 3. The cost recovery fee will be based on standard[4] ex-vessel value of the wreckfish landings as calculated by the National Marine Fisheries Service.

Discussion:
Cost recovery, the collection of a fee to recover the actual cost directly related to the management, data collection, and enforcement of any LAPP, is mandated under section 304(d)(2)(A) of the Magnuson-Stevens Act.

2.15.4.2 Comparison of Alternatives

Typically, the collection of cost recovery fees is not expected to affect the physical or biological environment, or have any impact on the stock, associated species or protected species.

Alternative 1 (No Action) represents the lowest costs to fishery participants and lowest benefits to NMFS. The costs for fishery participants related to **Preferred Alternative 2** and **Alternative 3** would be situational and variable, therefore, a comparison of economic and social benefits is not possible at this time. **Preferred Alternative 2** uses the actual ex-vessel value received at that time for the calculation of the cost recovery fee, thereby proportionally keeping all fishermen paying the same percentage. **Alternative 3** uses an average value for the ex-vessel price, resulting in some fishermen paying more in comparison to **Preferred Alternative 2** and some

[3] 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.).

[4] 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.

paying less than under **Preferred Alternative 2**, based on the relation of the actual ex-vessel compared to the standard ex-vessel price. **Alternative 3** would also have an increased administrative burden as the agency would need to calculate the standard ex-vessel price and publish the value in the *Federal Register*. Consideration of confidentiality would need to be explored when calculating the standard ex-vessel value if there are less than 3 dealers or shareholders available for the calculation of standard ex-vessel price. With the electronic Wreckfish ITQ program as proposed in **Action 2**, it is expected that the electronic system would be able to track and collect these fees in a way that is less burdensome to permit holders, dealers and the agency compared to a paper-based program.

Chapter 3. Affected Environment

This section describes the affected environment in the proposed project area. The affected environment is divided into five major components:

- **Habitat environment** (Section 3.1)
- **Biological and Ecological environment** (Section 3.2)
- **Economic environment** (Sections 3.3)
- **Social environment** (Sections 3.4)
- **Administrative environment** (Section 3.5)

3.1 Habitat Environment

Information on the habitat utilized by species managed under the Fishery Management Plan (FMP) for the Snapper Grouper Fishery of the South Atlantic Region (Snapper Grouper FMP) is included in Volume II of the Fishery Ecosystem Plan (FEP II; SAFMC 2018) and in the SAFMC EFH User Guide (citation or link) which are incorporated here by reference. South Atlantic Fishery Management Council (Council)-designated essential fish habitat (EFH) and EFH-Habitat Areas of Particular Concern (HAPC) are described in the SAFMC EFH User Guide and spatial representations of these and other habitat-related layers are in within the Council's SAFMC EFH Mapper.

3.1.1 Essential Fish Habitat

For current EFH information for species managed under the Snapper Grouper FMP information, refer to Appendix D.

3.1.2 Habitat Areas of Particular Concern

For current EFH-Habitat Areas of Particular Concern (EFH-HAPC) for species managed under the Snapper Grouper FMP, refer to Appendix D.

3.2 Biological and Ecological Environment

The waters off the South Atlantic coast are home to a diverse population of fish. The Snapper Grouper fishery management unit (a fishery or a portion of a fishery identified in a fishery management plan (FMP) relevant to the FMP's management objectives) contains 55 species of fish, many of them neither "snappers" nor "groupers." These species live in depths from a few feet (typically as juveniles) to hundreds of feet. As far as north/south distribution, the more temperate species tend to live in the upper reaches of the South Atlantic management area

(e.g., black sea bass, red porgy) while the tropical variety's core residence is in the waters off south Florida, Caribbean Islands, and northern South America (e.g., black grouper, mutton snapper). These are reef-dwelling species that live amongst each other. These species rely on the reef environment for protection and food. There are several reef tracts that follow the southeastern coast. The fact that these fish populations congregate dictates the nature of the fishery (multi-species) and further forms the type of management regulations proposed in this amendment. The specific components of the ecological environment affected by actions in this amendment include wreckfish, other affected species, and protected species. These components are described in detail in the following sections.

3.2.1 Wreckfish

3.2.1.1 Life History

The wreckfish, *Polyprion americanus*, is a large grouper-like fish that has a global anti-tropical distribution, but it was rarely captured in the western North Atlantic until the late 1980s, when a bottom hook-and-line fishery that targets wreckfish developed on the Blake Plateau (Vaughan et al. 2001). Wreckfish occur in the Eastern and Western Atlantic Ocean, on the Mid-Atlantic Ridge, on Atlantic islands and seamounts, and in the Mediterranean Sea, southern Indian Ocean, and southwestern Pacific Ocean (Heemstra 1986, Sedberry 1995; Sedberry et al. 1994, 2001). In the western Atlantic, they occur from Grand Banks (44°50' N) off Newfoundland (Scott and Scott 1988) to the Valdes Peninsula (43°30' S) in Argentina (Menni et al. 1981). Genetic evidence suggests that there are three stocks: one that encompasses the entire North Atlantic and Mediterranean, one from Brazil, and the third from Australia/New Zealand in the South Pacific (Ball et al. 2000, Sedberry et al. 1996). Active adult migration is also possible based on the observation of European fish hooks present in western North Atlantic wreckfish suggest migration across great distances (Sedberry et al. 2001).

Wreckfish have supported substantial fisheries in the eastern North Atlantic, Mediterranean, Bermuda, and the western South Atlantic, but concentrations of wreckfish adequate to support a fishery off the southeastern United States were not discovered until 1987. The fishery off the southeastern United States occurs over a complex bottom feature that has over 100 m of topographic relief, known as the Charleston Bump, located 130-160 km southeast of Charleston, South Carolina, at 31°30' N and 79°00' W on the Blake Plateau (Sedberry et al. 2001). Fishing occurs at water depths of 450-600 m. Primary fishing grounds comprise an area of approximately 175-260 km2 characterized by a rocky ridge and trough feature with a slope greater than 15° (Sedberry et al. 1994, 1999, 2001).

Adults are demersal and attain lengths of 200 cm TL (79 in; Heemstra 1986) and 100 kg (221 pounds; Roberts 1986). Wreckfish landed in the southeastern United States average 15 kg (33 pounds) and 100 cm TL (39 inches TL) (Sedberry et al. 1994). Goldman and Sedberry (2011) found that wreckfish predominantly consumed bony fish and squid. Juvenile wreckfish (< 60 cm TL) are pelagic, and often associate with floating debris, which accounts for their common name. The absence of small pelagic and demersal wreckfish on the Blake Plateau has led to speculation that young wreckfish drift for an extended period, up to four years, in surface currents until reaching the eastern Atlantic, or perhaps that they make a complete circuit of the North Atlantic (Sedberry et al. 2001).

Vaughan et al. (2001) reported a maximum age of 35 years; however, off Brazil the maximum age for wreckfish has been reported as 76 years (Peres and Haimovici 2004). In a MARMAP report (Wyanski and Meister 2002), mature gonads were present in 60% of females at 751-800 mm, 57% at 801-850 mm, and 100% at larger sizes. The smallest mature female was 692 mm, and a portion of the females was immature at lengths between 576 and 831 mm. The estimate of length at 50% maturity (L50) was 790 mm (Gomperz model; 95% CI = 733-820). Mature gonads were present in 40% of males between 651 and 800 mm and 100% at larger sizes. The smallest mature male was 661 mm, and a portion of males was immature between 518 and 883 mm. L50 was not estimated for males because transition to maturity was abrupt.

Wreckfish spawn from December through May based on female gonadal maturity. Spawning activity peaks from February to March. The highest percentages of ripe males occurred from December through May, which corresponded with the female spawning season; however, males in spawning condition were collected throughout the year. The male spawning peak was also during February and March.

3.2.1.2 Stock Status

In the 2023 fourth quarter report of status of stocks to U.S. Congress, wreckfish in the South Atlantic is listed as not undergoing overfishing and is not overfished https://www.fisheries.noaa.gov/s3/2024-04/Q4-2023-StockStatusTable-V3.pdf (noaa.gov). As of this writing, wreckfish has never been determined to be overfished or subject to overfishing.

A statistical catch-at-age assessment of the wreckfish stock in the South Atlantic was initially conducted in 2012 (Butterworth and Rademeyer 2012) and determined that wreckfish in the South Atlantic was not undergoing overfishing and was not overfished. Following the November 2012 Council's Scientific and Statistical Committee (SSC) meeting, and based on the recommendations of the SSC, the Council adopted a new third-party peer review process in 2013 and determined that this assessment should be subject to that process. The SSC reviewed the revised assessment at their April/May 2014 meeting (Rademeyer and Butterworth 2014), accepted it as representing the best scientific information available on the current status of wreckfish in South Atlantic waters, and recommended it as appropriate for management decisions.

3.2.1.3 Landings

During fishing years 2015/2016-2021/2022, an average of 213,147 lb whole weight (ww) and 208,240 lb gutted weight (gw) wreckfish were landed with an average weight of 32 lb ww (Table 3.2.1.3.1; Table 3.2.1.3.2)

Table 3.2.1.3.1. Wreckfish landings, average weight (lb ww), and percent (%) quota/ACL caught during fishing years 2015/2016-2021/2022.

Fishing Year	Landings (lb ww)	Landings (lb gw)	Quota/ACL (lb ww)	Average Weight (lb ww)	% Quota/ACL caught
2015/2016	337,666	304,204	433,000	33.5	78%
2016/2017	347,066	312,672	423,700	34.9	82%
2017/2018	251,694	226,751	414,200	34.7	61%
2018/2019	180,845	162,923	406,300	31	45%
2019/2020	146,016	131,546	396,800	33	37%
2020/2021	167,616	151,005	389,100	31.4	43%
2021/2022	187,125	168,581	389,100	32.4	48%
Average	213,147	208,240	-	33	-

Source: Wreckfish Program Logbooks and Dealer Records, SEFSC Logbooks.

Table 3.2.1.3.2. Acceptable biological catch (ABC) and ACLs for wreckfish specified under Regulatory Amendment 22 (SAFMC 2015) where ACL = optimum yield (OY) = ABC. The ACL for 2020/2021 would remain in place until modified.

Fishing Year	New ABC (lb ww)	ACL (lb ww)	Commercial ACL (95%)	Recreational ACL (5%)
2015/2016	433,000	433,000	411,350	21,650
2016/2017	423,700	423,700	402,515	21,185
2017/2018	414,200	414,200	393,490	20,710
2018/2019	406,300	406,300	385,985	20,315
2019/2020	396,800	396,800	376,960	19,840
2020/2021	389,100	389,100	369,645	19,455
2021/2022	389,100	389,100	369,645	19,455

Source: SAFMC 2015 (http://safmc.net/wp-content/uploads/2016/06/Reg22_022615_FINAL.pdf).

3.2.2 Bycatch

Very little is known outside of the fishery dependent data available from the fishery conducted at the Charleston Bump off South Carolina. Available life history data reflect information from older and bigger fish, with low sample sizes for smaller, younger fish. Rademeyer and Butterworth (2014) estimated natural mortality (M) for wreckfish at 0.037 per year. Lytton et al. (2016) recommends using M at 0.09 for wreckfish stock assessment. In the wreckfish commercial sector, barrelfish (*Hyperoglyphe perciformes*) and red bream (*Beryx decadactylus*) are caught as bycatch (Goldman and Sedberry 2011) and are likely sold or used for personal consumption. Other species collected by Goldman and Sedberry (2011) on vertical lines with baited hooks from 400 to 800 m depth, on and around Charleston Bump were: splendid alfonsino (*Beryx splendens*), conger eel (*Conger oceanicus*), gulper shark (*Centrophorus granulosus*), roughskin dogfish (*Cirrhigaleus asper*), and shortspine dogfish (*Squalus mitsukurii*). Fishermen could harvest one of these species and return co-occurring species to the water as "regulatory discards" (e.g., if the fish are under the size limit) or if undesirable; however, a portion of the discarded fish would not survive due to the depths at which these fish are caught. Wreckfish are rarely encountered by recreational fishermen and discard mortality would be 100% due to the depths at which they are captured.

3.2.3 Other Species Affected

This amendment is administrative in nature and would only apply to the wreckfish portion of the snapper grouper fishery.

3.2.4 Protected Species

The National Marine Fisheries Service (NMFS) manages marine protected species in the Southeast region under the Endangered Species Act (ESA) and the Marine Mammal Protection Act (MMPA). There are 29 ESA-listed species or distinct population segments (DPS) of marine mammals, sea turtles, fish, and corals managed by NMFS that may occur in federal waters of the South Atlantic or Gulf of Mexico. There are 91 stocks of marine mammals managed within the Southeast region plus the addition of the stocks such as North Atlantic right whales (NARW), and humpback, sei, fin, minke, and blue whales that regularly or sometimes occur in Southeast region managed waters for a portion of the year (Hayes et al. 2017). All marine mammals in U.S. waters are protected under the MMPA. The MMPA requires that each commercial fishery be classified by the number of marine mammals they seriously injure or kill. NMFS's List of Fisheries (LOF) classifies U.S. commercial fisheries into three categories based on the number of incidental mortality or serious injury they cause to marine mammals.

Five of the marine mammal species (sperm, sei, fin, blue, and NARW) protected by the MMPA, are also listed as endangered under the ESA. In addition to those five marine mammals, six species or DPSs of sea turtles [green (the North Atlantic DPS and the South Atlantic DPS), hawksbill, Kemp's ridley, leatherback, and the Northwest Atlantic DPS of loggerhead]; nine species or DPSs of fish (the smalltooth sawfish; five DPSs of Atlantic sturgeon; Nassau grouper; oceanic whitetip shark, and giant manta ray); and seven species of coral (elkhorn coral, staghorn coral, rough cactus coral, pillar coral, lobed star coral, mountainous star coral, and boulder coral) are also protected under the ESA and occur within the action area of the snapper grouper fishery. Portions of designated critical habitat for NARW, the Northwest Atlantic DPS of loggerhead sea turtles, and Acropora corals occur within the Council's jurisdiction.

NMFS completed a formal consultation and resulting biological opinion (Bi-Op) on the conservation regulations under the ESA and the authorization of the South Atlantic snapper grouper fishery in federal waters under the Magnuson-Stevens Act, including the fishery managed by the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region (Snapper Grouper FMP), on threatened and endangered species and designated critical habitat dated December 1, 2016. NMFS concluded that the activities addressed in the consultation are not likely to jeopardize the continued existence of any threatened or endangered species.

Since completing the December 2016 Bi-Op, NMFS published several final rules that listed additional species and designated critical habitat. NMFS has reinitiated formal consultation to address these listings and concluded the authorization of the South Atlantic snapper grouper fishery in federal waters during the re-initiation period will not violate ESA Sections 7(a)(2) or 7(d). For summary information on the protected species that may be adversely affected by the snapper grouper fishery and how they are affected refer to Section 3.2.5 in Vision Blueprint Regulatory Amendment 27 to the Snapper Grouper FMP (SAFMC 2019a).

3.3 Economic Environment

The Wreckfish Individual Transferable Quota (ITQ) program is one component of the Snapper Grouper FMP. As such, wreckfish harvesters are a small portion of the larger group of commercial fishing operations under the Council's and NMFS's jurisdiction. Additional economic information on the commercial sector of the snapper grouper fishery can be found Comprehensive Amendment Addressing Electronic Reporting for Commercial Vessels (under development), [5] Snapper Grouper Regulatory Amendment 30 (SAFMC 2020), Snapper Grouper Regulatory Amendment 27 (SAFMC 2020), Snapper Grouper Regulatory Amendment 28 (SAFMC 2020), Snapper Grouper Abbreviated Framework Amendment 2 (SAFMC 2019), and Snapper Grouper Abbreviated Framework Amendment 1 (SAFMC 2018) to the Snapper Grouper FMP. This section will concentrate on components of the economic environment that are relevant to the Wreckfish ITQ program.

3.3.1 Shareholders

The primary purpose of Amendment 20A to the Snapper Grouper FMP (Amendment 20A; SAFMC 2012) was to remove "inactive" shareholders (i.e., those who had not harvested the quota pounds derived from their shares in many years) and redistribute the "inactive" shares they possessed to entities that had been harvesting the quota pounds associated with their shares. Inactive shareholders held a significant percentage of the shares and thus of the coupons/quota pounds. Further, the limited number of share and coupon transfers suggested that the share and quota pound markets were not operating as intended to correct the problem, which in turn did not allow those quota pounds to be harvested. As Table 3.3.1.1 illustrates, Amendment 20A was successful in significantly reducing the number of shareholders. The number of shareholders in this table reflect the total number of share certificates held at any time during the fishing year.[6] There has been a notable increase in shareholders since the 2018/2019 fishing season. The number of shareholders remained at 6 from the 2014/2015 season to the 2017/2018 fishing season. In the 2018/2019 season there were 50% more shareholders than in the previous four years.

[6] The number of entities possessing share certificates in a single year will generally exceed the number of certificates.

Table 3.3.1.1. Number of wreckfish ITQ shareholders, fishing years 2009-2021.

Fishing Year	Number of Shareholders
2009/2010	27
2010/2011	26
2011/2012	33
2012/2013	11
2013/2014	7
2014/2015	6
2015/2016	6
2016/2017	6
2017/2018	6
2018/2019	9
2019/2020	8
2020/2021	9
2021/2022	9

Source: SERO SF, Permits and Shareholder databases.

Most of Amendment 20A's intended effects occurred prior to the effective date of the final rule (October 26, 2012) as numerous share transfers occurred in the preceding months. The high number of share transfers is reflected by the relatively large number of shareholders in 2011/2012. Inactive shareholders had an incentive to sell their shares prior to the effective date of the final rule as their shares would have been reverted to NMFS after that date and thus, they would not have received any economic compensation for those shares. Although the inactive shareholders may not have received as much as they would have liked, they were economically better off by selling their shares to active shareholders who intended to remain in the program. In addition, Amendment 20A provided information to active shareholders regarding what percentage of additional shares they could expect to receive as a result of inactive shares being reverted and redistributed. Although no entity would be allowed to acquire more than 49% of the total shares as a result of the new share cap established under Amendment 20A, some active shareholders wanted to increase their shares by more than what they were likely to get as a result of redistribution, and so those shareholders had an incentive to buy more shares than what they would have acquired as a result of redistribution.

Statistics regarding the distribution of shares across shareholders (share certificates) from 2017/2018 through 2021/2022 are provided in Table 3.3.1.2. These statistics only include shareholders that possessed shares at the end of each fishing year. These statistics also do not account for affiliations between shareholders (e.g., where a particular entity may have an ownership interest in multiple share certificates). One shareholder has maintained 49% of the share at the current cap from 2017-2021. Mean share ownership varied slightly over this time period and was 11.21% on average per shareholder from 2017-2021. Median share ownership has fallen in recent years to 5.19%; whereas, in years past median share ownership has been 16.67% (SAMFC 2019).

Table 3.3.1.2. Quota Share Statistics, 2017/2018-2021/2012. Shares are in percentages.

Statistic	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Number of Shareholders	6	9	8	9	9
Minimum Shares	2.99	0.03	0.03	0.03	0.03
Maximum Shares	49.00	49.00	49.00	49.00	49.00
Median Shares	10.23	5.17	5.25	5.17	5.17
Mean Shares	16.67	11.11	12.50	11.11	11.11

Source: SERO SF, Permits and Shareholder databases.

3.3.2 Permits

Wreckfish shareholders must possess a valid South Atlantic snapper grouper unlimited permit (SG1) in order to harvest wreckfish. A vessel with a Snapper Grouper 1 (SG1) permit can harvest up to the full commercial trip limits for all snapper grouper species including wreckfish, per trip. Snapper grouper permits are limited access permits, meaning that no new permits can be issued. Snapper grouper permits expire approximately one year from renewal and will terminate if not renewed within one year of the expiration date.

In 2009, the number of SG1 permits was 639. The number of SG1 permits has decreased steadily over time, in large part due to the requirement, in most circumstances, to exchange two such permits for one new permit when requesting a permit transfer (Table 3.2.2.1).[7] Overall the cumulative decline in valid SG1 permits from 2009-2020 has been 16.2% (Table 3.2.2.1).

[7] Exceptions to this requirement are specified in CFR Section 622.171, paragraphs (b)(1)(i) and (ii).

Table 3.3.2.1. Number of valid and renewable South Atlantic commercial snapper grouper permits by calendar year, 2009-2016.

Year	Number of SG1 permits	Change in SG1 Permits	% Change in SG1 Permits
2009	639	-25	-3.76%
2010	624	-15	-2.35%
2011	615	-9	-1.44%
2012	604	-11	-1.79%
2013	592	-8	-1.32%
2014	584	-8	-1.35%
2015	571	-13	-2.23%
2016	565	-6	-1.05%
2017	554	-11	-1.95%
2018	549	-5	-0.90%
2019	543	-6	-1.09%
2020	535	-8	-1.47%

Source: SERO SF-Permits Database, accessed 9/14/2022.

According to Buck (2018), the average price of an SG1 permit was about $42,918 (2021$) in 2011. As of early 2018, the average price had increased to around $75,107 (2021$), or by 75% since 2011. Also, temporary use of an SG1 permit has become common. Although leasing of permits is not allowed under the regulations, fishermen have found ways around this restriction, such as by entering contracts indicating that a vessel that has an SG1 permit is being leased. Current data are insufficient to determine exactly how many permits are being "leased" under this and other types of private arrangements. However, Buck (2018) estimates that the average price of a 1-year "lease" associated with an SG1 permit was about $7,511 (2021$) in early 2018.[8]

In addition to having a valid SG1 permit, commercial vessels must also have a valid wreckfish permit to harvest wreckfish. Commercial wreckfish permits have open access as well as limited access characteristics. Commercial wreckfish permits are only issued to vessels owned by entities with shares in the Wreckfish ITQ program, or to agents of those entities, and thus are limited to a large extent by the number of shareholders in the program (see Section 3.3.1). However, shareholders that own multiple vessels can have permits on each vessel they own, and thus the number of permits can be larger than the number of shareholders. Also, commercial wreckfish permits are only issued for a single fishing year and thus expire but do not terminate, unlike limited access permits. Table 3.3.2.1 illustrates how the number of commercial wreckfish permits has changed from 2009 through 2020.

The number of permits declined from about 15 permits to 8 permits per year on average between the 2009-2016 time period or by almost 50%. The decline in permits is directly related to the decrease in shareholders as discussed in Section 3.3.1. The decline is directly and indirectly

[8] Depending on the nature of the agreement, this price may not only reflect the cost of the SG1 permit.

related to the Council's action to revert and redistribute "inactive" shares in Amendment 20A. The number of issued permits is still typically higher than the number of active vessels in each year (see Section 3.2.3), indicating shareholders apply for permits but sometimes do not actually use them for harvesting wreckfish in a particular year.

Also, although the number of shareholders was significantly greater than the number of permits from 2009-2011, the number of shareholders has been about the same as the number of permits in subsequent years. The number of permits was greater than the number of shareholders in 2014, 2016, 2019, and 2020 as some shareholders own multiple vessels and chose to put permits on more than one vessel. Also, when compared to the number of active vessels, the number of permits was more than double the number of active vessels in each year from 2009-2011. And though this was still the case in 2012, the number of permits and active vessels have largely been about the same in subsequent years, in large part due to the removal of "inactive" shareholders and thus permit holders as a result of Amendment 20A.

Table 3.3.2.1. Number of commercial wreckfish permits by calendar year, 2009-2016.

Year	Number of Permits
2009	15
2010	14
2011	17
2012	12
2013	7
2014	7
2015	5
2016	8
2017	8
2018	9
2019	12
2020	13

Source: SERO SF-Permits Database, accessed 9/14/2022.

3.3.3 Vessels

The information in Table 3.2.3.1 describes the activity of all 8 vessels that were active in the Wreckfish ITQ program from calendar years 2017 to 2021, including their activities in South Atlantic and Gulf of Mexico non-individual fishing quota (IFQ) fisheries. Landings of wreckfish fluctuated during this time period, but on average have been increasing during the 2017-2019 time period. Average landings of wreckfish per vessel fluctuated between roughly 31,500 pounds (lb) gutted weight (gw) and 51,100 lbs gw. The maximum annual gross revenue earned by a single vessel during this time was $621,343 (2021 dollars), though the mean gross revenue was lower at about $223,938 and the median was lower still at around $187,800. Wreckfish in recent years has begun to make up the majority of these vessels total gross revenue, on average accounting for 63% of total gross revenue from 2017-2021. In 2021 wreckfish landings accounted for 72% of gross revenue for these vessels. Vessel participation was slightly fluid as not all of these vessels were active in the Wreckfish ITQ portion of the snapper grouper fishery, or any other fishery covered by the Southeast Coastal logbooks in every year during this time.

The number of vessels that were active in the ITQ program in each year varied between 5 and 6 vessels, as can be seen in Table 3.2.3.1.

Table 3.3.3.2. Total revenue and revenue per vessel statistics for the 8 vessels active in the Wreckfish ITQ Program from 2017-2021 by year.

Year	Number of Vessels	Statistic	Wreckfish Landings (gw)	ITQ Revenue	Other Logbook Revenue	Total Gross Revenue
2017	6	Max	85,819	$506,666	$604,908	$610,122
		Median	35,540	$145,813	$81,865	$298,553
		Mean	44,680	$176,141	$184,305	$282,625
		Total	223,401	$1,056,848	$921,527	$1,978,375
2018	5	Max	116,105	$621,343	$189,495	$621,343
		Median	38,338	$68,196	$65,344	$180,836
		Mean	51,095	$182,246	$89,649	$226,579
		Total	255,474	$911,229	$448,245	$1,359,473
2019	6	Max	96,541	$485,470	$180,558	$485,470
		Median	31,092	$81,161	$93,685	$156,497
		Mean	35,589	$145,115	$100,501	$210,528
		Total	213,536	$870,691	$603,006	$1,473,697
2020	6	Max	84,207	$505,002	$149,747	$505,002
		Median	27,821	$3,399	$98,452	$162,744
		Mean	37,515	$129,763	$88,207	$203,269
		Total	225,087	$778,580	$441,036	$1,219,616
2021	5	Max	105,137	$509,688	$101,205	$509,688
		Median	18,226	$72,262	$71,929	$140,427
		Mean	31,479	$169,472	$66,556	$196,690
		Total	220,352	$847,359	$332,782	$1,180,141

Source: Wreckfish Program Logbooks and SEFSC Logbook Series.
Note: All dollar estimates are in 2021 dollars.

3.3.4 Dealers

Six dealers purchased wreckfish from shareholders from 2017 to 2020. Just as the number of active shareholders has fluctuated during this time period, so has the number of purchasing dealers, with between five and six dealers active in the wreckfish markets in any given year covered. The dealers are geographically dispersed, generally located near one of the active shareholders.

Wreckfish purchases have declined since 2017. Purchases of wreckfish landings declined by 43% in 2020 relative to 2017. Other species purchased by wreckfish dealers also declined greatly from 2017-2020. Other species purchases declined by 75% in 2019 relative to 2017. A modest increase in other species purchases occurred 2020 but was still less than half the purchases made

in 2017. Overall gross revenue declined for wreckfish dealers by 63% in 2020 relative to 2017. Table 3.3.4.1 summarizes the average annual purchase information on wreckfish and non-wreckfish purchases by the six dealer's active in the program.

Table 3.3.4.1. Average annual purchases for the dealers active in the Wreckfish ITQ Program from 2017-2020.

Year	Number of Dealers	ITQ Purchases	Other Purchases	Total Gross Revenue
2017	5	$229,499	$2,075,907	$2,305,406
2018	5	$166,784	$496,653	$663,438
2019	6	$123,916	$499,422	$623,338
2020	6	$129,763	$726,898	$856,661

Source: Wreckfish Dealer Records, Southeast Fisheries Science Center ALS.
Note: All dollar estimates are in 2021 dollars.

3.3.5 Economic Returns

Economic return measures for the Wreckfish ITQ portion of the snapper grouper fishery have been estimated three times throughout the program's history, once in the first season of the Wreckfish ITQ program (Richardson 1994), the second for the 2012-2013 season (Yandle and Crosson 2015), and the latest being Liese and Crosson (Southeast Fisheries Science Center, pers. comm. 2023) for the 2021-2022 season. All analyses are based on a combination of wreckfish logbook data, wreckfish dealer data, and an economic survey at the vessel level. The economic surveys collect data on gross revenue, variable costs, fixed costs, as well as some auxiliary economic variables (e.g., market value of the vessel).

However, Liese and Crosson (2023) methodology has been updated to be comparable to those done for other SEFSC-monitored fisheries (e.g. Overstreet et al. 2017). Therefore, the estimates from these three studies are not directly comparable in terms of economic returns. Results from Liese and Crosson are reported in Table 3.3.5.1.

Table 3.3.5.1 provides estimates of the important economic variables at the annual level for all active wreckfish vessels in the calendar year 2021. Similar to the trip level, three of the most important estimates of economic returns are net cash flow, net revenue from operations,[9] and economic return on asset value. Of these measures, net revenue from operations most closely represents economic profits to the owner(s). Net revenue from operations is total annual revenue minus the costs for fuel, other supplies, hired crew, vessel repair and maintenance, insurance, overhead, and the opportunity cost of an owner's time as captain as well as the vessel's depreciation. Net cash flow is total annual revenue minus the costs for fuel, other supplies, hired crew, vessel repair and maintenance, insurance, overhead, loan payments, and purchases of annual allocation. Economic return on asset value is calculated by dividing the net revenue from operations by the vessel value. Net cash flow and net revenue from operations at the annual vessel level were both positive in 2021, generally indicating that wreckfish vessels in the

[9] Net revenue from operations accrues to the vessel owner and, when applicable, the IFQ shareholder, who may not be the same entity.

commercial sector were profitable, though some vessels earned much greater profits than others did. Net cash flow and net revenue from operations averaged 36.4% and 30.4%, respectively, while the economic return on asset value was approximately 50.8% during this time.

Table 3.3.5.1. Economic characteristics of Wreckfish trips in 2021.

	Mean	% Of Revenue
Vessel Statistics		
Owner-operated	40%	-
For Hire Active	0%	-
Days - Wreckfish	57	-
Days - Other Commercial fisheries	76	-
Days - For-Hire Fishing	0	-
Days - Non-fishing	0	-
Vessel Value	$207,738	-
Has Insurance	0%	-
Total Revenue	**$346,746.00**	**100.0%**
Commercial Fishing - Wreckfish	$204,609.00	59.0%
Commercial Fishing - Other fisheries	$142,137.00	41.0%
For-Hire Fishing	$0.00	0.0%
Costs		
Fuel	$21,356	6.2%
Other Supplies	$47,750	13.8%
Hired Crew	$108,778	31.4%
Vessel Repair & Maintenance	$21,163	6.1%
Insurance	$0	0.0%
Overhead	$4,942	1.4%
Loan and IFQ purchase payments	$16,650	4.8%
OC Owner-Captain Time	$26,837	7.7%
Depreciation	$10,387	3.0%
Net Cash Flow	**$126,108**	**36.4%**
Net Revenue from Operations	**$105,534**	**30.4%**
Economic Return (on Vessel Asset Value)	**50.8%**	

Source: Liese and Crosson (Southeast Fisheries Science Center, pers. comm. 2023).
Note: All dollar estimates are in 2021 dollars.

3.3.6 Imports

Imports of foreign seafood products compete in the domestic seafood market and have in fact dominated many segments of the domestic seafood market. Imports aid in determining the price for domestic seafood products and tend to set the price in the market segments in which they dominate. Seafood imports can have downstream effects on the local fish market. At the harvest

level, imports can affect the returns to fishermen through the ex-vessel prices they receive for their landings. As substitutes to domestic production, imports tend to cushion the adverse economic effects on consumers resulting from a reduction in domestic landings. The following describes the imports of fish products that directly compete with domestic harvest of snapper grouper species including the species in this amendment.

Snappers

According to NMFS' foreign trade data, snapper are not exported from the U.S. to other countries. Thus, the following describes the imports of fresh and frozen snapper products, which directly compete with domestic harvest of snapper species. All monetary estimates are in 2021 dollars. As shown in Table 3.3.6.1, imports of fresh snapper products were 31.2 million lb product weight (pw) in 2017. They peaked at 36.0 million lb pw in 2021, an increase of 15% relative to 2017. Total revenue from snapper imports increased from $99.0 million (2021 dollars) in 2017 to a five-year high of $148.6 million in 2021. The average price per pound for fresh snapper products was $3.54 from 2017-2021 and has been steadily increasing reaching the highest price per pound in 2021. Imports of fresh snapper products primarily originated in Mexico or Central America and primarily entered the U.S. through the port of Miami.

Table 3.3.6.1. Annual pounds and value of fresh snapper imports and share of imports by country, 2017-2021.

	2017	2018	2019	2020	2021
Pounds of fresh snapper imports (product weight, million pounds)	31.2	30.5	32.8	32.4	36.0
Value of fresh snapper imports (millions $, 2021$)	99.0	103.5	115.3	113.4	148.6
Average price per lb (2021$)	$3.17	$3.39	$3.52	$3.50	$4.13
Share of Imports by Country					
Mexico	35.8	32.5	34.9	40.4	32.8
Nicaragua	15.4	17.0	14.6	15.1	13.3
Panama	14.8	16.6	13.9	11.0	14.0
All others	33.9	33.9	36.6	33.5	39.9

Source: NOAA Foreign Trade Query Tool, accessed 11/16/22

As shown in Table 3.3.6.2, imports of frozen snapper products were 12.8 million lb pw in 2017. They peaked at 18.2 million lb pw in 2021, an increase of 42% relative to 2017. Total revenue from frozen snapper imports increased from $38.2 million (2021 dollars) in 2017 to a five-year high of $66.6 million in 2021. The average price per pound for frozen snapper products was $3.20 from 2017-2021 but has been increasing in recent years. Imports of frozen snapper products primarily originated in Brazil or South America and primarily entered the U.S. through the port of Miami.

Table 3.3.6.2. Annual pounds and value of frozen snapper imports and share of imports by country, 2017-2021.

	2017	2018	2019	2020	2021
Pounds of frozen snapper imports (product weight, million pounds)	12.8	12.2	11.4	15.9	18.2
Value of frozen snapper imports (millions $, 2021$)	38.2	37.6	36.7	48.4	66.6
Average price per lb (2021$)	$2.98	$3.08	$3.22	$3.05	$3.65
Share of Imports by Country					
Brazil	61.0	63.8	54.6	55.4	58.6
Indonesia	11.0	11.3	6.8	5.4	3.9
Suriname	7.9	6.9	13.5	10.3	10.5
All others	20.1	17.9	25.0	28.9	27.0

Source: NOAA Foreign Trade Query Tool, accessed 11/16/22

Groupers

According to NMFS' foreign trade data,[10] grouper are not exported from the U.S. to other countries. Thus, the following describes the imports of fresh and frozen grouper products, which directly compete with domestic harvest of reef fish species. As shown in Table 3.3.6.3, imports of fresh grouper products were 12.3 million lb. pw in 2017. They peaked at 12.4 million lb pw in 2018 but declined to 10.4 million lb pw by 2020. Total revenue from fresh grouper imports decreased from 2018 to 2020, but in 2021 remained the same as in 2016 at 55.7 million dollars. The average price per pound for fresh grouper products was $4.49 from 2017-2021, with a large decrease coming in 2020. Imports of fresh grouper products primarily originated in Mexico, Panama and Brazil.

[10] https://www.fisheries.noaa.gov/foss/

Table 3.3.6.3. Annual pounds and value of fresh grouper imports and share of imports by country, 2017-2021.

	2017	2018	2019	2020	2021
Pounds of fresh Grouper imports (product weight, million pounds)	12.3	12.4	11.3	10.4	12.2
Value of fresh Grouper imports (millions $, 2021$)	55.7	57.2	53.0	40.6	57.7
Average price per lb (2021$)	$4.54	$4.61	$4.68	$3.89	$4.73
Share of Imports by Country					
Mexico	58.8	58.0	57.9	67.6	53.8
Panama	12.2	9.0	8.1	8.0	12.0
Brazil	10.1	15.9	16.9	12.3	17.7
All others	19.0	17.1	17.0	12.2	16.5

Source: NOAA Foreign Trade Query Tool, accessed 01/25/23

As shown in Table 3.3.6.4, imports of frozen grouper products were 1.4 million lb pw in 2017. They peaked at 4.6.million lb pw in 2018, but declined to 2.2 million lb. pw by 2021. Total revenue from frozen grouper increased from $2.0 million (2021 dollars) in 2017 to $6.2 million in 2018, but subsequently declined to $5.1 million in 2021. The average price per pound for frozen grouper products was $1.67 from 2017-2021, and increased by 60% in 2021 relative to 2017. Imports of frozen grouper products primarily originated in Mexico, India, and Indonesia.

Table 3.3.6.4. Annual pounds and value of frozen grouper imports and share of imports by country, 2017-2021.

	2017	2018	2019	2020	2021
Pounds of frozen Grouper imports (product weight, million pounds)	1.4	4.6	3.5	0.8	2.2
Value of frozen Grouper imports (millions $, 2021$)	2.0	6.2	4.8	1.5	5.1
Average price per lb (2021$)	$1.46	$1.34	$1.37	$1.85	$2.33
Share of Imports by Country					
Mexico	47.2	79.2	79.2	33.7	54.3
India	29.3	11.2	11.2	25.9	18.1
Indonesia	16.3	4.0	3.0	1.1	10.9
All others	7.2	5.5	6.5	39.3	16.7

Source: NOAA Foreign Trade Query Tool, accessed 05/14/22

3.3.7 Economic Impacts of the ITQ Program

The commercial harvest and subsequent sales and consumption of fish generates business activity as fishermen expend funds to harvest the fish and consumers spend money on goods and services, such as red grouper purchased at a local fish market and served during restaurant visits. These expenditures spur additional business activity in the region(s) where the harvest and purchases are made, such as jobs in local fish markets, grocers, restaurants, and fishing supply establishments. In the absence of the availability of a given species for purchase, consumers would spend their money on substitute goods and services. As a result, the analysis presented

below represents a distributional analysis only; that is, it only shows how economic effects may be distributed through regional markets and should not be interpreted to represent the impacts if these species are not available for harvest or purchase.

Estimates of the U.S. average annual business activity associated with the commercial harvest of wreckfish in the South Atlantic were derived using the model[11] developed for, and applied in NMFS (2022), and are provided in Table 3.3.7.1. This business activity is characterized as full-time equivalent jobs, income impacts (wages, salaries, and self-employed income), and output (sales) impacts (gross business sales). Income impacts should not be added to output (sales) impacts because this would result in double counting.

The results provided should be interpreted with caution and demonstrate the limitations of these types of assessments. These results are based on average relationships developed through the analysis of many fishing operations that harvest many different species. Separate models for individual species are not available. From 2017 to 2021, on average wreckfish landings resulted in approximately $898,504 million in gross revenue (2021$). In turn, this revenue generated employment, income, value-added and output impacts of 107 jobs, $3.3 million, $4.6 million, and $8.9 million, respectively.

[11] A detailed description of the input/output model is provided in NMFS (2011). "A Users Guide to the National and Coastal State I/O Model." www.st.nmfs.noaa.gov/documents/commercial_seafood_impacts_2007-2009.pdf

Table 3.3.7.1. Economic impacts of the Wreckfish ITQ program, 2017-2021.

Harvesters	Direct	Indirect	Induced	Total
Employment impacts	19	3	4	25
Income impacts	485	90	218	793
Total value-added impacts	517	324	373	1,214
Output Impacts	899	731	723	2,353
Primary dealers/processors	**Direct**	**Indirect**	**Induced**	**Total**
Employment impacts	4	2	3	8
Income impacts	158	146	138	442
Total value-added impacts	169	186	260	615
Output impacts	509	384	508	1,401
Secondary wholesalers/distributors	**Direct**	**Indirect**	**Induced**	**Total**
Employment impacts	2	0	2	4
Income impacts	94	28	99	222
Total value-added impacts	101	47	169	317
Output impacts	253	92	329	674
Grocers	**Direct**	**Indirect**	**Induced**	**Total**
Employment impacts	8	1	2	10
Income impacts	194	64	97	356
Total value-added impacts	207	104	165	475
Output impacts	332	169	324	824
Restaurants	**Direct**	**Indirect**	**Induced**	**Total**
Employment impacts	48	3	8	59
Income impacts	778	236	446	1,460
Total value-added impacts	829	422	751	2,002
Output impacts	1,517	660	1,482	3,659
Harvesters and seafood industry	**Direct**	**Indirect**	**Induced**	**Total**
Employment impacts	81	9	18	107
Income impacts	1,710	564	998	3,272
Total value-added impacts	1,823	1,083	1,718	4,623
Output impacts	3,509	2,036	3,366	8,910

Note: All dollar estimates are in thousands of 2021 dollars and employment is measured in full-time equivalent jobs.

3.4 Social Environment

As discussed in past amendments and reviews of the South Atlantic wreckfish portion of the snapper grouper fishery and associated ITQ program, the limited size of the fishery presents data confidentiality concerns that constrain the nature and extent of information that can be used for descriptive purposes. This section attends to such concerns while providing insight into the contemporary social environment associated with the fishery—as prescribed by National Standard 8 (NS-8) of the Magnuson-Stevens Act. In essence, NS-8 calls for an assessment of linkages between fishery resources and communities where such resources may be of local socioeconomic importance. As such, the following text focuses primarily on identification of communities from which participants in the wreckfish portion of the snapper grouper fishery administer and/or undertake their fishing operations, and on basic sociodemographic attributes of such communities.

A variety of sources are available to further inform interested readers about the social-environmental history of the wreckfish portion of the snapper grouper fishery and its evolution into a federally managed Wreckfish ITQ program. These include SAFMC (1991, 2011, 2019), Gauvin et al. (1994), and Yandle and Crosson (2015), among others.

3.4.1 Social Aspects of the Fishery and Community Distribution of Permits

As indicated in Table 3.4.1, vessels with wreckfish permits were most recently homeported in coastal communities in Florida, Georgia, and South Carolina. This relates to the fact that the species is almost exclusively captured by intent at the aforementioned bathymetric feature known as the Charleston Bump (NOAA Fisheries 2023; Sedberry et al. 1999), an ocean area most readily accessible by capable vessels, captains, and crew operating from communities in southeast South Carolina.

For sake of reference, the central portions of the Charleston Bump are situated approximately 90 miles from Folly Beach in southeastern South Carolina; 190 miles from Jacksonville Beach in northern Florida; and 125 miles from Myrtle Beach in northeastern South Carolina. As such, while vessels moored at longitudes parallel to the wreckfish grounds can reach the area relatively quickly, voyages of considerable duration are required of vessels moored in northern and central Florida, and in southeastern North Carolina where small numbers of wreckfish-permitted vessels were homeported in years past. It should be noted, however, that distances can be minimized by captains who moor their vessels in harbors relatively close to the wreckfish grounds when the regulatory season is open between mid-April and mid-January.

Irrespective of place of mooring, all participating captains and crew must travel many scores of ocean miles to reach the preferred fishing grounds. As discussed by Buck (2018) in relation to other deepwater snapper grouper species in the South Atlantic, the effort requires sustained presence at sea. In turn, this necessitates sufficient fuel, food, water, and other essentials, including bait (typically squid), along with planning and preparation for shifting weather patterns, dynamic sea states and currents, and other factors related to navigating and fishing safely far from port for multiple days and nights.

With regard to harvest strategy, only vertically deployed hook-and-line gear may be used to legally harvest wreckfish. Given that wreckfish are often caught in particularly deep water, mainlines are necessarily long and therefore retrieved with hydraulic (bandit) reels. NOAA

Fisheries (2023) reports that 1/8" cables are often used for mainlines, and discussions with captains indicate that leader and (multiple) circle hooks are particularly stout and used with heavy bottom weights. Gear and its use are pertinent in socioeconomic terms, in this case requiring considerable investment, skilled deployment at sea, and application of time and energy to its proper maintenance.

When used in deepwater zones for various bottom-dwelling snapper grouper species, including wreckfish, the requisite gear and the overall approach is colloquially termed "deep-drop," with certain captains considered deep-drop specialists. Maintaining the desired position over targeted areas is said to be a particularly challenging aspect of such operations, requiring extensive skill and practice. While recreational pursuit of the wreckfish resource is possible, it is presently allowable only during July and August, with a bag limit of one fish per day per vessel (SAFMC 2023). Historic harvest levels were scant at best (e.g., see SAFMC 2019), ostensibly due to extensive time at sea requirements, challenging deepwater conditions, and the need for accumulated ecological knowledge to effectively pursue the species. Identification and reporting challenges associated with rarely caught species may also be involved.

Based on the recent levels of shareholder participation and investment in the wreckfish fishery, and the capacity of captains, crew members, and vessels to successfully reach and harvest the species, the number of permitted vessels remains limited in extent. Notably, wreckfish permit applicants must be ITQ shareholders, but shareholders need not need be vessel owners or operators—though some are—and while some shareholders own and/or operate single vessels for pursuit of wreckfish, others own and/or operate more than one such vessel.

The community distribution of wreckfish permits has tended to shift over time. For example, prior to 2015, a small number of permits were held by persons with mailing addresses in states outside the South Atlantic region. All permits beyond that date have been held only by persons with community addresses in Florida, Georgia, or South Carolina. Shifts in the continuity of permit-holding have also occurred. For example, a wreckfish permitted vessel that formerly was consistently homeported in Madeira Beach, Florida is longer present in that municipality, and there has been a recent increase in wreckfish permits held outside of Florida, namely along the central and southeast Georgia coastline, and in the Low Country region of coastal South Carolina. The greatest number of wreckfish permits has consistently been held by addressees in in Port Orange, a central Florida municipality of 62,596 persons, as documented by the U.S. Census Bureau in 2020.

Table 3.4.1 Community distribution of permitted wreckfish vessels: 2011 through 2020.

Community	Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Port Orange, FL	3	2	2	3	1	4	4	3	3	4
Key Largo, FL	1	1	2	2	2	2	2	3	3	3
Charleston, SC	1	1	1	1	1	1	1	1	1	1
Georgetown, SC	--	--	--	--	--	--	--	1	1	1
Crescent, GA	--	--	--	--	--	--	--	--	1	2
Townsend, GA	--	--	--	--	--	--	--	--	1	1
Indian Rocks Bch, FL	--	--	--	--	--	--	--	--	-	1
Daytona Beach, FL	--	--	--	--	--	--	--	--	1	--
New Smyrna, FL	2	2	--	--	--	--	--	--	--	--
Johns Island, SC	1	1	1	--	--	--	--	--	--	--
Jacksonville, FL	1	1	--	--	--	--	--	--	--	--
Wilmington, NC	1	1	--	--	--	1	--	--	--	--
Hatteras NC	1	1	--	--	--	1	--	--	--	--
Miami, FL	1	1	--	--	--	--	--	--	--	--
Galveston, TX	1	--	--	--	--	1	--	--	--	--
Darien, GA	1	--	--	--	--	--	--	--	--	--
Long Key, FL	1	--	--	--	--	--	--	--	--	--
St. Augustine, FL	1	--	--	--	--	--	--	--	--	--
Madeira Beach, FL	1	--	1	--	1	1	1	1	--	--
Holden Beach, NC	--	--	--	1	--	--	--	--	--	--
Total	17	11	7	7	5	11	8	9	11	13

Source: NMFS SERO Sustainable Fisheries (SF) Access permits database (accessed January 2023).

In addition to changes in the geographic distribution of permitted vessels, shifts in the continuity of *active* participation in the wreckfish portion of the snapper grouper fishery, defined here in terms of permitted vessels with documented landings, are also notable. Active participation is of particular social-environmental importance given an historical context in which wreckfish permits were and/or are not presently used on a consistent basis by certain shareholders. As discussed in Amendment 20A to the Snapper Grouper FMP (SAFMC 2011), this occurs for a variety of reasons, including periodic focus on other species, changing regulatory conditions in other fisheries, shifting dollar values of wreckfish in the seafood marketplace, failing capacities of certain captains to fish in the far offshore zone, and the retirement of formerly active captains, among others.

Yandle and Crosson (2015) provide similar insight into punctuated use and non-use of wreckfish permits, asserting that, in historical terms, certain participants departed or periodically minimized their participation in the fishery for reasons that include but are not limited to: heightened or renewed interest in other fisheries, concerns about safety at sea, and ITQ allocations that were perceived or experienced as economically insufficient. Importantly, however, the authors conclude that a pattern of sustained involvement by an increasingly limited number of vessels

may signify a maturing and increasingly well-ordered fishery/ITQ program rather than one that has faltered.

Finally, patterns of participation in the wreckfish fishery were also described in a 2019 review of the wreckfish ITQ program (SAFMC 2019b). Here, the authors discuss and graphically depict highly variable activity among the total of 18 vessels that were involved in the fishery during the period 2009 through 2016. The discussion states that: "some vessels participated for one year only, while others entered and left [the fishery] only to enter again a year or two later," and that [Vessel x] "was the *only* [operation] that consistently participated over the [seven-year] time period." Figure 3.4.1 below is provided as an update to that analysis. Of note in the figure is an apparent increase in the continuity of participation during the time-series by numerous vessels—arguably supporting the assertion of Yandle and Crosson (2015) that, although the size of the fleet has diminished, the fishery itself is increasingly sustainable in social terms as it matures over time.

	Year				
Vessel	**2017**	**2018**	**2019**	**2020**	**2021**
1	✓	✓	✓	✓	✓
2	✓	✓	✓	✓	✓
3	✓	✓	✓	✓	✓
4			✓	✓	✓
5			✓	✓	✓
6	✓	✓	✓	✓	
7	✓	✓			
8	✓				
Total	**6**	**5**	**6**	**6**	**5**

Figure 3.4.1. Vessels with landings in the South Atlantic wreckfish fishery: 2017-2021.
Source: NMFS Wreckfish ITQ Program Logbook Data (accessed January 2023)

3.4.2 Distribution of Wreckfish Landings by State

Given the data confidentiality concerns noted at the outset of this section, the small number of persons involved in the wreckfish fishery precludes numerical description of landings by individual community. However, it is possible to review trends in the geographic distribution of landings in more general terms. As discussed in the most recent review of the wreckfish ITQ program (SAFMC 2019), the species was landed primarily in Florida and South Carolina coastal communities during the period 2010 through 2016, with contributing vessels homeported in Florida, southeast North Carolina, and southeast South Carolina. More recent information, inclusive of calendar years 2017 through 2020, indicates that while wreckfish continued to be landed in harbors along the Florida and South Carolina coastline, a small percentage of the wreckfish catch was landed in North Carolina during the latter part of the time-series. Contributing vessels during this timeframe were homeported in communities along the Florida, Georgia, and South Carolina coastlines.

3.4.3 Engagement among Communities Involved in the Wreckfish Fishery

Figure 3.3.2 below depicts overall levels of engagement in the commercial fishing industry among communities that are in some manner involved in the regional wreckfish fishery, whether it be operation of wreckfish permitted vessels, holding of wreckfish shares, and/or transacting the species in the marketplace. Given the need to use the most valid and reliable data possible in the present analysis, the time-series presented here incorporates accumulative landings system (ALS) data for the years 2016 through 2020. ALS data for 2021 are presently being refined and validated per standardized NMFS protocol.

The measure of engagement provided in the graphic is a generalizable composite indicator based on: (a) pounds of all seafood landed by the local commercial fleets, (b) associated ex-vessel revenues, and (c) the number of commercial sector participants and seafood dealers present in a given community. The measure is a useful means for indicating where any social effects of prospective management actions for the wreckfish portion of the snapper grouper fishery could be experienced.

As can be discerned from the graphic, there is a notable decline in generalized engagement in commercial fisheries among the majority of South Atlantic communities recently involved in the wreckfish fishery. Noteworthy here is an extensive and widespread decline in commercial fisheries engagement among virtually all of the communities during 2020. It is posited that diminished engagement relates in part to the arrival of the COVID-19 virus in the U.S. early in 2020, resulting widespread industry shutdowns, and limited socioeconomic recovery that year (see Glazier et. al 2022). Up until that point in time, available data indicate that most of the communities depicted were extensively engaged in the commercial fishing industry, albeit with a gradual overall decline during the time-series. The communities of Crescent in Georgia and Wadmalaw Island in South Carolina are exceptions, though U.S. Census data indicate that neither of these sparsely populated rural communities has supported regionally significant levels economic activity in years past.

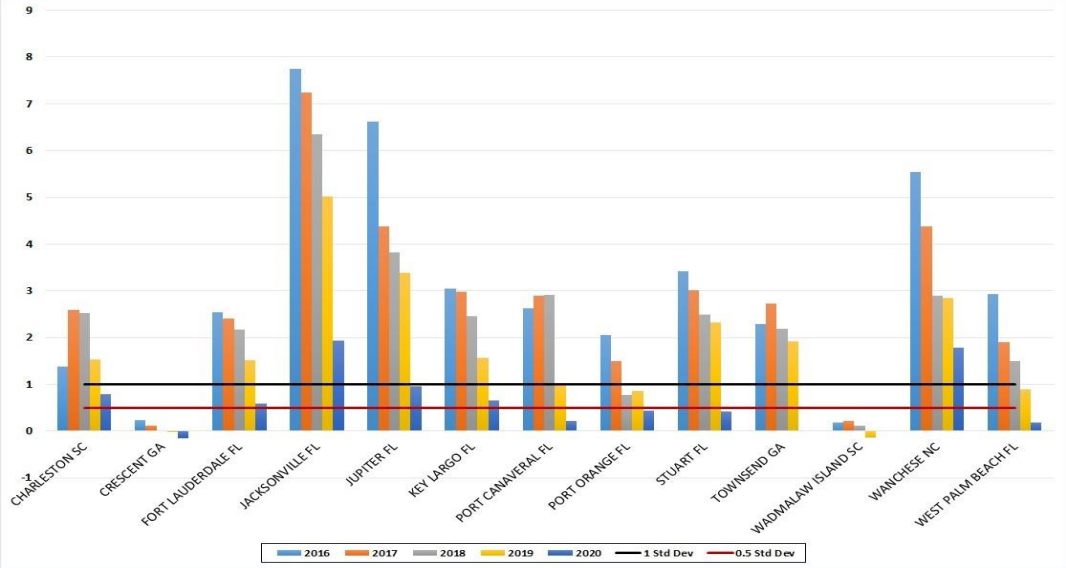

Figure 3.4.2. Overall levels of commercial fishing engagement among communities with some manner of involvement in the South Atlantic wreckfish fishery/ITQ program: 2016-2020.
Source: SEFSC, Community ALS Data File (accessed January 2023).

3.4.4 Environmental Justice

Executive Order (EO) 12898 was established in 1994 to require that personnel working in federal agencies examine the human health and socioeconomic implications of federal regulatory actions among low-income and minority groups and populations around the nation. The order requires that such agencies conduct programs, policies, and activities in a manner that ensures no individuals or populations are excluded, denied the benefits of, or subjected to discrimination due to race, color, or nation of origin. Of particular relevance in the context of marine fisheries, federal agencies are further required to collect, maintain, and analyze data regarding patterns of consumption of fish and wildlife among persons who rely on such foods for dietary and cultural purposes. In sum, the principal intent of EO 12898 is to require assessment and due consideration of any "disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations in the United States and its territories."

Established in 2021, Executive Order 13985 also calls for social equity in the context of federal decision-making and policy actions. Titled "Advancing Racial Equity and Support for Underserved Communities through the Federal Government," this order requires that federal policies and programs are designed and undertaken in a manner that delivers resources and benefits equitably to all citizens, including those who are members of historically underserved communities. Here, the phrase "underserved communities" refers to populations and persons that have been systematically denied full and equitable opportunity to participate in economic, social, and civic aspects of life in the nation.

Similarly, Executive Order 14008, established in 2021**,** calls on federal agencies incorporate Environmental Justice as part of their ongoing missions. This is to be accomplished through development of programs, policies, and activities that address any disproportionately high and/or adverse "human health, environmental, climate-related and other cumulative impacts on disadvantaged communities, as well as the accompanying economic challenges of such impacts."

Various data are available to indicate environmental justice issues among minority and low-income populations and/or indigenous populations and other historically underserved communities potentially affected by federal regulatory and other actions. With the intent of enhancing capacity to determine whether environmental justice issues may be affecting communities around the U.S. where fishing-related industry is an important aspect of the local economy, NMFS social scientists undertook an extensive series of deliberations and review of pertinent data and literature. The scientists ultimately selected key social, economic, and demographic variables that could function to identify social vulnerabilities at the community level of analysis (see Jacob et al. 2013; Jepson and Colburn 2013). Census data such as community-specific rates of poverty, number of households maintained by single females, number of households with children under the age of five, rates of crime, and rates of unemployment exemplify the types of information chosen to aid in community analysis. Pertinent variables were subsequently used to develop composite indices that could be applied to assess vulnerability to environmental, regulatory, and other sources of change among the communities where fishing and related activities are important aspects of local society.

As provided in the Figure 3.4.3 below, three composite indices—termed here as poverty, population composition, and personal disruption—are applied to indicate relative degrees of socioeconomic vulnerability among those communities that are in some manner involved in the South Atlantic Wreckfish ITQ program. Mean standardized scores for each community are provided along the y-axis, with means for the vulnerability measures and threshold standard deviations depicted along the x-axis. Scores exceeding the .5 standard deviation level indicate local social vulnerability to regulatory and other sources of change.

As can be discerned from the figure, available sociodemographic data sources discussed indicate that few of the communities recently involved in the South Atlantic wreckfish portion of the snapper grouper fishery appear vulnerable to regulatory or other sources of social or economic change. Exceptions include Crescent, Georgia, which exceeds the two-standard deviation (std. dev.) threshold level for personal disruption, and the .5 std. dev. level for localized poverty. Poverty issues are also indicated for Fort Lauderdale and Key Largo in Florida, both of which meet the .5 std. dev. threshold for that set of variables. Finally, vulnerabilities are indicated for Fort Lauderdale and West Palm Beach, which respectively exceed and meet the .5 and 1.0 standard deviation thresholds for population composition.

The full range of data are not currently available to compatibly assess potential social vulnerabilities in the small communities of Townsend, Georgia, and Wadmalaw Island, South Carolina. For sake of context, Wadmalaw Island is classified as a Census County Division (CCD; Charleston County), with a 2021 population of 2,504 persons, a 16.5% poverty rate, a median household income of $69,706, and a median age of 51.6 years (Census Reporter 2023). Townsend, Georgia, is also classified as a CCD (McIntosh County), with a 2021 population of 3,350 persons, a 21% poverty rate, a median household income of $51,286, and a median age of 57 years. By way of comparison, the estimated 2021 poverty rate for Fort Lauderdale (pop. 181,666) is 13.8%, with a median household income of $64,912, and a median age of 45.1 years. The national poverty rates estimated for the same year is 12.8%, with a median household income of $69,717, and a median age of 38.8 years (Census Reporter 2023).

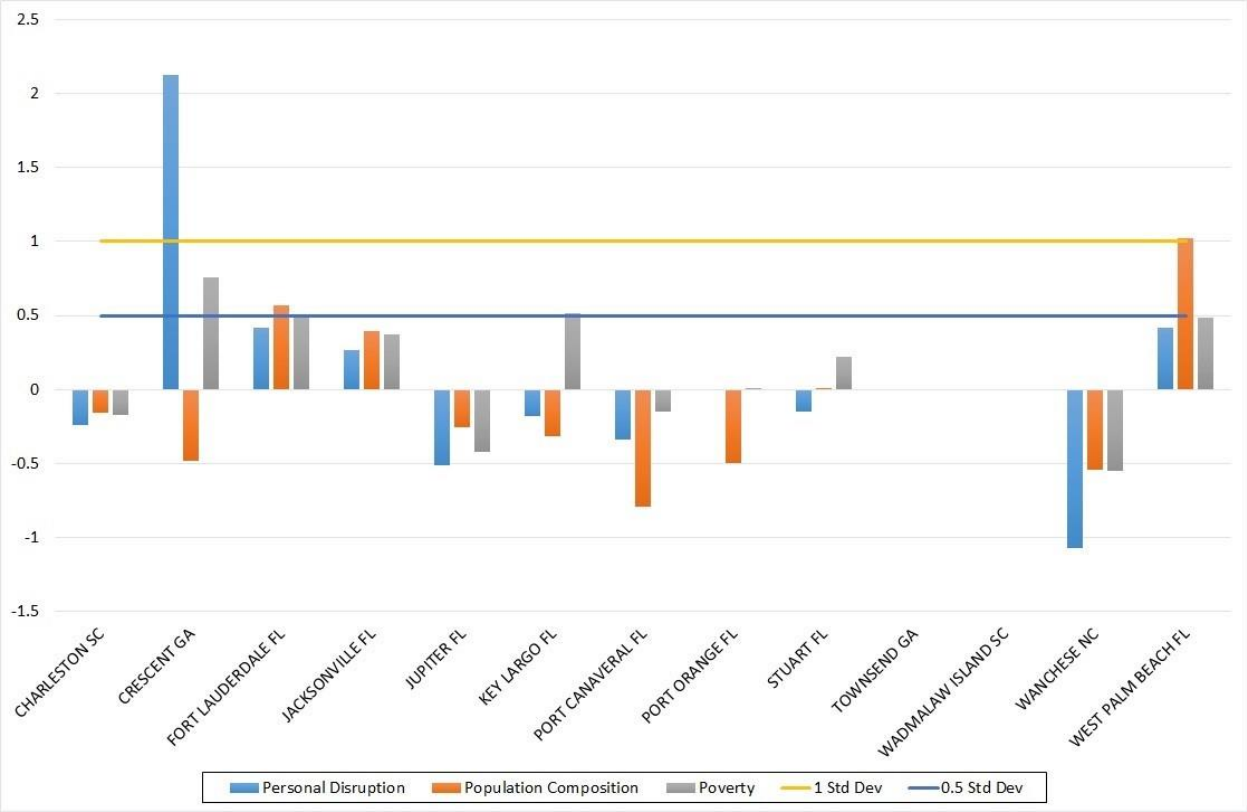

Figure 3.4.3. Social vulnerability indicators among communities involved in the South Atlantic Wreckfish Fishery/ITQ program.
Source: NMFS SERO Community Social Vulnerability Indicators Database (Accessed January 2023).

3.5 Administrative Environment

3.5.1 Federal Fishery Management

Federal fishery management is conducted under the authority of the Magnuson-Stevens Act (16 U.S.C. 1801 et seq.), originally enacted in 1976 as the Fishery Conservation and Management Act. The Magnuson-Stevens Act claims sovereign rights and exclusive fishery management authority over most fishery resources within the exclusive economic zone (EEZ), an area extending 200 nm from the seaward boundary of each of the coastal states, and authority over U.S. anadromous species and continental shelf resources that occur beyond the U.S. EEZ.

Responsibility for federal fishery management decision-making is divided between the U.S. Secretary of Commerce (Secretary) and eight regional fishery management councils that represent the expertise and interests of constituent states. Regional councils are responsible for preparing, monitoring, and revising management plans for fisheries needing management within their jurisdiction. The Secretary is responsible for collecting and providing the data necessary for the councils to prepare fishery management plans and for promulgating regulations to implement proposed plans and amendments after ensuring that management measures are consistent with the Magnuson-Stevens Act and with other applicable laws. In most cases, the Secretary has delegated this authority to NMFS.

The Council is responsible for conservation and management of fishery resources in federal waters of the U.S. South Atlantic. These waters extend from 3 to 200 mi offshore from the seaward boundary of North Carolina, South Carolina, Georgia, and east Florida to Key West. The Council has thirteen voting members: one from NMFS; one each from the state fishery agencies of North Carolina, South Carolina, Georgia, and Florida; and eight public members appointed by the Secretary. On the Council, there are two public members from each of the four South Atlantic States. Non-voting members include representatives of the U.S. Fish and Wildlife Service, U.S. Coast Guard (USCG), State Department, and Atlantic States Marine Fisheries Commission (ASMFC). The Council has adopted procedures whereby the non-voting members serving on the Council Committees have full voting rights at the Committee level but not at the full Council level. The Council also established two voting seats for the Mid-Atlantic Council on the South Atlantic Mackerel Committee. Council members serve three-year terms and are recommended by state governors and appointed by the Secretary from lists of nominees submitted by state governors. Appointed members may serve a maximum of three consecutive terms.

Public interests also are involved in the fishery management process through participation on Advisory Panels and through council meetings, which, with few exceptions for discussing personnel and legal matters, are open to the public. The Council uses its Scientific and Statistical Committee (SSC) to review the data and science being used in assessments and fishery management plans/amendments. In addition, the regulatory process is in accordance with the Administrative Procedure Act, in the form of "notice and comment" rulemaking.

3.5.2 State Fishery Management

The state governments of North Carolina, South Carolina, Georgia, and Florida have the authority to manage fisheries that occur in waters extending three nautical miles from their respective shorelines. North Carolina's marine fisheries are managed by the Marine Fisheries Division of the North Carolina Department of Environmental Quality. The Marine Resources Division of the South Carolina Department of Natural Resources manages South Carolina's marine fisheries. Georgia's marine fisheries are managed by the Coastal Resources Division of the Department of Natural Resources. The Division of Marine Fisheries Management of the Florida Fish and Wildlife Conservation Commission is responsible for managing Florida's marine fisheries. Each state fishery management agency has a designated seat on the South Atlantic Council. The purpose of state representation at the Council level is to ensure state participation in federal fishery management decision-making and to promote the development of compatible regulations in state and federal waters.

The South Atlantic states are also involved through the Atlantic States Marine Fisheries Commission (ASMFC) in management of marine fisheries. This commission was created to coordinate state regulations and develop management plans for interstate fisheries. It has significant authority, through the Atlantic Striped Bass Conservation Act and the Atlantic Coastal Fisheries Cooperative Management Act, to compel adoption of complementary state regulations to conserve coastal species. The ASFMC is also represented at the Council but does not have voting authority at the Council level.

NMFS's State-Federal Fisheries Division is responsible for building cooperative partnerships to strengthen marine fisheries management and conservation at the state, inter-regional, and

national levels. This division implements and oversees the distribution of grants for two national (Inter-jurisdictional Fisheries Act and Anadromous Fish Conservation Act) and two regional (Atlantic Coastal Fisheries Cooperative Management Act and Atlantic Striped Bass Conservation Act) programs. Additionally, it works with the ASMFC to develop and implement cooperative State-Federal fisheries regulations.

3.5.3 Enforcement

Both the NMFS Office for Law Enforcement (NOAA/OLE) and the USCG have the authority and the responsibility to enforce Council regulations. NOAA/OLE agents, who specialize in living marine resource violations, provide fisheries expertise and investigative support for the overall fisheries mission. The USCG is a multi-mission agency, which provides at sea patrol services for fisheries missions.

Neither NOAA/OLE nor the USCG can provide a continuous law enforcement presence in all areas due to the limited resources of NOAA/OLE and the priority tasking of the USCG. To supplement at sea and dockside inspections of fishing vessels, NOAA entered into Cooperative Enforcement Agreements with all but one of the states in the Southeast Region (North Carolina), which granted authority to state officers to enforce the laws for which NOAA/OLE has jurisdiction. In recent years, the level of involvement by the states has increased through Joint Enforcement Agreements, whereby states conduct patrols that focus on federal priorities and, in some circumstances, prosecute resultant violators through the state when a state violation has occurred.

The NOAA Office of General Counsel Penalty Policy and Penalty Schedule is available online at http://www.gc.noaa.gov/enforce-office3.html.

Chapter 4. Environmental Effects and Comparison of Alternatives

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

Alternatives*

1 (No Action). Retain the current commercial sector and recreational sector allocations as 95% and 5%, respectively.

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

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

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

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.1.1 Biological Effects

Biological effects are not expected to be substantially different between **Alternative 1 (No Action)** and **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4** since the allocation percentages do not affect the total annual catch limit (ACL) established for this fishery and the commercial sector is well regulated under an Individual Transferable Quota (ITQ) program.

Amendment 25 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region (Amendment 25; SAFMC 2011) made the first specific allocation of wreckfish to the recreational sector. That amendment allocated 95% of the total wreckfish ACL to the commercial sector and 5% to the recreational sector. Prior to Amendment 25 (SAFMC 2011), it was illegal for recreationally harvested wreckfish to be possessed unless the fisherman also held a South Atlantic Commercial Snapper Grouper Permit.

According to the Southeast Region Headboat Survey data, two wreckfish have been captured by South Atlantic headboats since the recreational sector was given its allocation (K. Brennan, pers. comm., Beaufort Laboratory, 5/16/204). Recreational landings are currently tracked using the Marine Recreational Information Program (MRIP). Wreckfish intercepts by MRIP are exceedingly rare. Since 1981, only one intercepted trip by a charter vessel off of Hatteras, NC in 2012 reported harvest of wreckfish (Pers. comm., NMFS, Fisheries Statistics Division, 3/19/2019). With wreckfish MRIP intercepts being so rare, it is uncertain how many wreckfish are being caught by the recreational sector, though it is likely the recreational sector is not fully utilizing its current allocation.

Substantial changes in fishing effort or behavior are not expected as a result of this action, thus the proposed allocations under this action would not be expected to result in any biological effects, positive or negative, on co-occurring species.

This action would not have any effects on protected species, Essential Fish Habitat (EFH), or EFH-Habitat Areas of Particular Concern. Similarly, subsequent actions in this amendment are not expected to impact protected species or habitats in the South Atlantic region.

4.1.2 Economic Effects

In general, sector ACLs that allow for more fish to be landed can result in increased net economic benefits if harvest increases without notable long-term effects on the health of a stock. The sector ACL does not directly impact the fishery for a species unless harvest changes, fishing behavior changes, or the sector ACL is exceeded, thereby potentially triggering accountability measures (AM) such as harvest closures or other restrictive measures. As such, sector ACLs that are set above observed landings in a fishery for a species and do not change harvest or fishing behavior may not have realized economic effects each year. Nevertheless, sector ACLs set above observed average harvest levels do create a gap between the sector ACL and typical landings that may be utilized in years of exceptional abundance or accessibility of a species, thus providing the opportunity for increased landings and a reduced likelihood of triggering restrictive AMs. As such there are potential economic benefits from sector ACLs that allow for such a gap.

Commercial Sector

While commercial landings after the 2016/17 fishing year have been notably below the commercial sector ACL, higher landings in the 2015/16 and 2016/17 fishing years indicate that the commercial fishery does have the capacity to more fully utilize the sector ACL. Furthermore, commercial wreckfish fishermen have provided comments to the Council that they believe that the commercial sector ACL will be fully utilized in upcoming years. As such, it is assumed that additional wreckfish sector allocation and resulting sector ACLs being considered under all of the alternatives in Action 1 will be fully harvest by the sector.

Alternative 1 (No Action) would maintain the current commercial sector allocation of 95% of the total ACL for wreckfish. **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4** would result in a comparatively higher commercial sector allocation (98%, 99%, and 99.5% respectively) and higher sector ACLs. If conditions allow this increase in harvest due to a higher sector ACL would result in an increase in direct net economic benefits through increased producer surplus (PS) for the commercial sector. PS is total annual revenue minus the costs for fuel, other supplies, hired crew, and the opportunity cost of an owner's time as captain. Based on information provided in Table 3.3.5.1, PS for commercial vessels that harvest wreckfish is estimated to be approximately 40.9% of gross revenue. Additional assumptions for the commercial wreckfish fishery are an average ex-vessel price for wreckfish was $3.94 per pound gutted weight (Table 3.3.3.2; 2021 dollars) and a whole weight to gutted weight conversion of 1.11 ratio. Based on this information, the estimated change in net economic benefits for the commercial sector in comparison to **Alternative 1 (No Action)** are shown in Table 4.1.2.1. When compared to **Alternative 1 (No Action)**, **Preferred Alternative 2** would result in an estimated annual increase in net economic benefits of $16,929 (2021 dollars; Table 4.1.2.1).

Table 4.1.2.1. Estimated change in potential net economic benefits for the commercial sector from the alternatives in Action 1 compared to **Alternative 1 (No Action)** (2021 dollars).

Alternative	Difference in sector ACL (lbs gw)	Difference in gross revenue	Difference in net economic benefits (PS)
Preferred Alternative 2	**10,516**	**$41,391**	**$16,929**
Alternative 3	14,022	$55,188	$22,572
Alternative 4	15,775	$62,088	$25,394

Estimates of net revenues or economic profit are not available for snapper grouper dealers. Therefore, it is not possible to estimate the effect of changes in purchases on their profits. However, in general, dealers are indirectly affected whenever gross revenues to commercial fishing vessels are expected to change (e.g., increases in gross revenues are expected to indirectly benefit dealers and vice versa). Thus, the directionality of economic benefits to dealers would be the same as stated above for commercial vessels.

Recreational Sector

Recreational landings of wreckfish have not been recorded by MRIP in the South Atlantic region in recent years, but landings do occur from time to time based on feedback from the Council's Snapper Grouper advisory panel and social media indicating the potential to utilize a portion of the recreational ACL should wreckfish be intercepted by MRIP in future years. As such, retaining some level of access to the total ACL for wreckfish would preserve potential economic benefits in the recreational fishery occurring from harvest of the species. In comparison to **Alternative 1 (No Action)**, **Alternatives 2 (Preferred)** through **Alternative 4** would result in a comparatively lower recreational sector allocation and lower potential direct net economic benefits. Nevertheless, since the recreational sector allocation and ACL of wreckfish has gone unused in recent years, there would be no change in quantified net economic benefits to the sector from any of the alternatives considered in Action 1.

Total

In general, higher ACLs allow for increased harvest when fishery conditions allow, thereby increasing net economic benefits. Thus, under this notion, **Alternative 4** would allow for the highest potential net economic benefits for the commercial sector followed by **Alternative 3**, **Preferred Alternative 2**, and **Alternative 1 (No Action)**. The opposite would be true for the recreational sector, where **Alternative 1 (No Action)** would allow for the highest potential economic benefits followed by **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4**.

4.1.3 Social Effects

Sector allocations exist for the recreational and commercial sectors already, **Alternative 1 (No Action)** would maintain the current allocation percentages. Under **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4** there would be a decrease in the recreational percentage compared to **Alternative 1 (No Action)**. These alternatives could have some negative social effects if recreational fishermen, have a negative perception of this change due to the decrease in fishing opportunity and concerns about long-term social effects, especially if other actions further decreased harvest opportunities. However, the recreational sector has not met their ACL in recent years, which may subvert any negative perceptions.

While commercial landings after the 2016/17 fishing year have been notably below the commercial sector ACL, higher landings in the 2015/16 and 2016/17 fishing years indicate that the commercial sector does have the capacity to more fully utilize the ACL. Currently shareholders have indicated that dips in landings are often due to unforeseen circumstances, such as boat breakdowns or weather that prevents vessels from getting far enough offshore to target wreckfish.

As mentioned above, there can be many different social effects that result as allocations are discussed further, and perceptions are formed. In fisheries management generally, there has

often been resistance to further decreasing a given sector's percentage allocation. It is difficult to predict the social effects with any allocation scheme for wreckfish as it would depend upon other management measures in conjunction with this one.

4.1.4 Administrative Effects

The overall administrative effects are likely to be minimal and the same across the alternatives. The wreckfish fishery is already managed under an ITQ program, which is a considerable administrative burden to the agency. Upon implementation of one of the action alternatives, there would be a temporary increased administrative burden to reallocate quota share to individuals in the program. However, this burden will be only at the implementation stage. Other administrative burdens that may result with approval and implementation of this amendment would take the form of development and dissemination of outreach and education materials for fishery participants and law enforcement. Administrative effects would not vary substantially between **Alternative 1 (No Action)** and **Preferred Alternative 2, Alternative 3**, **and Alternative 4**.

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

Alternatives*

1 (No Action). Retain the current ITQ paper-based reporting system.

2. Implement an electronic system of reporting for the wreckfish ITQ program.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.2.1 Biological Effects

As described in Section 4.2.4, the current wreckfish ITQ program operates via paper-based logbooks and paper coupons. Moving to an electronic ITQ system under **Preferred Alternative 2** is an administrative action that would build the Wreckfish ITQ program into the existing SERO Catch Share Online System and would not directly affect the physical or biological environment. There may be positive indirect biological effects, however, because the electronic system may be more efficient for both fishermen and managers and would allow for better tracking of catch and allocation. The commercial sector has not exceeded its ACL since the inception of the paper based ITQ program, but it is expected that an electronic ITQ program will allow for better management and execution of the fishery.

4.2.2 Economic Effects

Currently under **Alternative 1 (No Action)**, commercial fishermen and dealers participating in the South Atlantic wreckfish fishery are required to submit logbooks and ITQ coupons in paper form. In addition to the time that is necessary to fill out these logbooks and coupons, commercial participants must also take time to prepare and mail the documents to the National Marine Fisheries Service (NMFS). In doing so, there is a several day to several week delay in the data being processed by NMFS, and there is the opportunity for the logbook entries and ITQ coupons to get lost in the process. Additionally, there is an administrative cost to processing paper logbook and coupon data to an electronic form so it can be more widely used in fisheries science and management. Administrative costs are addressed in section 4.2.4.

The re-occurring opportunity cost related to reporting under **Alternative 1 (No Action)** would likely be similar to that under **Preferred Alternative 2** since similar information will be asked of wreckfish fishery participants. All wreckfish dealers are currently reporting landings electronically, thus implementing an electronic reporting system for the wreckfish ITQ program would not introduce new costs or burdens to dealers. If fishermen involved in the wreckfish fishery do not already have the necessary equipment and an internet connection to report electronically, **Preferred Alternative 2** would introduce a new cost. To submit usage of quota electronically, dealers and fishermen would need access to an internet equipped device such as a laptop, tablet, or smartphone. While this would result in an additional cost for those individuals that do not already have such a device or internet service, it is assumed that all fishermen likely have existing access that would allow them to submit information electronically. As such, the implementation of an electronic reporting system is not expected to result in notable new or additional direct costs for fishermen. There will be a one-time cost associated with the time that would be necessary for fishermen to establish an online ITQ account. This process is estimated

to take approximately 10 minutes per fisherman[12]. Assuming the 13 wreckfish permits in 2020 represent and upper bound estimate of the number of fishermen that may be affected, the estimated aggregate total time burden associated with establishing an online account is approximately 2.2 hours. Based on a mean wage rate of $26.35[13], the estimated one-time aggregate opportunity cost of **Preferred Alternative 2** is approximately $58 (2021 dollars).

The switch from paper **(Alternative 1 (No Action)** to electronic ITQ monitoring (**Preferred Alternative 2**) is expected to result in positive economic effects and economic benefits for commercial fishermen and dealers. The transition from paper to electronic means is expected to streamline the ITQ landings submission and ITQ monitoring process by eliminating the mailing of ITQ coupons received. Commercial fishermen and dealers will no longer have to fill out and mail coupons, thereby resulting in potential time savings. It is expected that filling out the ITQ landing transaction form electronically would take slightly less time than completing and mailing coupons; however, the difference between the two formats is likely minimal given similar information that would be requested between the paper and electronic formats[14]. As such, the opportunity cost of any time saved would be negligible. Because the electronic submission of ITQ landings would provide a quasi-instantaneous confirmation of receipt, commercial fishermen would benefit from the assurance that their wreckfish landings were received and would no longer be subject to administrative challenges and adverse effects that may result from misplaced (or lost in the mail) wreckfish landings transactions and from requests for clarification or corrections through form send-backs.

4.2.3 Social Effects

Section 3.4 (Social Environment) includes detailed information about fishermen and communities that may be affected by changes to reporting requirements for commercial wreckfish businesses. In general, positive social effects of electronic reporting requirements would likely be associated under **Preferred Alternative 2** when compared with **Alternative 1 (No Action)**, with decreased time and financial burden for Wreckfish ITQ holders and captains to meet the requirements when compared to the paper-based reporting system.

The requirement for increased electronic reporting under **Preferred Alternative 2** would affect vessel owners, vessel operators, and shareholders who do not already use computer systems in their businesses or could result in errors. However, requiring all Wreckfish ITQ shareholders to report electronically is expected to result in broad social benefits by improving quota monitoring. There may also be some positive benefits for individual fishing businesses associated with having a consistent record of catch on their trips under this online system. This information could be used for marketing purposes to demonstrate the ability and knowledge of the captain and crew.

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[12] Personal communication, NMFS SERO Limited Access Privilege Program/Data Management Branch, May 8, 2024.
[13] $29.23 (2023 dollars) as reported by the Bureau of Labor Statistics for first line supervisors/managers in the fishing, forestry, and farming industries as of May 2023; https://www.bls.gov/oes/current/oes451011.htm#st; converted to 2021 dollars through application of the annual, not seasonally adjusted GDP implicit price deflator provided by the U.S. Bureau of Economic Analysis.
[14] Personal communication, NMFS SERO Limited Access Privilege Program/Data Management Branch, May 8, 2024.

4.2.4 Administrative Effects

Alternative 1 (No Action) describes the current ITQ monitoring program which is a paper-based system that is managed through two different line offices: SERO and SEFSC. It is expected the program performance could be improved by moving to an electronic system as proposed in **Preferred Alternative 2**.

As described in the Wreckfish ITQ Review, the current Wreckfish ITQ program is a paper-based catch share program that utilizes share certificates to verify the shares held and ITQ coupons to represent quota lb allocated to each shareholder. The share holdings and distribution of coupons are administered by the Southeast Regional Office (SERO). Share certificates identify the number of shares held by each entity. All or a portion of an entity's shares may be transferable. Transfers are conducted by completing the form on the back on the share certificate and mailing the certificate to NMFS. NMFS then creates new certificates with the appropriate number of shares for the transferor (if applicable) and the transferee.

The pounds allocated to each shareholder (i.e., ITQ) are calculated by multiplying the share percentage by the wreckfish commercial ACL in gutted weight. Prior to the start of the fishing year, SERO staff calculates the quota (in lbs), orders them for printing, and then mails the coupons to each permit holder. The quota lbs are provided in the form of coupons to the wreckfish shareholders in 100 lb or 500 lb denominations. All coupons expire at the end of year fishing year and are clearly marked with the fishing year. Each coupon has a specific barcode that can be traced to the original wreckfish permit holder. ITQ coupons are transferable from one wreckfish shareholder to another through the completion of the form on the back of the coupon. All transferred coupons must be signed and contain the shareholder's certificate number. ITQ coupons can only be possessed by a shareholder or the shareholder's employee, contractor, or agent. Each coupon contains two parts: a "Fisherman" portion and a "Fish House" portion. This two-part coupon system is included in both the logbook program and the dealer reporting system to provide additional verification of the data, as well as serving as an enforcement aid, and providing additional management data, not available from the other two processes. The coupon system also records annual catch quota transfers, if any occur.

The program restricts the possession of wreckfish on board a fishing vessel if the weight of the fish exceeds the total of ITQ coupons aboard the vessel. Upon harvesting wreckfish, wreckfish fishermen must land the species at an approved dealer. Vessel owners participating in the fishery are required to fill out a logbook for each month that the fishery is open. ITQ coupons are used to count quota pounds that are used for each trip. Prior to the trip's end, the coupons roughly equal to the amount of wreckfish on board, must be signed and dated by the fishermen. Coupons used are from the rounded up or down pounds of actual wreckfish landings, since the coupons only come in increments of 100 and 500 lb. The coupons are sent in along with the logbook form for each trip that is taken.

Dealers purchasing wreckfish are also required to submit a paper Wreckfish dealer report each month that the fishery is open and submit wreckfish under the electronic dealer reporting requirement. Upon receipt of the wreckfish, the fisherman must also submit the "Fish House" portion of the ITQ coupon(s) to the dealer in an amount sufficient to cover the amount of fish landed. The dealer must complete the corresponding form on the back of the coupon, which includes the vessel's identification number (U.S. Coast Guard or state registration), the dealer's

permit number, and the date the fish were received. Coupons are submitted along with the dealer logbook. The program limits offloading of wreckfish between daylight hours, 8 am – 5 pm EST and only at fixed dealer facilities. Landing at other locations may be approved if the vessel captain or shareholder notifies Law Enforcement at least 24 hours prior to offloading.

Alternative 1 (No Action) would result in no increase in administrative burden on NMFS as the ITQ program has already been developed and implemented.

Preferred Alternative 2 would substantially increase the administrative burden on NMFS to develop and implement an electronic system. These costs could be reduced by using the already built SERO Catch Share Online System in the region as a model. In general, the more complicated the alternatives are in each action, the higher the one-time cost to build the system. But, once the system is developed, the administrative burden of manually maintaining the existing ITQ program will be reduced from the build-out costs, but still have annual costs to maintain that cover website hosting, software, database, security updates, and overall maintenance of the system. **Preferred Alternative 2** would also have an increased administrative impact associated with education and outreach. This is expected to be substantial during the outset of the program. After implementation, outreach will reduce to ensuring documents are up to date and customer service is available to answer questions. The overall initial expected cost to build, test, and maintain the system as well as perform outreach and education is estimated to be $557,000[15].

The switch from paper-based coupons to electronic landings in **Preferred Alternative 2** is expected to eliminate handling and data entry steps in the long term. The full implementation of electronic landings may lower NMFS' ITQ coupon processing burden as well as costs and could result in a timelier availability of data. In addition, the accuracy of the data collected may improve because some fishermen's errors, e.g., erroneous entries that would not be possible in the electronic forms, incomplete coupons, and data entry errors will be eliminated.

As noted, there would be some administrative cost reductions associated with the conversion from paper to electronic reporting in **Preferred Alternative 2**. The reduction in administrative costs associated with **Preferred Alternative 2** would be $1,562 annually (Table 4.2.2.1; 2021 dollars). This would include a reduction in costs for postage, printing of materials, and labor. Labor cost estimates are based on an estimated 5 hours of foregone labor at a General Schedule (GS)-7, Step 5 hourly wage for the Rest of U.S. of $23.80 per hour and 6 hours of foregone labor at a GS-12, Step 5 hourly wage for the Rest of U.S. of $42.22 per hour (2021 dollars)[16]. Some of the reduced labor costs may be offset through new duties working on the electronic system, correcting data, and providing customer support, but the extent to which this labor will offset current labor costs are unknown and therefore not included in this analysis. **Preferred Alternative 2** would also allow for more timely monitoring of the wreckfish ITQ program in

[15] Personal communication, NMFS SERO Limited Access Privilege Program/Data Management Branch, May 8, 2024.
[16] U.S. Office of Personnel Management General Schedule Salary Calculator: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2021/general-schedule-gs-salary-calculator/

comparison to **Alternative 1 (No Action)**. While this is a benefit, program monitoring costs will also occur. These costs will be variable and may be offset due to automation. As such, no quantitative costs are provided.

Table 4.2.2.1. Estimated reduction in annual administrative costs for Preferred Alternative 2 compared to Alternative 1 (No Action) (2021 dollars).

Cost Type	Annual Cost
Postage	$208
Printing	$1,000
Labor	$354
Total	**$1,562**

4.3 Action 3. Modify the requirements to commercially harvest or sell wreckfish.

4.3.1 Biological Effects

Changing the permit requirement for wreckfish shareholders is an administrative action that would not directly affect the physical or biological environment. This action would not change how the fishery for wreckfish is prosecuted and as such would not have a direct biological impact on wreckfish, other affected species or protected species.

4.3.2 Economic Effects

Alternative 2 is similar to **Alternative 1 (No Action)** but is slightly less restrictive as it would remove some of the stipulations for receiving a commercial vessel permit for wreckfish. **Preferred Alternative 3** would be less stringent than **Alternative 1 (No Action)** and **Alternative 2**, since it would remove the requirement that a fishery participant must obtain a commercial vessel permit for wreckfish.

Alternative 4 would be the least restrictive of the alternatives being considered since it would remove the need to own wreckfish shares, remove the commercial vessel permit for wreckfish requirement, and would potentially open the wreckfish fishery to new vessels that already have a South Atlantic snapper grouper unlimited permit. This alternative would still require the snapper grouper permit to harvest wreckfish. Nevertheless, **Alternative 4** would potentially create net economic benefits for the fishery by allowing the selling of annual allocation to non-shareholders, which may in turn allow for a more efficient market for annual allocation. The annual allocation would presumably go to entities that place the highest value on that annual allocation. Increasing the number of buyers would increase competition in the market for annual allocation, and thereby better ensure that annual allocation will end up with the entities that place the greatest economic value on it. Expanding the market for annual allocation would also help prevent leaving annual allocation unused, and therefore be more consistent with achieving optimum yield. Additionally, by allowing annual allocation to go to where it is mostly highly valued,

Alternatives*

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. 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.

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. To obtain a commercial vessel permit for wreckfish, the applicant must be a wreckfish shareholder; and the shareholder must be the vessel owner.

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.

4. 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.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

Alternative 4 could maximize the extraction of resource rents which in this case would be the difference between the revenue received for landing wreckfish and the associated economic costs of landing wreckfish. By comparison, **Alternative 1 (No Action)** would forgo these potential net economic benefits of **Alternative 4**. The qualifications for receiving annual allocation may affect whether the benefits of **Alternative 4** could occur. These qualifications and their economic effects are addressed in Action 8 and Action 9.

Under **Preferred Alternative 3** and **Alternative 4,** shareholders would no longer be required to pay for a wreckfish permit, which costs $38 per year per permit. Assuming the current nine shareholders in the fishery are representative of future years and continue to purchase 13 permits per year, this would result in an annual direct cost savings of $494 in total or approximately $54.89 per shareholder (Table 3.3.1.1 and Table 3.3.2.1; 2021 dollars).

From the standpoint of considering potential economic costs to enter the fishery, **Alternative 2** would potentially generate the greatest costs to entry followed by **Alternative 1 (No Action)**, **Preferred Alternative 3**, and **Alternative 4**.

4.3.3 Social Effects

When compared to **Alternative 1 (No Action)** the proposed alternatives would be less burdensome on shareholders as well as NMFS. **Alternative 2** is slightly more restrictive than **Preferred Alternative 3** as it maintains the requirement to purchase a commercial wreckfish permit. However, **Alternative 2** would require less information to be provided by the shareholder when compared to the requirements under **Alternative 1 (No Action)**. Additionally, **Alternative 2**, **Preferred Alternative 3**, and **Alternative 4** would create fewer requirements to begin commercially harvesting wreckfish, with **Alternative 4** having the lowest threshold for harvest.

Alternative 2, **Preferred Alternative 3**, and **Alternative 4** would require the commercial snapper grouper (unlimited) permit as opposed to either the commercial snapper grouper (unlimited) or (limited) permit. All current shareholders have vessels with a commercial snapper grouper (unlimited) permit, so these alternatives would not result in additional social effects. However, it would be an additional restriction for fishermen not currently involved in the Wreckfish ITQ program who may want to participate in the future.

Additional or similar requirements for entry as those under **Alternative 1 (No Action)** may be implemented as part of the electronic reporting system (Action 2), which would affect the social effects of this action.

4.3.4 Administrative Effects

There may be a reduced administrative burden with **Alternative 2** and **Preferred Alternative 3** compared to **Alternative 1 (No Action)** if the electronic ITQ system is developed under **Action 2**. The electronic system will link with the permits system that will allow fishermen with permits to enter in wreckfish landings that will be deducted from their allocation. . Under **Alternative 1**, the existing Catch Share Online system will require significant and complex structural changes to allow for the shareholder's agent's ability to harvest under a vessel not permitted to the shareholder. This may also require significant modifications to the permit application systems to identify the relationship between the agent and the shareholder. This

will add significant administrative burden and cost and would likely delay the implementation timeline considerably. **Preferred Alternative 3** and **Alternative 4** would remove the requirement for a wreckfish permit thus eliminating some of the administrative burden and easing the data reconciliation and analysis of the program. Even under **Preferred Alternative 3** and **Alternative 4**, a vessel would still require annual allocation to harvest wreckfish. Annual allocation must be transferred from a wreckfish shareholder. The Council will need to consider additional actions relating to maintenance and transferability of shares and allocation if the system moves to an electronic system. The administrative burden of those actions are included in the discussion of the actions below. Therefore, **Alternative 4** could function similarly in the fishery to **Preferred Alternatives 3** and **2** if restrictions were placed on annual allocation transfers (e.g., transfer of allocation only allowed to accounts with shares). This would be a more streamlined approach than using a separate wreckfish permit to accomplish the same end.

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

Alternatives*

1 (No Action). To be eligible to open a wreckfish individual transferable quota shareholder account, individuals must be United States citizens.

2. To be eligible to open a wreckfish individual transferable quota shareholder account, individuals must be entities who are United States citizens, and hold a valid commercial snapper grouper unlimited permit.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.4.1 Biological Effects

Determining Wreckfish ITQ shareholder account eligibility is an administrative action that would not directly affect the physical or biological environment. This action would not change how the fishery for wreckfish is prosecuted and as such would not have a direct or indirect biological effect on wreckfish, other affected species or protected species.

4.4.2 Economic Effects

Adding the requirement of a valid snapper grouper unlimited permit to be eligible to open a wreckfish individual transferable quota shareholder account under **Preferred Alternative 2** may add an additional cost to wreckfish fishery participants in comparison to **Alternative 1 (No Action)** if they do not already possess such a permit. If a fishery participant already holds a valid snapper grouper unlimited permit, then there would be no difference in economic effects between the two alternatives. Currently, all shareholders also have a valid snapper grouper unlimited permit, thus any additional costs would only be potentially incurred by new entrants.

4.4.3 Social Effects

The additional requirement to open a Wreckfish ITQ shareholder account (**Preferred Alternative 2**) would add additional cost and time for participants who do not currently possess a valid commercial snapper grouper unlimited permit. The additional burden would be experienced by new entrants into the fishery for wreckfish, as all current participants in the Wreckfish ITQ program possess a snapper grouper unlimited permit, so they would not experience additional social effects under **Preferred Alternative 2** when compared to **Alternative 1 (No Action)**.

4.4.4 Administrative Effects

Preferred Alternative 2 will have higher administrative impacts than **Alternative 1 (No Action**) as the agency will need cross reference to check citizenship status of shareholders and permit status. The cost for this may be reduced by modifying the existing structure and methods in the current Catch Share Online System that links the shareholder account with the citizenship information collected by the permits system. Both **Alternative 1 (No Action)** and **Preferred Alternative 2** add administrative burden in the form of cost to the agency in building an online program as well as the need for increased outreach and education to ensure participants understand the electronic system. Once implemented, the main difference would be in maintaining the electronic system and linkages to permits. **Preferred Alternative 2** would also increase the administrative impacts to the agency due to increased need for outreach and education.

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

Alternatives*

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

2. To obtain or maintain shares all shareholder accounts must be associated with individuals who are United States citizens.

3. To obtain shares all shareholder accounts must be associated with entities who are United States citizens and hold a valid commercial snapper grouper unlimited permit. To maintain shares an account must hold a valid or renewable commercial snapper grouper unlimited permit.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.5.1 Biological Effects

Establishing requirements for obtaining and maintaining ITQ shares is an administrative action that would not directly affect the physical or biological environment. This action would not change how the fishery for wreckfish is prosecuted and as such would not have a direct or indirect biological effect on wreckfish, other affected species or protected species.

4.5.2 Economic Effects

Under **Alternative 1 (No Action),** there would be no requirements to obtain or maintain wreckfish individual transferable quota shares in an online system. Thus, this alternative would have the lowest barrier to entry into the fishery and least costly to participants but is not allowed under the Magnuson-Stevens Act. **Alternative 2** would be more restrictive and create more of a barrier to entry since it may limit potential fishery participants to those who meet the qualifications and meet the requirements under the Magnuson-Stevens Act. **Preferred Alternative 3** would be the most restrictive of the alternatives considered since it would include all of the requirements of **Alternative 2** as well as require a valid commercial snapper grouper unlimited permit. This permit requirement may add an additional cost to wreckfish fishery participants in comparison to **Alternative 1 (No Action)** and **Alternative 2** if they do not already possess such a permit. If a fishery participant already holds a valid snapper grouper unlimited permit, then the economic effects would be similar between the **Alternative 2** and **Preferred Alternative 3**. Currently, all shareholders also have a valid snapper grouper unlimited permit, thus any additional costs would only be potentially incurred by new entrants.

4.5.3 Social Effects

Requirements to obtain and maintain Wreckfish ITQ directly affect who is able to participate in the fishery for wreckfish and thus which communities are able to experience the social benefits of wreckfish shares. **Alternative 1 (No Action)** would allow any individual to obtain and maintain Wreckfish ITQ shares in the online system, while **Alternative 2** and **Preferred Alternative 3** set up increasing requirements for operating in the online system. Lower requirements to obtain and maintain shares may allow the benefits of the Wreckfish ITQ program to be spread throughout the South Atlantic region as opposed to concentrated in a few communities. Alternatively, stricter requirements for obtaining and maintaining shares, specifically **Preferred Alternative 3**, ensure that those individuals with shares also meet the requirements to harvest wreckfish (**Action 3**) ensuring that the benefits from shares have the potential to be realized by those active in the fishery.

4.5.4 Administrative Effects

Alternative 2 and **Preferred Alternative 3** will have higher administrative effects compared to **Alternative 1 (No Action)** as the online system will need to cross reference to check citizenship status of shareholders. The cost for this may be reduced by using the modifying existing structure and methods in the current Catch Share Online System that links the shareholder account with the citizenship information collected by the permits system. **Preferred Alternative 3** would have a larger administrative burden for the development of the system as both citizenship status and permit status would need to be checked. Once implemented, the system would link to the permit system before allowing shares to be transferred to the recipient for either **Alternative 2** or **Preferred Alternative 3. Alternative 3** would have a higher maintenance cost as it need to check citizenship and a valid permit status for obtaining shares and the system would need to build a notification for when an account no longer is associated with a permit (maintaining shares). Both **Alternative 2** and **Preferred Alternative 3** add an administrative burden in the form of cost to the agency in building an online system as well as the need for increased outreach and education to ensure participants understand the electronic system. **Alternative 1 (No Action)** would have the least development requirements and as such the least administrative burden.

4.6 Action 6. Share Divestment for Permit-Required Accounts

4.6.1 Biological Effects

Establishing a protocol for share divestment is an administrative action that would not directly affect the physical or biological environment. This action would not change how the fishery for wreckfish is prosecuted and as such would not have a direct or indirect biological effect on wreckfish, other affected species or protected species.

Alternatives*

1 (No Action). The National Marine Fisheries Service will not reclaim shares of shareholder accounts not in compliance with the requirements to maintain shares.

2. Shareholder accounts must be in compliance with the requirements to maintain shares, or National Marine Fisheries Service will reclaim all shares in a shareholder account:

2a. Effective date.

2b. 1-year

2c. 3-years

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 National Marine Fisheries Service:

3a. 1-year

3b. 3-years

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.6.2 Economic Effects

Under **Alternative 1 (No Action)**, the Wreckfish ITQ program does not specify requirements for NMFS to reclaim wreckfish shares from non-compliant shareholders. This would be a benefit for such shareholders but could represent a cost to other shareholders and the fishery as a whole if the non-compliant shareholders are not utilizing their quota. **Preferred Alternative 2** and **Preferred Alternative 3** would allow NMFS to reclaim these shares and make them available to other compliant shareholders in the fishery. Thus, this could lead to better utilization of the commercial wreckfish quota as a whole and increase net economic benefits. The sub-alternatives of **Preferred Alternative 2** and **Preferred Alternative 3** specify when such an action would occur and how long non-compliant shareholders can take to come into compliance or face the cost of forfeited shares. These sub-alternatives specify the time when the costs and benefits of **Preferred Alternative 2** and **Preferred Alternative 3** may be incurred by both non-compliant and compliant shareholders. These economic effects would be indirect.

Non-compliant shareholders would have a preference for sub-alternatives that allow more time to sell their shares or come into compliance, thereby mitigating the potential economic costs and increasing the likelihood of economic benefits. Thus, for non-compliant shareholders, net economic benefits would be highest under **Alternative 1 (No Action)**, followed by **Preferred Sub-alternative 2b** and **Sub-Alternative 3b**, **Sub-Alternative 2a** and **Preferred Sub-Alternative 3a**, and **Sub-alternative 2a**. The ranking for compliant shareholder holders that may be able to obtain shares would be the opposite.

4.6.3 Social Effects

Under **Alternative 1 (No Action)**, there are no specific requirements for NMFS to reclaim and redistribute shares of a shareholder account that is no longer in compliance with the requirements to maintain Wreckfish ITQ shares. **Preferred Alternative 2** and **Preferred Alternative 3**

specify requirements and would authorize NMFS to reclaim shares from shareholder accounts that were not in compliance with the requirements to maintain shares (**Action 5**) and would prevent individuals from holding on to shares that they did not have the ability to utilize, ensuring that the social benefits of Wreckfish ITQ shares were fully realized and utilized by communities. **Sub-alternative 2a**, **Preferred Sub-alternative 2b**, and **Sub-alternative 2c**, would establish the time period for current shareholders to come into compliance with the requirements to maintain shares, with **Sub-alternative 2a** being the most restrictive. Similarly, **Preferred Sub-alternative 3a** and **Sub-alternative 3b** would establish the time a shareholder who has fallen out of compliance with regulations has to come back into compliance before NMFS reclaims their shares. The length of time to divest of shares would direct effect the individual who transferred their permit or let their permit expire, but there may be indirect social effects on the wreckfish fishery as a whole. Permits are in a renewable status for one year after they expire. While a shorter time period would ensure that social benefits lost from wreckfish shares not being fully utilized are minimal, a longer time period allows shareholders leeway once their permit is transferred or expired to divest the shares themselves to an appropriate account.

4.6.4 Administrative Effects

The agency would need to track compliance with regulations for **Preferred Alternatives 2** and **3** and associated sub-alternatives when compared with **Alternative 1 (No Action) and** create a mechanism to reclaim and hold shares from accounts not in compliance with the regulation. This will require increased cost and administrative burden to the agency to track accounts, create an account to hold the reclaimed shares, create a method to transfer shares, and create a field to record the reason for the reclamation and other pertinent information. The administrative effects of the sub-alternatives under **Preferred Alternatives 2** and **3** would be similar but require manual action by NMFS to divest. This is a new action to track within the existing Catch Share Online System and therefore would have a higher administrative burden to create and require manual inspection to monitor. There would also be an increased staff burden as the agency would need to create a process for notifying shareholders prior to reclamation (e.g., certified mail) and tracking all actions involved in the divestment. The analysis and monitoring of the program would also have increased burden as the agency would need to ensure that all monitoring measures can account for NMFS held reclaimed shares.

4.7 Action 7. Redistribution of reclaimed shares to remaining shareholders.

4.7.1 Biological Effects

Establishing a protocol for the redistribution of shares to remaining shareholders is an administrative action that would not directly affect the physical or biological environment. This action would not change how the fishery for wreckfish is prosecuted and as such would not have a direct or indirect biological effect on wreckfish, other affected species or protected species.

Alternatives*

1 (No Action). The National Marine Fisheries Service will not reclaim and redistribute shares of shareholder accounts not in compliance with the requirements to maintain shares.

2. Redistribute reclaimed shares to remaining shareholders equally.

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

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

4a. Five years

4b. Three years

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.7.2 Economic Effects

Under **Alternative 1 (No Action)**, NMFS would not have specific requirements under the Wreckfish ITQ program to reclaim wreckfish shares from non-compliant shareholders. This would be a benefit for such shareholders but could represent a cost to other shareholders and the fishery as a whole if the non-compliant shareholders are not utilizing their quota. **Alternatives 2** through **4 (Preferred)** would result in a net economic benefit for compliant shareholders in the wreckfish fishery in comparison to **Alternative 1 (No Action)** due to the redistribution of shares to these participants. **Alternatives 2** through **4 (Preferred)** would likely lead to better utilization of the wreckfish quota and an increase in net economic benefits through harvesting or utilizing the redistributed quota. Additionally, this redistribution of quota would provide a net economic benefit to recipients from the proceeds of the quota if sold. These economic effects would be indirect. **Preferred Alternative 4** would redistribute shares based on landings history over a five-year (**Sub-alternative 4a**) or three-year (**Preferred Sub-alternative 4b**) baseline period. How economic benefits would accrue to the remaining shareholders would be variable and dependent upon landings of those shareholders in the preceding years.

4.7.3 Social Effects

Under **Alternative 1 (No Action)**, NMFS would not have specific requirements under the Wreckfish ITQ program to reclaim and redistribute shares of a shareholder account that is no longer in compliance with the requirements to maintain Wreckfish ITQ shares. **Alternative 2**, **Alternative 3** and **Preferred Alternative 4** and its sub-alternatives would allow NMFS to reclaim and redistribute shares that were not held by accounts in compliance with the requirements to maintain shares (**Action 5**). How **Alternative 2**, **Alternative 3** and **Preferred Alternative 4** (**Sub-alternative 4a** and **Preferred Sub-alternative 4b**) would affect fishing communities in the South Atlantic would depend on the distribution of active shares and their locations at the time of redistribution. Overall, redistributing reclaimed shares would have a positive social effect on active shareholders as it would increase their opportunity to harvest wreckfish and ensure that the available quota was able to be more fully utilized. Shareholders

that have fewer proportional shares may prefer to have the shares redistributed equally (**Alternative 2**) whereas shareholders with proportionally more shares might prefer to retain the current proportion they own in the fishery (**Alternative 3**). **Preferred Alternative 4** would represent recent effort in the fishery, but could be skewed if a shareholder was unable to fish during a portion of the last five (**Sub-alternative 4a**) or three (**Preferred Sub-alternative 4b**) fishing years due to factors outside of their control (weather, vessel breakdowns, etc.) Overall, like with communities the social effects are likely to vary for individual shareholders.

4.7.4 Administrative Effects

This action and associated alternatives would create a mechanism to reclaim and hold shares from accounts not in compliance with the regulation, as established in Action 6. In addition to tracking the shares in Action 6 that were reclaimed, this action would require additional administrative burden for calculations to adjust for participants at or near the share cap to ensure redistribution would not exceed the share cap. However, **Alternative 1 (No Action)** would have the least administrative burden on the agency followed by **Alternative 2, Alternative 3** and **Preferred Alternative 4,** and associated sub-alternatives. This action would require new development within the Catch Share Online system to enact any of the alternatives and would most likely also require manual calculations to ensure share caps are not exceeded and adjust distribution appropriately. Notification of the reclaimed shares would most likely be done via Fishery Bulletins and through the Catch Share Online System messaging board and involve a small amount of administrative burden.

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

Alternatives*

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

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

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:

3a. Collection and submission of cost recovery fees.

3b. Wreckfish reporting requirements.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.8.1 Biological Effects

Establishing requirements for obtaining annual allocation is an administrative action that would not directly affect the physical or biological environment. This action would not change how the fishery for wreckfish is prosecuted and as such would not have a direct or indirect biological effect on wreckfish, other affected species or protected species.

4.8.2 Economic Effects

Alternative 1 (No Action) would maintain the requirement for fishery participants to have or acquire active wreckfish ITQ shares to obtain annual allocation from shares. If a fishery participant already possesses these shares, then there would be no additional cost, but new entrants would need to obtain shares or purchase allocation from a shareholder, representing a cost to these entrants. **Alternative 2** would require a valid or renewable commercial snapper grouper unlimited permit to obtain annual allocation from shares. This would represent a cost if current quota shareholders do not have this permit and must purchase one to remain active in the wreckfish fishery. A permit is required to harvest wreckfish. If a fishery participant already holds a valid snapper grouper unlimited permit, then there would be no economic effects on the participant. Currently, all shareholders also have a valid snapper grouper unlimited permit, and thus any additional costs would only be potentially incurred by new entrants. **Preferred Alternative 3** would require participants to have or acquire active wreckfish ITQ shares to obtain annual allocation as well as be in good standing in respect to cost recovery fees (**Preferred Sub-alternative 3a**) and wreckfish ITQ reporting requirements (**Sub-alternative 3b**), which represent costs that are discussed in subsequent actions covering these topics. Thus, these sub-alternatives would not implement direct costs.

All existing participants in the wreckfish fishery would already meet the stipulations in **Alternative 1 (No Action)** and **Alternative 2**, thus there a no new economic costs or benefits to these participants. **Preferred Alternative 3** and its sub-alternatives would implement additional stipulations on existing participants and new entrants, thus this alternative would have comparatively higher costs.

4.8.3 Social Effects

Under **Alternative 1 (No Action)** holding active Wreckfish ITQ shares is the only requirement for obtaining annual allocation from shares. **Alternative 2** would require the shareholder to also meet the requirements necessary to harvest wreckfish, in this case a commercial snapper grouper permit. **Alternative 2** ensures that there is the potential for the highest social benefits to be

realized through harvest of all available wreckfish allocation. If the ability to obtain and maintain shares under **Action 5** requires a commercial snapper grouper unlimited permit, **Alternative 2** would represent no additional burden on shareholders. Alternatively, if a commercial snapper grouper unlimited permit is not required to obtain and maintain shares, **Alternative 2** would require additional time and cost to shareholders who must now obtain a commercial snapper grouper unlimited permit. **Preferred Alternative 3** would require shareholders to be in good standing with collection and submission of cost recovery fees (**Preferred Sub-alternative 3a**) and wreckfish reporting requirements (**Sub-alternative 3b**). The social effects of those specific requirements are discussed under **Action 15** and **Action 2**, respectively. Overall, requiring shareholders to be in compliance with these regulations would aid in the management of wreckfish ensuring social benefits are achieved in the long-term.

4.8.4 Administrative Effects

Under Action 8, the administrative impacts would be associated with the development of the online program and the cost would be associated with how complicated the program is designed. The intent of this action is to use the releasing of allocation as an enforcement tool. For all alternatives, the agency would need to build a function to determine which accounts could receive allocation from shares at the start of the year or during any in-season quota increase. **Alternative 2** would require a link to the permits system. **Preferred Alternative 3** would require additional functions to implement, involving a higher administrative burden, as it would need to be linked to other data in the system. **Preferred Alternative 3, Preferred Sub-Alternative 3a** would functions that evaluate payment of cost recovery fees before allocation was released. **Preferred Alternative 3, Sub-Alternative 3b** would require additional analysis to determine if all landing transactions were submitted based on information in the system about trips taken. This is a greater burden as it needs to link pre-landing notifications with landing transactions, and fulfillment of coastal logbook reporting requirements. Therefore, **Alternative 1 (No Action)** would be expected to have low administrative effects followed by **Alternative 2** and **Preferred Alternative 3** along with its associated sub-alternatives.

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

Alternatives*

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

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.

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.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.9.1 Biological Effects

Establishing requirements to obtain annual allocation through transfer is an administrative action that would not directly affect the physical or biological environment. This action would not change how the fishery for wreckfish is prosecuted and as such would not have a direct or indirect biological effect on wreckfish, other affected species or protected species.

4.9.2 Economic Effects

Preferred Alternative 2 would be more restrictive than **Alternative 1 (No Action)** and potentially add a cost to fishery participants if they do not already possess wreckfish shares. As such, shares would need to be purchased or annual allocation could not be transferred. The valid snapper grouper unlimited permit requirement of **Preferred Alternative 3** may add an additional cost to wreckfish fishery participants in comparison to **Alternative 1 (No Action)** and **Preferred Alternative 2** if they do not already possess such a permit. If a fishery participant already holds a valid snapper grouper unlimited permit, then there would be no difference in economic effects between **Alternative 1 (No Action)** and **Preferred Alternative 3** provided that the recipient is also an individual who is a United States citizen or permanent resident alien. Currently, all shareholders also have a valid snapper grouper unlimited permit, thus any additional costs would only be potentially incurred by new entrants.

4.9.3 Social Effects

Alternative 1 (No Action) does not restrict who is able to receive allocation via transfer in the online system. **Preferred Alternative 2** would mirror what is currently in place under the paper-based reporting system, requiring individuals interested in receiving allocation via transfer to already hold wreckfish individual transferable quota shares, which would result in additional burden to an individual interested in participating in the fishery as they would need to both find a current shareholder willing to sell them a percentage of shares in the fishery. Additionally, **Preferred Alternative 2** would result in the benefits of allocation being realized only in communities with active wreckfish shareholders, as is currently the case under the paper-based reporting system. **Preferred Alternative 3** would not require someone receiving allocation via transfer to have shares but would require them to have a commercial snapper grouper unlimited permit, which is a requirement to harvest wreckfish (**Action 3**). This would ensure that the annual wreckfish allocation has the highest potential to be fully utilized and the highest possible social benefits from harvest realized.

4.9.4 Administrative Effects

Under Action 9, the administrative impacts would be associated with the development of the online program and the cost would be associated with how complicated the program is designed. For all alternatives, including **Alternative 1 (No Action),** the agency would need to build one-time code to allow the electronic system to only display accounts that meet the standard for obtaining annual allocation from transfers. **Preferred Alternative 2** and **Preferred Alternative 3** would require a link to the permit system and new code to be written to restrict who could receive allocation based on the requirements.

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

4.10.1 Biological Effects

This action would allow the Regional Administrator (RA) to withhold a portion of the allocation if the ACL for wreckfish is expected to be reduced as a result of a revised stock assessment. The amount withheld would be equivalent to the decrease in the ACL approved by the Council. This action is primarily administrative, so little or no direct or indirect effects are expected to the biological environment regardless of which alternative (**Alternative 1 (No Action)** or **Preferred Alternative 2**) or sub-alternatives (**Preferred Sub-alternative 2a** and **Sub-Alternative 2b**) is selected. Reducing the ACL for wreckfish would be a separate action and any effects to the biological environment from that action would be analyzed in the plan amendment or framework action supporting the reduction. However, under specific circumstances, **Alternative 1 (No Action)** could delay the implementation of an ACL decrease by a year. This could occur if the need for the ACL reduction were identified too late in the year for implementing a framework action to retain annual allocation on January 1. The result would be the necessary ACL decrease would be delayed until the next year which could negatively biological effects on wreckfish.

Alternatives*

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

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:

2a. June 1

2b. August 1

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.10.2 Economic Effects

Alternative 1 (No Action) would continue to distribute to shareholders the totality of their respective annual allocations by January 1 of each year. Therefore, **Alternative 1 (No Action)** would not be expected to result in direct economic effects because it would not affect commercial wreckfish harvests. **Alternative 1 (No Action)** could allow for relatively increased harvest of wreckfish to occur for a single year in comparison to **Preferred Alternative 2**. These potential additional wreckfish landings would provide net economic benefits for wreckfish fishery participants but could also lead to longer-term economic costs if overfishing were to occur. These economic effects would be indirect and conditional upon whether or not there is a change in the wreckfish ACL as well as the timing of when such an ACL change was implemented.

Preferred Alternative 2 would grant the RA the authority to withhold a portion of the commercial annual allocation in anticipation of a mid-year quota decrease. In and of itself, the flexibility to retain a portion of commercial annual IFQ allocations is an administrative measure that would not be expected to result in direct economic effects. **Preferred Alternative 2** would reduce the risk of overfishing wreckfish in years that the ACL is being reduced, which could lead to long-term economic benefits. In the short-term, there would be economic costs due to the

reduced quota available to the fishery and likely reduced landings of wreckfish. The likelihood of these reduced landings occurring is higher under **Sub-alternative 2b** than **Preferred Sub-alternative 2a**. Additionally, a later release may also affect the cost of allocation that is leased and the ability to harvest that allocation later in the year. **Sub-alternative 2b** would cause a later release of quota, potentially flooding the market and dropping the cost of leased allocation, but also may create a scenario where the leased allocation could potentially not be harvested due to the later release.

4.10.3 Social Effects

Alternative 1 (No Action) could allow for the increased harvest of wreckfish to occur for a single year when compared to **Preferred Alternative 2**. While this opportunity to continue to harvest wreckfish at the higher level would provide social benefits for those fishing for wreckfish, it could also lead to long-term loss of social benefits if overfishing was to occur. **Alternative 2** would reduce the risk of overfishing wreckfish in years that the ACL is being reduced, which would promote long-term social benefits. The likelihood of these reduced landings occurring is higher under **Sub-alternative 2b** than **Preferred Sub-alternative 2a**.

4.10.4 Administrative Effects

Under **Alternative 1 (No Action)**, if a reduction in the wreckfish ACL is anticipated due to a revised stock assessment, a framework action would need to be implemented to withhold a portion of the commercial ACL. Under **Preferred Alternative 2**, the RA would have the authority to withhold a portion of the ACL equivalent to the decrease in ACL as approved by the Council and no framework action would be needed to modify the ITQ program. This action would allow the RA to withhold the quota equal to the amount of the expected decrease. Therefore, should the ACL need to be withheld, **Preferred Alternative 2** would reduce the burden on the administrative environment compared to **Alternative 1 (No Action)**. However, if the expected ACL decrease did not occur, NMFS would then need to distribute the held back amount. **Sub-alternative 2b** and **2a** would have the same administrative burden. Regardless of which alternative is selected as preferred, this action would have minimal effects on the administrative environment. NMFS will have a program and system in place to issue, transfer, and monitor shares and allocation if an electronic system is built. **Preferred Alternative 2** would not relieve the administrative burden needed to develop and implement a plan amendment or framework action to reduce the ACL. This work would be needed regardless of which alternative is selected as preferred under this action.

4.11 Action 11. Modify the commercial fishing year for wreckfish.

Alternatives*

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

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

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.11.1 Biological Effects

Regardless of the alternative selected, this action is not anticipated to have any biological effects on wreckfish. None of these actions modify the spawning season closure which would still occur between January 15-April 15. The fishing year does not directly affect landings or fishing behavior. The commercial sector is constrained by its ACL and operates under a well-regulated ITQ system. Any changes made to the ITQ system under Action 2 would not affect this action. There is not expected to be any difference in the biological effects under **Alternative 1 (No Action)** and **Preferred Alternative 2**. Neither alternative would modify the fishery for wreckfish in such a way that it would result in effects to wreckfish, other affected species or protected species.

4.11.2 Economic Effects

The fishing year does not directly affect landings or fishing behavior. Therefore, the economic effects of **Alternative 1 (No Action)** and **Preferred Alternative 2** would likely be similar. Net economic benefits are not expected to change between the two alternatives.

4.11.3 Social Effects

The fishing year does not directly affect landings or fishing behavior, therefore the social effects of **Alternative 1 (No Action)** and **Preferred Alternative 2** would likely be similar. Social effects are not expected to change between the two alternatives.

4.11.4 Administrative Effects

The need for this action is purely administrative and **Preferred Alternative 2** would reduce the administrative burden compared to **Alternative 1 (No Action)** because the updates and maintenance of the Wreckfish ITQ program can happen at the same time as the other programs.

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

4.12.1 Biological Effects

Regardless of the alternative selected, this action is not anticipated to have negative biological effects on wreckfish. The commercial sector is constrained by its ACL and operates under a well-regulated ITQ system. There is not expected to be any difference in the biological effects of **Alternative 1 (No Action)** and **Preferred Alternative 2**. Neither alternative will modify the fishery in such a way that it would result in effects to wreckfish, other affected species or protected species.

Alternatives*

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.

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

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.12.2 Economic Effects

Alternative 1 (No Action) would maintain the current scenario of no pre-landing requirement for commercial wreckfish vessels. **Alternative 1 (No Action)** would not be expected to affect the operations of wreckfish vessels, therefore this alternative would not be expected to result in any direct economic effects.

In comparison to **Alternative 1 (No Action)**, **Preferred Alternative 2** would create direct economic effects through increased costs for wreckfish fishery participants due to the time it would take to satisfy the pre-landing requirement and notify NMFS in advance of landing wreckfish. To meet the pre-landing notification requirement, commercial wreckfish vessel operators would be expected to incur additional costs associated with the opportunity cost of the time spent to notify the agency. Based on the 2017-2021 annual average number of trips, the additional pre-landing requirement under **Preferred Alternative 2** is expected to apply to 54 trips per year and affect 6 vessels. It is assumed that, on average, complying with the advance notice requirement would take 5 minutes per trip[17]. Therefore, the annual time burden associated with the pre-landing requirement is estimated at approximately 4.5 hours or approximately .75 hours per vessel. Based on a mean wage rate of $26.35[18], the aggregate and per vessel opportunity costs are estimated at approximately $119 and $20 per year, respectively (2021 dollars).

If fishermen involved in the wreckfish fishery do not already have the necessary equipment (e.g., internet or telephone service) to notify the agency, **Preferred Alternative 2** would also

[17] Personal communication, NMFS SERO Limited Access Privilege Program/Data Management, March 19, 2024.
[18] $29.23 (2023 dollars) as reported by the Bureau of Labor Statistics for first line supervisors/managers in the fishing, forestry, and farming industries as of May 2023; https://www.bls.gov/oes/current/oes451011.htm#st; converted to 2021 dollars through application of the annual, not seasonally adjusted GDP implicit price deflator provided by the U.S. Bureau of Economic Analysis.

introduce a new communication cost. To submit a pre-landing notification electronically, commercial wreckfish vessel operators would need access to an internet equipped device such as a laptop, tablet, or smartphone or cellular/satellite service to use the call service option. While this would result in an additional cost for those that do not already have such a device or internet service, it is assumed that all fishermen have existing access that would allow them to notify the agency. As such, the implementation of a pre-landing notification requirement is not expected to result in notable new or additional communication costs for fishermen. Additionally, in cases where vessels may arrive at their offloading site in less than 3 hours from the time that they were able to notify NMFS, there may be additional time spent waiting to offload in order to adhere to the 3-hour minimum notice requirement. In this circumstance, there would be additional opportunity costs for **Preferred Alternative 2** in comparison to **Alternative 1 (No Action)**. Since this scenario is situational and may vary by vessel as well as by trip, these economic effects are not quantified.

The positive indirect economic effects of **Preferred Alternative 2** stem from the potential reduction in illegal harvest of wreckfish as a result of better interception of commercial wreckfish vessels by marine enforcement agents. In terms of the change in quantified economic net economic benefits, **Preferred Alternative 2** would result in lower net economic benefits than **Alternative 1 (No Action)**.

4.12.3 Social Effects

Requiring the owner or operator of a commercial snapper grouper unlimited permitted vessel participating in the wreckfish component of the snapper grouper fishery to notify NMFS at least three hours in advance of landing under **Preferred Alternative 2** may result in positive or negative social effects when compared to **Alternative 1 (No Action)** depending on how individual fishing business must change their practices to account for the additional requirement. Providing advance notice of landing and relaying 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 identification will take additional time when on a fishing trip when the captain and/or crew may traditionally have been completing other tasks. Additionally, increased monitoring requirements have been controversial with wreckfish shareholders who feel it is overly burdensome and unnecessary for effective monitoring and management. Thus, **Preferred Alternative 2** may result in a decrease in support for and participation in management when compared to **Alternative 1 (No Action)**.

4.12.4 Administrative Effects

The administrative effects under **Preferred Alternative 2** would be considerable when compared with **Alternative 1 (No Action)** as the agency would need to create the entire process for the submission of the pre-landing notification including submission process, communication process and data system. This most likely would be a modification of the existing processes used in the Gulf of Mexico, such as webpages for data entry and call service contracts to take submissions when electronic submission is not possible. The communication process would also need to be built so that information submitted is also sent to law enforcement and port agents near the landing location in advance of landing. Administrative impacts on the agency would also be in the form of outreach and education to ensure the participants understand the program changes.

4.13 Action 13. Modify offloading site requirements for wreckfish.

Alternatives*

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 National Marine Fisheries Service Office for Law Enforcement of the location not less than 24 hours prior to offloading.

2. 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.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.13.1 Biological Effects

Alternative 1 (No Action) or **Preferred Alternative 2**, are not anticipated to have negative biological effects on wreckfish. The commercial sector is constrained by an ACL and operates under a well-regulated ITQ system. These alternatives would give flexibility to the fishermen, but the fishery for wreckfish would still be constrained by the ACL, the Wreckfish ITQ program, and validated by dealer reports. None of the alternatives would modify the fishery for wreckfish in such a way that it would result in effects to wreckfish, other affected species or protected species.

4.13.2 Economic Effects

Removing offloading site requirements under **Preferred Alternative 2** and allowing landing to take place at any NMFS approved location would increase flexibility in landing sites that could result in reduced costs if a vessel ends up traveling a shorter distance, thus decreasing fuel costs. Should this occur, there would be net economic benefits from **Preferred Alternative 2** in comparison to **Alternative 1 (No Action)**.

4.13.3 Social Effects

Removing offloading site requirements under **Preferred Alternative 2** and allowing landing to take place at any NMFS approved location would increase flexibility in landing sites that could reduce the burden on vessels if they are now able to land at a more convenient location and could adjust to different locations as circumstances require. Overall, there would be social benefits from the increased flexibility under **Preferred Alternative 2** when compared to **Alternative 1 (No Action)**.

4.13.4 Administrative Effects

By increasing the available landing locations under **Preferred Alternative 2**, the administrative burden on the agency would be expected to increase. **Alternative 1 (No Action)** requires that wreckfish be offloaded at a fixed dealer facility unless law enforcement is advised (e.g. voicemail or verbal confirmation) at least 24 hours in advance. **Preferred Alternative 2** would allow other landing locations to be approved by law enforcement, providing a bit more flexibility for fishermen but increasing the potential administrative burden on law enforcement initially to approve the landing locations. Once the system is in place, the administrative burden on law enforcement is expected to be minimal. There would also be the burden on the agency to build out a list of approved landing locations to be selected and if combined with Action 12, a way to include those in the pre-landing notification. Again, this could be modified from the existing Catch Share Online System used in the Gulf of Mexico.

4.14 Action 14. Modify offloading time requirements for wreckfish.

Alternatives*

1 (No Action). Wreckfish may only be offloaded between the hours of 8 am and 5 pm, local time.

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

3. Wreckfish may only be offloaded between the hours of 5 am and 8 pm, local time.

4. Remove the requirement to offload wreckfish between the hours of 8 am and 5 pm, local time.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.14.1 Biological Effects

Currently, the Wreckfish ITQ program limits offloading of wreckfish between daylight hours, 8 a.m. – 5 p.m. local time and only at fixed dealer facilities. Landing at other locations may be approved if the vessel captain or shareholder notifies NOAA Office of Law Enforcement at least 24 hours prior to offloading.

Regardless of the alternative selected, this action is not anticipated to have negative biological effects on wreckfish. The commercial sector is constrained by an ACL and operates under a well-regulated ITQ system. The offloading hours are used to ensure that law enforcement may be available to witness wreckfish being landed at a dealer facility.

There is not expected to be any difference in the biological effects under **Alternative 1 (No Action)**, **Preferred Alternative 2, Alternative 3 or Alternative 4**. These alternatives would give flexibility to the fishermen, but the fishery for wreckfish would still be constrained by the ACL, the Wreckfish ITQ program, and validated by dealer reports. None of the alternatives would modify the fishery for wreckfish in such a way that it would result in effects to wreckfish, other affected species or protected species.

4.14.2 Economic Effects

Offloading time requirements implement a cost on fishery participants since they may hinder fishing activity that otherwise would have occurred should such restrictions not be in place. Thus, less restrictive time requirements offer comparative economic benefits**. Alternative 1 (No Action)** offers the fewest hours that wreckfish may be offloaded (9 hours), followed by **Preferred Alternative 2** (12 hours), **Alternative 3** (15 hours), and **Alternative 4** (24 hours). As such, **Alternative 4** offers the highest potential economic benefits to fishery participants, followed by **Alternative 3**, **Preferred Alternative 2**, and **Alternative 1 (No Action)**.

4.14.3 Social Effects

Wreckfish ITQ shareholders have expressed frustration with the current offloading time requirements under **Alternative 1 (No Action)**. Restrictive hours can prevent fishermen from offloading the day's catch and extend the amount of time they need to be at dock and away from fishing grounds. **Alternative 4** would provide fishing businesses with the most flexibility in offloading time, followed by **Alternative 3** and **Preferred Alternative 2**. Additionally, **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4** would address a problem in the fisheries identified by stakeholders and may help to improve perceptions of the management process. Therefore, social effects would be expected to be highest under **Alternative 4** followed by **Alternative 3**, **Preferred Alternative 2**, and **Alternative 1 (No Action)**.

4.14.4 Administrative Effects

Alternative 1 (No Action) provides for a 9-hour window for offloads, which has proved burdensome on the fishermen if they arrive after 5:00 pm. In those situations, they would need to wait with fish onboard the vessel until the next day to begin the offload process. By increasing the time window for offloads, the administrative burden on the agency is increased. **Preferred Alternative 2** and **Alternative 3** would increase the window for offloads, providing a bit more flexibility for fishermen but increasing the potential administrative burden on law enforcement. Additionally, the increased time allotment for **Preferred Alternative 2** matches the offloading times used in the Gulf of Mexico IFQ programs and provide a consistency for law enforcement. These hours were chosen in the Gulf as they typically represent what would occur outside daylight hours across the entire year, including daylight savings and regional differences in daylight. **Alternative 3** would increase the hours and could jeopardize officer safety risk for law enforcement as it includes non-daylight hours throughout the year. **Alternative 4** would remove administrative burden from law enforcement and fishermen but may not provide enough oversight of the program. Administrative burden would increase as the window for offloads increases. **Alternative 4** would have the least administrative burden, followed by **Alternative 1 (No Action), Preferred Alternative 2** and **Alternative 3**.

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

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

Alternatives*

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

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 the National Marine Fisheries Service.

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 the National Marine Fisheries Service.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.15.1.1 Biological Effects

Typically, the collection of cost recovery fees is not expected to affect the physical or biological environment, nor have any effects on the stock, associated species or protected species. There is not expected to be any difference in the biological effects under **Alternative 1 (No Action)**, **Preferred Alternative 2,** and **Alternative 3.**

4.15.1.2 Economic Effects

A cost recovery plan would implement an additional cost on wreckfish fishery participants but an equal benefit to fishery management agencies, in this case NMFS, by helping to offset administrative costs. Thus, implementation of a cost recovery plan would create distributional economic effects. **Alternative 1 (No Action)** represents the lowest cost to fishery participants and lowest benefits to NMFS, but it is not a legally viable alternative. **Preferred Alternative 2** and **Alternative 3** represent the same costs to fishery participants and same benefits to NMFS, both of which are higher than **Alternative 1 (No Action)**. The difference between these two alternatives would be what entity bears the time burden and associated cost related to collection and submittal of the cost recovery fee. Under **Preferred Alternative 2**, the cost related to collection and submittal of the cost recovery fee would be incurred by the quota shareholder while this cost would be incurred by the dealer receiving the wreckfish under **Alternative 3**. Assuming that a maximum cost recovery fee of 3% of ex-vessel revenue is implemented, the total estimated annual fee collected from wreckfish fishery participants would be $43,268 (2021 dollars). This is based on the 5-year average total revenue of $1,442,260 (2021 dollars; Table 3.3.3.2).

In terms of lowest costs to wreckfish fishery participants, **Alternative 1 (No Action)**, which is not a legally viable alternative, would be the least costly, followed equally by **Preferred Alternative 2** and **Alternative 3**.

4.15.1.3 Social Effects

Alternative 1 (No Action) does not provide for a cost recovery plan while **Preferred Alternative 2** and **Alternative 3** establish a cost recovery plan for the Wreckfish ITQ program. However, **Alternative 1 (No Action)** is not a legally viable alternative. **Preferred Alternative 2** and **Alternative 3** are similar in all respects, except with respect to the responsibility for fee

collection and submission. This responsibility resides on the Wreckfish ITQ shareholder under **Preferred Alternative 2** and on the Wreckfish ITQ dealer/processor under **Alternative 3**. Negative social effects of the cost recovery fee would be associated with the cost of the fee itself as well as the time and materials required for completing the paperwork and paying the fee. Establishing a cost recovery program for wreckfish would have some positive social effects associated with funding for management, data collection, and enforcement which helps ensure the long-term sustainability of the fishery for wreckfish.

4.15.1.4 Administrative Effects

Cost recovery was not included in the Wreckfish ITQ program when it was implemented in 1992 and cost recovery is currently not in place. Cost recovery plans for catch share programs are a requirement of the Magnuson-Stevens Act and as such **Alternative 1 (No Action**) is not a viable alternative. **Preferred Alternative 2** would increase the administrative burden on shareholders and **Alternative 3** would increase the administrative burden on wreckfish dealers. Both **Preferred Alternative 2** and **Alternative 3** would result in an administrative burden related to tracking and collecting cost recovery fees. However, with the electronic Wreckfish ITQ program as proposed in **Action 2**, it is expected that the electronic system would be able to track and collect these payments in a way that is less burdensome to permit holders, dealers and the agency compared to a paper-based program.

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

Alternatives*

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

2. Fees will be collected at the time of landing.

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

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

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.15.2.1 Biological Effects

The timeliness of the collection of cost recovery fees is not expected to affect the physical or biological environment, or have any effects on the stock, associated species or protected species. There is not expected to be any difference in the biological effects under **Alternative 1 (No Action)**, **Alternative 2, Alternative 3**, and **Preferred Alternative 4.**

4.15.2.2 Economic Effects

Alternative 1 (No Action) represents the lowest cost to fishery participants, but it is not a legally viable alternative. The total fees collected would be the same for **Alternatives 2**, **3**, and **4 (Preferred)**. **Preferred Alternative 4** may require less of a reporting and time burden to collect fees for either shareholders or dealers since it would only be required once per quarter, thus there may be slightly lower costs associated with this alternative in relation to **Alternatives 2** and **3**. **Alternatives 2** and **3** would require a similar number of transactions, thus costs relating to the reporting and time burden would be similar between the two alternatives. Preferred **Alternative 4** would require a higher payment at the time of payment as it covers the costs for the entire year, compared to **Alternatives 2** and **3** that split up the costs throughout the year.

In terms of lowest costs to wreckfish fishery participants, **Alternative 1 (No Action)**, which is not a legally viable alternative, would be the least costly, followed by **Preferred Alternative** 4, and equally by **Alternative 2** and **Alternative 3**.

4.15.2.3 Social Effects

Preferred Alternative 4 may require less effort to collect fees since it would only be required once per year, thus there may be a slight time burden associated with this alternative in relation to **Alternatives 2** and **3**. **Alternative 1 (No Action)** would all NMFS to specify when cost recovery fees would by collected and thus is not directly comparable to the other alternatives without additional information,

4.15.2.4 Administrative Effects

This action pertains to the collection of cost recovery fees between the permit holder and the dealer and as such would not lead to any administrative impacts on the agency. The timing of the collection of cost recovery fees is administratively different across the options, with less often collections having a lower burden, due to the system needing to track and account for landings and corrections across the differing time frames.

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

4.15.3.1 Biological Effects

The frequency of the collection of cost recovery fees is not expected to affect the physical or biological environment, or have any effects on the stock, associated species or protected species. There is not expected to be any difference in the biological effects under **Alternative 1 (No Action)**, **Preferred Alternative 2**, **Alternative 3**, **Alternative 4**, and **Alternative 5.**

Alternatives*

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

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

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

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

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

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.15.3.2 Economic Effects

Alternative 1 (No Action), represents the lowest costs to fishery participants, as it is the least stringent, but is also not a legally viable alternative. The total fees collected would be the same across **Alternatives 2 (Preferred)**, **3**, **4** and **5**. Less frequent submittal of fees may lead to less reporting-related costs from those submitting the fees to NMFS and thus comparatively higher economic benefits. Under this notion, **Preferred Alternative 2** may impose less reporting burden on the part of the entity submitting the fees to NMFS, since it would only be required once per year, this would be followed by slightly higher reporting burden related costs associated with **Alternative 3** (submittal twice per year), **Alternative 4** (submittal four times per year), and **Alternative 5** (submittal 12 times per year). In terms of lowest costs to wreckfish fishery participants, **Alternative 1 (No Action)**, which is not a legally viable alternative, would be the least costly, followed by **Preferred Alternative 2** and **Alternative 3**, **Alternative 4,** and **Alternative 5**.

It is estimated that the reporting burden per cost recovery fee submission would take 3 minutes[19] and this action would affect 9 shareholders[20]. Using these assumptions, the annual time burden associated with submittal of cost recovery fees would range from .45 hours to 5.4 hours. Based on a mean wage rate of $26.35[21], the estimated aggregate and per shareholder opportunity costs of **Preferred Alternative 2** are approximately $12 and $1.32 per year, respectively (2021 dollars).

[19] Personal communication, NMFS SERO Limited Access Privilege Program/Data Management, March 19, 2024.
[20] Assumes Preferred Alternative 2 in Sub-Action 15.1 which would place the reporting burden on shareholders. The assumption of 9 shareholders is based on the terminal year of information provided in Table 3.3.1.1.
[21] $29.23 (2023 dollars) as reported by the Bureau of Labor Statistics for first line supervisors/managers in the fishing, forestry, and farming industries as of May 2023; https://www.bls.gov/oes/current/oes451011.htm#st; converted to 2021 dollars through application of the annual, not seasonally adjusted GDP implicit price deflator provided by the U.S. Bureau of Economic Analysis.

Table 4.15.3.2.1. Estimated reporting burden and associated economic costs for Sub-Action 15-3.

Alternative	Estimated total annual reporting burden (hours)	Estimated economic cost of reporting burden (2021 dollars)
Alternative 1 (No Action)	0	$0
Preferred Alternative 2	**0.45**	**$12**
Alternative 3	0.9	$24
Alternative 4	1.8	$47
Alternative 5	5.4	$142

4.15.3.3 Social Effects

A cost recovery plan under **Preferred Alternative 2**, **Alternative 3**, **Alternative 4**, and **Alternative 5** would result in additional burden on Wreckfish ITQ shareholders when compared to **Alternative 1 (No Action)**. Negative social effects of the cost recovery fee would be associated with the cost of the fee itself as well as the time and materials required for completing the online forms and submitting the fee. **Alternative 5** would require the most effort to collect fees since it would be required twelve times per year, followed by **Alternative 4**, **Alternative 3**, and **Preferred Alternative 2**.

4.15.3.4 Administrative Effects

Cost recovery plans for ITQ programs are a requirement of the Magnuson-Stevens Act and, as such, **Alternative 1 (No Action**) is not a viable alternative. With the wreckfish electronic ITQ program as proposed in **Action 2**, it is expected that the electronic system will be able to track and collect these fees in a way that is less burdensome to permit holders, dealers and the agency compared to a paper-based program. The timing of the submission of cost recovery fees is administratively different across the options, with less often submission having a lower burden, due to the system needing to track and account for landings, corrections, and tallying the amount for submission across the differing time frames. The administrative burden on the agency is expected to be less with fewer transactions, as in **Preferred Alternative 2**. However, increase in administrative burden may occur under **Preferred Alternative 2** as the agency may be faced with those that choose not to pay their cost recovery fees. However, Action 6 (divestment of shares due to non-compliance with the regulations of the program) is likely to deter this behavior.

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

4.15.4.1 Biological Effects

The determination of how cost recovery fees are calculated is not expected to affect the physical or biological environment, nor have any effects on the stock, associated species or protected species. There is not expected to be any difference in the biological effects under **Alternative 1 (No Action)**, **Preferred Alternative 2,** and **Alternative 3.**

Alternatives*

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

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

3. The cost recovery fee will be based on standard** ex-vessel value of the wreckfish landings as calculated by National Marine Fisheries Service.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

4.15.4.2 Economic Effects

Alternative 1 (No Action) represents the lowest cost to fishery participants and lowest benefits to NMFS, but it is not a legally viable alternative. The comparative costs for fishery participants related to **Preferred Alternative 2** and **Alternative 3** would be situational and variable, therefore a comparison of economic benefits is not possible at this time. Whichever alternative that resulted in a lower ex-vessel value during a given time period would result in the lowest cost to fishery participants. Under **Alternative 3**, fishery participants that received ex-vessel values below the values calculated by NMFS would end up paying a lower cost recovery fee compared to **Preferred Alternative 2,** while the opposite would hold true for fishery participants that received ex-vessel values above those calculated by NMFS.

In terms of lowest costs to wreckfish fishery participants, **Alternative 1 (No Action)**, which is not a legally viable alternative, would be the least costly, followed equally by **Preferred Alternative 2** and **Alternative 3**.

4.15.4.3 Social Effects

The costs for fishery participants related to **Preferred Alternative 2** and **Alternative 3** would be situational and variable, therefore a comparison of social benefits is not possible at this time. The alternative that results in a lower ex-vessel value during a given time would provide the highest social benefits to fishery participants. However, there may be distributional effects between fishermen how get above average ex-vessel prices and those that get below-average ex-vessel prices. How those social effects are experiences by communities would depend on where fishermen are receiving those ex-vessel prices and the concentration of shares and thus landings within those communities.

4.15.4.4 Administrative Effects

Preferred Alternative 2, which would calculate a cost recovery fee based on the actual ex-vessel value of the wreckfish landings is less burdensome than calculating the cost recovery fee based on standard ex-vessel value as in **Alternative 3**. Standard ex-vessel is based on calculating an average for a year, publishing these values in the Federal Register and then applying the standard to the pounds harvested. **Alternative 3** will have a much greater

administrative burden on the agency than **Preferred Alternative 2**. Alternative 3 would require notification of the standard price through the federal registrar and calculations to obtain the standard ex-vessel price. Actual ex-vessel price is a straight percentage calculated within the system, and as such has a very low administrative burden.

Chapter 5. Council's Conclusions for the Preferred Alternatives

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

Alternatives*

1 (No Action). Retain the current commercial sector and recreational sector allocations as 95% and 5%, respectively.

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

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

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

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

5.1.1 Wreckfish Advisory Group Comments and Recommendations

- Wreckfish shareholders prefer **Alternative 4** under Action 1.
    - The shareholders have not witnessed any recreational catch of wreckfish, except for the occasional catch as the fish are migrating to the Blake Plateau to spawn.
    - To the shareholders knowledge, wreckfish is not targeted by recreational fishermen, just incidental catch when targeting other species.
    - Shareholders did note that the South Atlantic Fishery Management Council (Council) should look at the recreational accountability measures (AM) to ensure that one Marine Recreational Information Program (MRIP) intercept does not result in the entire sector experiencing an in-season closure.

5.1.2 Snapper Grouper Advisory Panel Comments and Recommendations

- The Snapper Grouper Advisory Panel (SG AP) was opposed to changing the current sector allocations, noting that during the short open season recreational fishermen do occasionally catch wreckfish. AP members were concerned that one MRIP intercept would result in exceeding the recreational annual catch limit (ACL).
    - The trend of recreational fishermen catching wreckfish is likely to increase as fishermen move into deeper water to avoid non-target snapper grouper species.
- To gather more information on private recreational harvest of wreckfish (and other deepwater species) the SG AP recommended a wreckfish permit and reporting requirement.
    - The AP noted that citizen science applications may provide an excellent avenue reporting and the small size of the wreckfish portion of the snapper grouper fishery makes it an ideal candidate for pilot testing broader private recreational reporting of snapper grouper species.

MOTION 1: AP RECOMMENDS ALTERNATIVE 1 (NO ACTION) BE CONSIDERED FOR THE PREFERRED ALTERNATIVE.

> **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.

APPROVED BY AP (UNANIMOUS)

MOTION 2: RECOMMEND THE COUNCIL REQUIRE, FOR THE PRIVATE RECREATIONAL SECTOR, A WRECKFISH PERMIT AND REPORTING REQUIREMENT, USING EXISTING RECREATIONAL REPORTING APPS, SUCH AS THE CITIZEN SCIENCE APP SCIFISH. COULD BE USED AS A PILOT FOR FUTURE RECREATIONAL REPORTING FOR
OTHER SNAPPER GROUPER SPECIES.
APPROVED BY AP (UNANIMOUS)

5.1.4 DRAFT Council's Conclusion

The Council concluded that **Preferred Alternative 2** best meets the objectives of the Fishery Management Plan for Snapper Grouper Fishery of the South Atlantic Region (Snapper Grouper FMP) and the Wreckfish Individual Transferable Quota (ITQ) program while complying with the requirements of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) and other applicable law. Additionally, the Council's Allocation Trigger Policy requires periodic review of sector allocations for all species.[22]

- Given the low level of recreational landings in recent years the Council determined that modifying the sector allocations was fair and equitable to commercial and recreational fishermen (National Standard 4) because would allow wreckfish shareholders additional annual poundage while still allowing the recreational sector to harvest wreckfish when they are encountered, without reaching the recreational ACL and triggering AMs.

[22] https://safmc.net/fishery-management/sector-allocations/

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

Alternatives*

1 (No Action). Retain the current ITQ paper-based reporting system.

2. Implement an electronic system of reporting for the wreckfish ITQ program.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

5.2.1 Wreckfish Advisory Group Comments and Recommendations

- Shareholders prefer **Alternative 2** under Action 2.
    - The wreckfish shareholders would like to see the electronic reporting program proceed and mirror the current system in terms of access to the fishery for wreckfish.
        - In essence, within the online system shares take the place of the Wreckfish permit. The system can build in requirements on who can obtain shares and allocation. There are ways to ensure that you have participation from only those that participate in the wreckfish portion of the snapper grouper fishery.
    - Would like fishermen to be required to have a snapper grouper unlimited permit (SG1) to maintain shares but include a grace period.

5.2.2 DRAFT Council's Conclusion

The Council concluded that **Preferred Alternative 2** best met the purpose of modernizing the wreckfish ITQ program as recommended by the Wreckfish ITQ Program Review (2019) as well as improving program monitoring and enforcement, as well as data collection and management. The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- Moving to an electronic reporting system for the Wreckfish Individual Transferable Quota (ITQ) program would respond to recommendations made in the 2019 Wreckfish ITQ Review and would have the following benefits, as described in Section 2.2.2.
    - One database containing all program activity (e.g., landings; participation; transfers of quota shares and quota pounds; ex-vessel, share, and quota pound prices).
    - More timely and accurate data reporting and real-time monitoring.
    - Improved method and reduced time to transfer shares and quota pounds.
    - Automated share cap calculations and increased timeliness in share transfers.
    - Ability to match permit holders to shareholder accounts.
    - Participants are able to view a history of their online actions (i.e., share transfers, allocation transfers, and landings)
    - Elimination of paper coupons, which would:
        - Allow quota pounds to be transferred or landed in one-pound increments rather than 100- and 500-pound increments, which would eliminate loss of quota pounds due to denominational restrictions.
        - Eliminate the need to print coupons and mail coupons to the shareholders.

- Eliminate the need to mail coupons to the Southeast Fisheries Science Center.

5.3 Action 3. Modify the requirements to commercially harvest or sell wreckfish.

5.3.1 Wreckfish Advisory Group Comments and Recommendations

- Shareholders are comfortable with **Alternative 3** under Action 3.
    - Shareholders would like to make sure that current entry criteria remain in place without the permit so that fishery for wreckfish does not become overcapitalized.
        - There are ways to mimic the purpose of the wreckfish permit in the electronic system.
- **Alternative 2** would be incredibly disruptive because it would preclude having multiple vessels fishing.
- It will be important to track who is leasing shares and landing to make sure that people can't game the system.
- Ensure that moving forward does not overcomplicate a system that is already working.
- Wreckfish Advisory Group noted that the Wreckfish ITQ fishery is very small and cannot handle a large number of participants. Currently, prices are stable, and shares and their allocation are being utilized. In years when allocation is not utilized it is because of poor weather, vessel issues, or other outside factors.

5.3.2 Snapper Grouper Advisory Panel Comments and Recommendations

- The SG AP noted that Action 3/Alternative 4 would allow the widest participation by facilitating leasing of wreckfish shares/allocation and would facilitate new entrants into the fishery for wreckfish because they would not have to purchase shares directly.
    - The requirement to have a snapper grouper unlimited permit helps aid in accountability.

MOTION 3: RECOMMEND THE COUNCIL SELECT ALTERNATIVE 4 AS PREFERRED.

Alternatives*

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. 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.

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. To obtain a commercial vessel permit for wreckfish, the applicant must be a wreckfish shareholder; and the shareholder must be the vessel owner.

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.

4. 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.

Action 3. Modify the requirement to possess a commercial vessel permit for wreckfish. Alternative 4. 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.

APPROVED BY AP (14-0-3)

5.3.3 DRAFT Council's Conclusion

The Council concluded that **Preferred Alternative 3** best met the purpose to modernize the wreckfish ITQ program and responds to the need to streamline administrative workload and reduce complexity, as noted in the 2019 review of the ITQ program. The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- The Council felt removing the requirement to have a commercial permit for wreckfish on board a vessel harvesting wreckfish would respond the concerns brought up in the 2019 Wreckfish ITQ Review regarding administrative workload and complexities associated with the requirement. Additionally, requiring the South Atlantic snapper grouper (unlimited) permit holder to be wreckfish shareholder would mirror the requirement under **Alternative 1 (No Action)** where to receive a wreckfish permit an individual must hold wreckfish shares.

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

5.4.1 Wreckfish Advisory Group Comments and Recommendations

The Wreckfish Advisory Group felt that it was important to ensure that anyone opening an online shareholder account had the permits necessary to harvest wreckfish.

Alternatives*

1 (No Action). To be eligible to open a wreckfish individual transferable quota shareholder account, individuals must be United States citizens.

2. To be eligible to open a wreckfish individual transferable quota shareholder account, individuals must be entities who are United States citizens, and hold a valid commercial snapper grouper unlimited permit.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

5.4.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2** best met the purpose and need of modernizing the Wreckfish ITQ program as recommended by the Wreckfish ITQ Program Review (2019). The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- The Council felt it was key to ensure that only those individuals that had the ability to harvest wreckfish **(Action 3, Preferred Alternative 3)** were able to access the ITQ online shareholder account system.

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

5.5.1 Wreckfish Advisory Group Comments and Recommendations

- The Wreckfish Advisory Group felt that it was important to ensure that anyone opening an online shareholder account had the permits necessary to harvest wreckfish.
- The Wreckfish Advisory Group had no issue with restricting the ability of an individual to obtain shares under certain conditions, but they would like clarification on what "outstanding sanctions" would include and what offenses would result in a sanction and if those with a sanction would be allowed to fish for any federal fisheries. Additionally, they would like more detail on what constitutes a *delinquent* logbook, especially given the challenges fishermen sometimes experience when submitting logbooks.
- The Wreckfish Advisory Group did not think there were other restrictions that would keep the fishery accountable.

Alternatives*

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

2. To obtain or maintain shares all shareholder accounts must be associated with individuals who are United States citizens.

3. To obtain all shareholder accounts must be associated with entities who are United States citizens and hold a valid commercial snapper grouper unlimited permit. To maintain shares an account must hold a valid or renewable commercial snapper grouper unlimited permit.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

5.5.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 3** best met the purpose and need of modernizing the Wreckfish ITQ program as recommended by the Wreckfish ITQ Program Review (2019). The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- The Council felt it was key to ensure that only those individuals that had the ability to harvest wreckfish **(Action 3, Preferred Alternative 3)** were able to obtain and maintain Wreckfish ITQ shares in the online system.
- The Council felt the permit needed to be *valid* when obtaining shares but *valid or renewable* when maintaining shares understanding that shareholders may move in and out of valid permit status as they go through the annual renewable process.

5.6 Action 6. Share Divestment for Permit-Required Accounts

5.6.1 Wreckfish Advisory Group Comments and Recommendations

- The Wreckfish Advisory Group felt that one year was sufficient to allow current shareholders to transfer shares as needed to be in compliance with new participation and eligibility regulations.
- The Wreckfish Advisory Group felt that one year was sufficient for an ineligible shareholder to divest of their shares, but wanted to ensure that the discussion section of the document included detail on how divesting would work in the case of death.

Alternatives*

1 (No Action). The National Marine Fisheries Service will not reclaim shares of shareholder accounts not in compliance with the requirements to maintain shares.

2. Shareholder accounts must be in compliance with the requirements to maintain shares, or National Marine Fisheries Service will reclaim all shares in a shareholder account:

2a. Effective date.

2b. 1-year

2c. 3-years

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 National Marine Fisheries Service:

3a. 1-year

3b. 3-years

5.6.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2**, **Sub-Alternative 2b** and **Preferred Alternative 3, Sub-Alternative 3a** best met the purpose and need of modernizing the Wreckfish ITQ program as recommended by the Wreckfish ITQ Program Review (2019). The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- Currently, all Wreckfish ITQ shareholders meet the requirements to obtain and maintain shares. The Council determined that one year following the effective date of the requirement to maintain shares being implemented as well as one year after a shareholder were to fall out of compliance with the requirement is sufficient time for shareholders to move permits around to different vessels, as needed, or sell permits in the future.

5.7 Action 7. Redistribution of reclaimed shares to remaining shareholders.

5.7.1 Wreckfish Advisory Group Comments and Recommendations

The Wreckfish Advisory Group did not come to an agreement on this action. While some were in favor of redistribution to "all eligible shareholder accounts" others felt that there should be a common pool or other system that might allow for new entrants.

5.7.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 4, Sub-alternative 4b** best met the purpose and need. The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- The Council felt utilizing landings over the last three years to redistribute any reclaimed shares would be the most equitable as it would reflect the current effort in the fishery for wreckfish.

Alternatives*

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

2. Redistribute reclaimed shares to remaining shareholders equally.

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

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

4a. Five years

4b. Three years

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

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

5.8.1 Wreckfish Advisory Group Comments and Recommendations

The Wreckfish Advisory Group felt that it was appropriate to require shareholders be in compliance with cost recovery fee requirements and necessary permit requirements to harvest wreckfish in order to receive annual allocation.

Alternatives*

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

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

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:

3a. Collection and submission of cost recovery fees.

3b. Wreckfish reporting requirements.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

5.8.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 3, Sub-alternative 3a** best met the purpose and need. The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- The Council felt it was key to ensure that only those individuals that had the ability to harvest wreckfish **(Action 3, Preferred Alternative 3)** were able to receive allocation from their shares.
- The Council intends to use distribution of annual allocation from shares as a mechanism to encourage compliance with collection and submission of cost recovery.

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

5.9.1 Wreckfish Advisory Group Comments and Recommendations

The Wreckfish Advisory Group felt that the requirements to receive annual allocation through transfer should mirror the requirements to harvest wreckfish.

5.9.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2** and **Preferred Alternative 3** best met the purpose and need. The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- The Council felt it was key to ensure that only those individuals that had the ability to harvest wreckfish **(Action 3, Preferred Alternative 3)** were able to access annual allocation through transfer.

Alternatives*

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

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.

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.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

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

5.10.1 Wreckfish Advisory Group Comments and Recommendations

The Wreckfish Advisory Panel did express concern about allowing the Regional Administrator to retain annual allocation before a commercial ACL reduction and reiterated the importance of getting an updated stock assessment for wreckfish.

Alternatives*

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

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:

2a. June 1

2b. August 1

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

5.10.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2, Sub-alternative 2a** best met the purpose and need of improving program monitoring and management. The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- The Council determined that allowing the Regional Administrator to withhold the amount of wreckfish annual allocation before distribution in the event an ACL reduction was expected to occur would help avoid possible issues with the commercial ACL being exceeded if a reduction were to come down mid-season after the annual allocation has already been released to shareholders.

5.11 Action 11. Modify the commercial fishing year for wreckfish.

5.11.1 Wreckfish Advisory Group Comments and Recommendations

Alternatives*

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

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

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

- Shareholders prefer **Alternative 2** under Action 11.
    - Consider the timing with the golden tilefish longline season, which was implemented under Amendment 52 to the Snapper Grouper FMP (Amendment 52). The final rule for Amendment 52 changed the fishing year for the golden tilefish longline endorsement holders to begin January 15.
    - The spawning season closure was set based on science and there is no evidence to support changing the current regulations.

5.11.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2** best met the purpose and need of modernizing the Wreckfish ITQ program as recommended by the Wreckfish ITQ Program Review (2019). The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- The Council felt that modifying the fishing season would help the National Marine Fisheries Service with the administrative processes necessary to maintain the online Wreckfish ITQ system and would not have any substantial impact on wreckfish fishermen.

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

5.12.1 Wreckfish Advisory Group Comments and Recommendations

- The Wreckfish Advisory Group would prefer to see a 24-hour call-in line over a vessel monitoring system. They would also like to see provisions for equipment failure included in the document, especially in the case of bad weather.
- The Wreckfish Advisory Group felt that any trip declaration requirement should only apply to the wreckfish ITQ program because the Magnuson-Stevens Act requirements are specific to Limited Access Privilege Programs.
- The Wreckfish Advisory Group would like a one-hour notification window prior to landing to be considered because it would allow vessels to be close to cell phone range when they needed to submit their pre-landing notification. It was noted that one hour was included in the Gulf of Mexico Headboat Collaborative Study.
- The Wreckfish Advisory Group noted that they were already subject to observers, a noted option in the Magnuson-Stevens Act, and that requiring trip declarations and pre-landing notifications was an undue and unjustified burden on Wreckfish ITQ shareholders.

Alternatives*

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.

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

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

5.12.2 Law Enforcement Advisory Panel Comments and Recommendations

- The wreckfish portion of the snapper grouper fishery is "self-regulating,", especially considering its small size.
- Enforcement efforts at the state level depend on guidance from NOAA and the Council. It is important to remember that law enforcement agencies have limited resources and must prioritize their efforts.
- Requiring a pre-landing notification would help enforcement/monitoring as wreckfish vessels are not being intercepted at the dock currently because there is no way for officers to know when the vessels might be landing and offloading catch.
- Having an estimate of the amount (weight or numbers) of fish being brought to shore would help law enforcement officers determine how long they will be spending inspecting the vessel or monitoring offload.
- A 3-hour pre-landing notification would provide adequate time for law enforcement to respond and meet the vessel at the dock for offloading and the Law Enforcement AP (LE AP) would not recommend shortening that time period.
- There is no requirement that the wreckfish portion of the snapper grouper fishery be monitored by law enforcement, LE AP suggested the Council think of creative ways to monitor this fishery.

5.12.3DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2** best met the purpose and need to improve program monitoring and enforcement. The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- The Council determined that implementing a pre-landing notification would allow for bettering monitoring, enforcement, and compliance in the wreckfish portion of the snapper grouper fishery because it would provide law enforcement officers the information they need to intercept vessels as they land. Additionally, the information reported by fishermen as part of the pre-landing notification will help ensure proper monitoring and accounting of wreckfish landings.

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5.13 Action 13. Modify offloading site requirements for wreckfish.

Alternatives*

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 National Marine Fisheries Service Office for Law Enforcement of the location not less than 24 hours prior to offloading.

2. Individual transferable quota wreckfish must be landed at an approved landing location. Landing locations must be approved by National Marine Fisheries Service ~~Office for Law Enforcement~~ prior to a vessel landing individual transferable wreckfish at these sites.

*See Chapter 2 for detailed language

5.13.1 Law Enforcement Advisory Panel Comments and Recommendations

- Language of the alternative should be "publicly accessible via public roads AND navigable waters."
- There may be issues with private residences being approved as landing locations, LE AP's preference would be disallowing private residences as pre-approved landing locations.

5.13.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2** best met the purpose and need to improve program monitoring and enforcement and increase flexibility to fishers. The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program, while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- The Council determined that moving to pre-approved landing sites would allow wreckfish fishermen more flexibility in determining where they wanted to land their vessel prior to offloading wreckfish.

5.14 Action 14. Modify offloading time requirements for wreckfish.

5.14.1 Wreckfish Advisory Group Comments and Recommendations

- Shareholders preferred **Alternative 4** but if hours have to remain than **Alternative 3**
    - Law enforcement is rarely there when fishermen are offloading during the current hours.
    - Wreckfish is the only species in the South Atlantic that has set offloading time and it is unclear what additional benefit is being provided to the wreckfish portion of the Snapper Grouper fishery.
    - Would prefer no offloading hours but would be comfortable with them if it avoids a VMS requirement.

Alternatives*

1 (No Action). Wreckfish may only be offloaded between the hours of 8 am and 5 pm, local time.

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

3. Wreckfish may only be offloaded between the hours of 5 am and 8 pm, local time.

4. Remove the requirement to offload wreckfish between the hours of 8 am and 5 pm, local time.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

5.14.2 Snapper Grouper Advisory Panel Comments and Recommendations

- The SG AP noted that offloading site and time requirements do not exist for other snapper grouper species and given challenges with offloading during set hours they should be removed from the Wreckfish ITQ program.
    - SGAP members acknowledged that often offloading takes place outside of daylight hours due to other infrastructure or environmental restrictions.

MOTION 4: REMOVE THE 8A-5P OFFLOADING TIME REQUIREMENTS FOR WRECKFISH FISHERMEN TO BE CONSISTENT WITH OTHER SNAPPER GROUPER SPECIES.

Action 5. Modify offloading site and time requirements for wreckfish.
Alternative 4. Remove the requirement to offload wreckfish between the hours of 8 am and 5 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.

APPROVED BY AP (UNANIMOUS)

5.14.3 Law Enforcement Advisory Panel Comments and Recommendations

- Offloading hours between 6 am and 6 pm would increase opportunity for law enforcement presence during offloading.

5.14.4DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2** best meets the purpose and need to improve program monitoring and enforcement. The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

- The Council determined that the 6 am to 6 pm time block provided wreckfish shareholders with additional flexibility when still ensuring officer safety with daylight hours being present the majority of the year. Additionally, these requirements match those required for offloading Gulf of Mexico Individual Fishing Quota species.

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

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

5.15.1.1 Wreckfish Advisory Group Comments and Recommendations

The Wreckfish Advisory Group noted that their preference is for the Wreckfish ITQ shareholders to be responsible for cost recovery collection and submission.

5.15.1.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2** best meets the purpose and need of modernizing the Wreckfish ITQ program as recommended by the Wreckfish ITQ Program Review (2019). The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

Alternatives*

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

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 National Marine Fisheries Service.

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 National Marine Fisheries Service.

*See Chapter 2 for detailed language of

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

5.15.2.1 Wreckfish Advisory Group Comments and Recommendations

The Wreckfish Advisory Group remains comfortable with cost recovery fees being collected in the last quarter of the calendar year because of their desire to have the Wreckfish ITQ shareholder be responsible for the collection and submission.

Alternatives*

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

2. Fees will be collected at the time of landing.

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

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

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

5.15.2.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2** best met the purpose and need of modernizing the Wreckfish ITQ program as recommended by the Wreckfish ITQ Program Review (2019). The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program, while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

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

5.15.3.1 Wreckfish Advisory Group Comments and Recommendations

The Wreckfish Advisory Group remains comfortable with cost recovery fees being submitted once per year because of their desire to have the Wreckfish ITQ shareholder be responsible for the collection and submission.

5.15.3.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2** best meets the purpose and need of modernizing the Wreckfish ITQ program as recommended by the Wreckfish ITQ Program Review (2019). The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program, while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

Alternatives*

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

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

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

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

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

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

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

Alternatives*

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

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

3. The cost recovery fee will be based on standard** ex-vessel value of the wreckfish landings as calculated by the National Marine Fisheries Service.

*See Chapter 2 for detailed language of alternatives. Preferred indicated in bold.

5.15.4.1 Wreckfish Advisory Group Comments and Recommendations

The Wreckfish Advisory Group, based on a presentation from NMFS Southeast Regional Office staff, felt that there was not a significant difference between actual ex-vessel value **(Preferred Alternative 2)** and standard ex-vessel value **(Alternative 3)**. Due to this, they felt that **Alternative 2** was their preferred because it lowered the administrative burden on the NMFS.

The Wreckfish Advisory Group also noted that there needs to be an option for delayed reporting of price or correction forms because fishermen do not always know the price they will receive at the time of landing.

5.15.4.2 DRAFT Council's Conclusions

The Council concluded that **Preferred Alternative 2** best meets the purpose and need of modernizing the Wreckfish ITQ program as recommended by the Wreckfish ITQ Program Review (2019). The preferred alternative also best meets the objectives of the Snapper Grouper FMP and the Wreckfish ITQ program, while complying with the requirements of the Magnuson-Stevens Act and other applicable law.

Chapter 6. Cumulative Effects

6.1 Affected Area

The immediate impact area would be the federal 200-mile limit of the Atlantic off the coasts of North Carolina, South Carolina, Georgia, and east Florida to Key West, which is also the South Atlantic Fishery Management Council's (Council) area of jurisdiction. In light of the available information, the extent of the boundaries would depend upon the degree of fish immigration/emigration and larval transport, whichever has the greatest geographical range. The ranges of affected species are described in Volume II of the Fishery Ecosystem Plan.[23] For the proposed actions found in this amendment, the cumulative effects analysis includes an analysis of data from 2009 through the present.

6.2 Past, Present, and Reasonably Foreseeable Actions Impacting the Affected Area

Fishery managers implemented the first significant regulations pertaining to snapper grouper species in 1983 through the Fishery Management Plan (FMP) for the Snapper Grouper Fishery of the South Atlantic Region (Snapper Grouper FMP; SAFMC 1983). Listed below are other past, present, and reasonably foreseeable actions occurring in the South Atlantic Region. These actions, when added to the proposed management measures, may result in cumulative effects on the biophysical and socio-economic environment. The complete history of management of the snapper grouper fishery can be found: https://safmc.net/fishery-management-plans/snapper-grouper/.

Past Actions

Amendment 42 to the Snapper Grouper FMP, effective on January 8, 2020, added three newly approved sea turtle release devices and updated the regulations to simplify and clarify the specifications for other release gear requirements (SAFMC, 2019c). The new devices and updates provide more options to fulfill the requirements for sea turtle release gear on board vessels with commercial and charter/for-hire snapper grouper permits in the South Atlantic. The amendment also streamlines the procedure to implement newly approved devices and handling procedures in the future.

Regulatory Amendment 27 (Vision Blueprint Regulatory Amendment 27) to the Snapper Grouper FMP, effective on February 26, 2020, addresses specific action items in the 2016-2020 Vision Blueprint for the commercial sector of the snapper grouper fishery (SAFMC, 2019b). The framework amendment revised commercial regulations for blueline tilefish, snowy grouper, greater amberjack, red porgy, vermilion snapper, almaco jack, Other Jacks Complex (lesser amberjack, almaco jack, and banded rudderfish), queen snapper, silk snapper, blackfin snapper,

[23] http://safmc.net/ecosystem-management/fishery-ecosystem-plan/

and gray triggerfish. Actions include modifying fishing seasons, trip limits, and minimum size limits.

Regulatory Amendment 26 (Vision Blueprint Regulatory Amendment 26) to the Snapper Grouper FMP, effective on March 30, 2020, addresses specific action items in the 2016-2020 Vision Blueprint for the recreational sector of the snapper grouper fishery. The framework amendment modified the 20-fish aggregate bag limits, and minimum size limits for certain species.

Regulatory Amendment 29 to the Snapper Grouper FMP, effective July 15, 2020, modified gear requirements for South Atlantic snapper grouper species. Actions included requirements for descending and venting devices, and modifications to requirements for circle hooks and powerheads.

Present Actions

Comprehensive Acceptable Biological Catch (ABC) Control Rule Amendment (Amendment 45 to the Snapper Grouper FMP) would modify the ABC control rule, specify an approach for determining the acceptable risk of overfishing and the probability of rebuilding success for overfished stocks, allow phase-in of ABC changes, and allow carry-over of unharvested catch (SAFMC, 2023b). This amendment was submitted for Secretarial review in June 8, 2023 and effective on February 2, 2024.

Reasonably Foreseeable Future Actions

Amendment 46 to the Snapper Grouper FMP (currently under development) would require commercial permit holders to report to the Coastal Fisheries Logbook program via electronic forms approved by the Science and Research Director (SAFMC, 2023c). If this amendment is approved and implemented, the participants in the wreckfish fishery will be required to submit electronic logbook forms along with the submission of landings through the Wreckfish ITQ program.

Expected Impacts from Past, Present, and Future Actions

The intent of Amendment 48 is to modernize the Wreckfish ITQ program to improve program monitoring and enforcement, as well as data collection and management, provide more flexibility for fishers, increase profitability in the Wreckfish ITQ program, and implement a cost recovery program as mandated by the Magnuson-Stevens Fishery Conservation and Management Act.

The proposed actions in Amendment 48 are not expected to result in significant cumulative adverse biological or socio-economic effects (see Chapter 4). The actions in the amendment are a result of the Wreckfish ITQ review which identified potential changes needed for the Wreckfish ITQ program (reference?). Most of the actions are administrative in nature and as such only minor cumulative impacts are likely to accrue.

The actions in this amendment are not expected to result in significant cumulative adverse biological or socio-economic effects to the snapper grouper fishery when combined with the impacts of past, present, and future actions (see Chapter 4).

6.3 Consideration of Climate Change and Other Non-Fishery Related Issues

Climate Change

Climate Change Global climate changes could have significant effects on Atlantic fisheries, though the extent of these effects on the snapper grouper fisheries is not known at this time. The Environmental Protection Agency's climate change webpage (https://www.epa.gov/climate-indicators/marine-species-distribution), and NOAA's Office of Science and Technology climate webpage (https://www.fisheries.noaa.gov/topic/climate), provides background information on climate change, including indicators which measure or anticipate effects on oceans, weather and climate, ecosystems, health and society, and greenhouse gases. The United Nations Intergovernmental Panel on Climate Change's Sixth Assessment Report (February 28, 2022), U.S. Global Change Research Program (USGCRP)'s Fourth Climate Assessment (2018), and the Ecosystem Status Report for the U.S. South Atlantic Region (Craig et al. 2021) also provide a compilation of scientific information on climate change. Those findings are summarized below.

Ocean acidification, or a decrease in surface ocean pH due to absorption of anthropogenic carbon dioxide emissions, affects the chemistry and temperature of the water. Increased thermal stratification alters ocean circulation patterns, and causes a loss of sea ice, sea level rise, increased wave height and frequency, reduced upwelling, and changes in precipitation and wind patterns. Changes in coastal and marine ecosystems can influence organism metabolism and alter ecological processes such as productivity, species interactions, migration, range and distribution, larval and juvenile survival, prey availability, and susceptibility to predators. The "center of biomass," a geographical representation of each species' weight distribution, is being used to identify the shifting of fish populations. Rising water temperatures, ocean acidification, retreating arctic sea ice, sea level rise, high-tide flooding, coastal erosion, higher storm surge, and heavier precipitation events are projected to continue, putting ocean and marine species at risk, decreasing the productivity of certain fisheries, and threatening communities that rely on marine ecosystems for livelihoods and recreation (USGCRP 2018). Harvesting and habitat changes also cause geographic population shifts. Changes in water temperatures may also affect the distribution of native and exotic species, allowing invasive species to establish communities in areas they may not have been able to survive previously. The numerous changes to the marine ecosystem may cause an increased risk of disease in marine biota. An increase in the occurrence and intensity of toxic algae blooms will negatively influence the productivity of keystone animals, such as corals, and critical coastal ecosystems such as wetlands, estuaries, and coral reefs (Kennedy et al. 2002; IPCC 2022). Free et al. (2019) investigated the impacts of historical warming on marine fisheries production and found that climate change is altering habitats for marine fishes and invertebrates, but the net effect of these changes on potential food production is unknown.

Climate driven movement of fish stocks is causing commercial, small-scale, artisanal, and recreational fishing activities to shift poleward and diversify harvests (IPCC 2022). In the South

Atlantic Region, species richness and abundance of offshore hard bottom reef fishes have generally declined over time while richness and abundance of demersal fishes in soft sediment habitats on the nearshore shelf have increased. Potential explanations for these patterns include changes in harvest (directed and bycatch), trophic interactions, and environment effects on recruitment (Craig et al. 2021). Climate change may impact snapper grouper species in the future, but the level of impacts cannot be quantified at this time, nor is the time frame known in which these impacts will occur.

Patterns from stock assessments in the South Atlantic Region indicate biomass of most assessed species generally show declines from the 1970s through the 1990s with some species showing signs of recovery beginning in the early to mid-2000s. Recruitment of a number of snapper grouper species has declined since the early 2010s whereas recruitment of Red Snapper and some pelagic species has increased in recent years (Craig et al. 2021).

In the near term, it is unlikely that the actions in this amendment would compound or exacerbate the ongoing effects of climate change on snapper grouper species, including wreckfish.

Climate change may impact snapper grouper species in the future, but the level of impacts cannot be quantified at this time, nor is the time frame known in which these impacts will occur. In the near term, it is unlikely that the management measures contained in Amendment 48 would compound or exacerbate the ongoing effects of climate change on snapper grouper species.

Weather Variables

Hurricane season is from June 1 to November 30, and accounts for 97% of all tropical activity affecting the Atlantic basin. These storms, although unpredictable in their annual occurrence, can devastate areas when they occur. Although these effects may be temporary, those fishing-related businesses whose profitability is marginal may go out of business if a hurricane strikes.

6.4 Overall Impacts Expected from Past, Present, and Future Actions

The proposed management actions are summarized in Chapter 2 of this document. Detailed discussions of the magnitude and significance of the impacts of the alternatives on the human environment appear in Chapter 4 of this document. None of the impacts of the actions in this amendment, in combination with past, present, and future actions have been determined to be significant. Although several other management actions, in addition to this amendment, are expected to affect snapper grouper species, any additive effects, beneficial and adverse, are not expected to result in a significant level of cumulative impacts.

The proposed actions would not adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places as these are not in the exclusive economic zone (EEZ) off the South Atlantic. These actions are not likely to result in direct, indirect, or cumulative effects to unique areas, such as significant scientific, cultural, or historical resources, park land, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas as the proposed action is not expected to substantially increase fishing effort or the spatial and/or temporal distribution of current fishing effort within the South Atlantic region. The U.S. Monitor, Gray's Reef, and Florida Keys National Marine Sanctuaries are within the

boundaries of the EEZ off the South Atlantic. The proposed actions are not likely to cause loss or destruction of these national marine sanctuaries because the actions are not expected to result in appreciable changes to current fishing practices. Additionally, the proposed actions are not likely to change the way in which the snapper grouper fishery is prosecuted; therefore, the actions are not expected to result in adverse impacts on health or human safety beyond the status quo.

6.5 Monitoring and Mitigation

Fishery-independent and fishery-dependent data comprise a significant portion of information used in stock assessments. Fishery-independent data are being collected through the Southeast Fishery Information Survey and the Marine Resources Monitoring Assessment and Prediction Program. The effects of the proposed actions are, and would continue to be, monitored through collection of data through the Coastal Logbook Program as well as through dealer reports and landings reports through the Wreckfish ITQ program. The National Marine Fisheries Service would continue to monitor and collect information on snapper grouper species for stock assessments and stock assessment updates, life history studies, economic and social analyses, and other scientific observations. The proposed actions relate to the harvest of indigenous species in the Atlantic, and the activities/regulations being altered do not introduce non-indigenous species and are not reasonably expected to facilitate the spread of such species through depressing the populations of native species. Additionally, these alternatives do not propose any activity, such as increased ballast water discharge from foreign vessels, which is associated with the introduction or spread on non-indigenous species.

Chapter 7. List of Interdisciplinary Plan Team Members

Name	Agency/Division	Title
Christina Wiegand	SAFMC	Social Scientist/IPT Lead
John Hadley	SAFMC	Economist
Myra Brouwer	SAFMC	Deputy Director for Management
Nick Smillie	SAFMC	Digital Communications
Roger Pugliese	SAFMC	Senior Fishery Biologist
Judd Curtis	SAFMC	Quantitative Scientist
Karla Gore	SERO/SF	Fishery Biologist/IPT Lead
Rick DeVictor	SERO/SF	South Atlantic Branch Chief
Britni LaVine	SERO/SF/LAPP-DM	Fishery Biologist
Alisha Gray	SERO/SF/LAPP-DM	Data Analyst
Al Taylor	SERO/SF/LAPP-DM	Fishery Biologist
Adam Bailey	SERO/SF	Technical Writer and Editor
Patrick O'Pay	SERO/PR	Biologist
Nikhil Mehta	SERO/SF	Fishery Biologist/NEPA Coordinator
Ed Glazier	SERO/SF	Social Scientist
Mike Travis	SERO/SF	Social Science Branch Leader
Adam Stemle	SERO/SF	Economist
David Dale	SERO/Habitat	Regional EFH Coordinator
Jessica Stephen	SERO/SF/LAPP-DM	Limited Access Privilege Programs and Data Management Branch Chief
Kevin McIntosh	SERO/CS	Constituency Services Branch Chief
Scott Crosson	SEFSC	Economist
Alan Lowther	SEFSC	Survey Design, Data Management and Dissemination Branch Chief
Adam Brame	SERO/PR	Sawfish Recovery Coordinator
Monica Smit-Brunello	NOAA GC	General Counsel
Manny Antonaras	SERO/OLE	Assistant Director
Matthew Walia	SERO/OLE	Compliance Liaison Analyst

NOAA=National Oceanic and Atmospheric Administration, NMFS = National Marine Fisheries Service, SERO = Southeast Regional Office, SF = Sustainable Fisheries Division, PR = Protected Resources Division, HC = Habitat Conservation Division, SEFSC=Southeast Fisheries Science Center, GC = General Counsel

Chapter 8. Agencies and Persons Consulted

Responsible Agencies
South Atlantic Fishery Management Council (Administrative Lead)
4055 Faber Place Drive, Suite 201
N. Charleston, South Carolina 29405
843-571-4366/ 866-SAFMC-10 (TEL)
843-769-4520 (FAX)
www.safmc.net

NMFS, Southeast Region
263 13th Avenue South
St. Petersburg, Florida 33701
727- 824-5301 (TEL)
727-824-5320 (FAX)

List of Agencies, Organizations, and Persons Consulted
SAFMC Law Enforcement Advisory Panel
SAFMC Snapper Grouper Advisory Panel
SAFMC Scientific and Statistical Committee
North Carolina Coastal Zone Management Program
South Carolina Coastal Zone Management Program
Georgia Coastal Zone Management Program
Florida Coastal Zone Management Program
Florida Fish and Wildlife Conservation Commission
Georgia Department of Natural Resources
South Carolina Department of Natural Resources
North Carolina Division of Marine Fisheries
North Carolina Sea Grant
South Carolina Sea Grant
Georgia Sea Grant
Florida Sea Grant
Atlantic States Marine Fisheries Commission
National Marine Fisheries Service
- Washington Office
- Office of Ecology and Conservation
- Southeast Regional Office
- Southeast Fisheries Science Center

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Appendix A. Other Applicable Law

1.1 Administrative Procedure Act (APA)

All federal rulemaking is governed under the provisions of the APA (5 U.S.C. Subchapter II), which establishes a "notice and comment" procedure to enable public participation in the rulemaking process. Among other things under the APA, the National Marine Fisheries Service (NMFS) is required to publish notification of proposed rules in the *Federal Register* and to solicit, consider and respond to public comment on those rules before they are finalized. The APA also establishes a 30-day wait period from the time a final rule is published until it takes effect, with some exceptions. Amendment 48 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region (Amendment 48) complies with the provisions of the APA through the South Atlantic Fishery Management Council's (Council) extensive use of public meetings, requests for comments and consideration of comments. The proposed rule associated with this plan amendment will have a request for public comments, which complies with the APA, and upon publication of the final rule, unless the rule falls within an APA exception, there will be a 30-day wait period before the regulations are effective.

1.2 Information Quality Act (IQA)

The IQA (Section 515 of the Treasury and General Government Appropriations Act for Fiscal Year 2001 (Public Law 106-443)) which took effect October 1, 2002, directed the Office of Management and Budget (OMB) to issue government-wide guidelines that "provide policy and procedural guidelines to federal agencies for ensuring and maximizing the quality, objectivity, utility, and integrity of information disseminated by federal agencies." OMB directed each federal agency to issue its own guidelines, establish administrative mechanisms allowing affected persons to seek and obtain correction of information that does not comply with OMB guidelines, and report periodically to OMB on the number and nature of complaints. The NOAA Section 515 Information Quality Guidelines require a series of actions for each new information product subject to the IQA. Amendment 48 uses the best available information and made a broad presentation thereof. The information contained in this document was developed using best available scientific information. Therefore, this document is in compliance with the IQA.

1.3 Coastal Zone Management Act (CZMA)

Section 307(c)(1) of the federal CZMA of 1972 requires that all federal activities that directly affect the coastal zone be consistent with approved state coastal zone management programs to the maximum extent practicable. While it is the goal of the Council to have management measures that complement those of the states, federal and state administrative procedures vary and regulatory changes are unlikely to be fully instituted at the same time. The Council believes the actions in this plan amendment are consistent to the maximum extent practicable with the Coastal Zone Management Plans of Florida, Georgia, South Carolina, and North Carolina. Pursuant to Section 307 of the CZMA, this determination will be submitted to the responsible state agencies who administer the approved Coastal Zone Management Programs in the States of Florida, South Carolina, Georgia, and North Carolina.

1.4 Executive Order 12612: Federalism

Executive Order (E.O.) 12612 requires agencies to be guided by the fundamental federalism principles when formulating and implementing policies that have federalism implications. The purpose of the Order is to guarantee the division of governmental responsibilities between the federal government and the states, as intended by the framers of the Constitution. No federalism issues have been identified relative to the actions proposed in this document and associated regulations. Therefore, preparation of a Federalism assessment under E.O. 12612 is not necessary.

1.5 Executive Order 12962: Recreational Fisheries

E.O. 12962 requires federal agencies, in cooperation with states and tribes, to improve the quantity, function, sustainable productivity, and distribution of U.S. aquatic resources for increased recreational fishing opportunities through a variety of methods. Additionally, the Order establishes a seven-member National Recreational Fisheries Coordination Council responsible for, among other things, ensuring that social and economic values of healthy aquatic systems that support recreational fisheries are considered by federal agencies in the course of their actions, sharing the latest resource information and management technologies, and reducing duplicative and cost-inefficient programs among federal agencies involved in conserving or managing recreational fisheries. The National Recreational Fisheries Coordination Council also is responsible for developing, in cooperation with federal agencies, states and tribes, a Recreational Fishery Resource Conservation Plan to include a five-year agenda. Finally, the Order requires NMFS and the U.S. Fish and Wildlife Service to develop a joint agency policy for administering the ESA.

The alternatives considered in this document are consistent with the directives of E.O. 12962.

1.6 Executive Order 13089: Coral Reef Protection

E.O. 13089, signed by President William Clinton on June 11, 1998, recognizes the ecological, social, and economic values provided by the Nation's coral reefs and ensures that federal agencies are protecting these ecosystems. More specifically, the Order requires federal agencies to identify actions that may harm U.S. coral reef ecosystems, to utilize their program and authorities to protect and enhance the conditions of such ecosystems, and to ensure that their actions do not degrade the condition of the coral reef ecosystem.

The alternatives considered in this document are consistent with the directives of E.O. 13089.

1.7 Executive Order 13158: Marine Protected Areas (MPAs)

E.O. 13158 was signed on May 26, 2000, to strengthen the protection of U.S. ocean and coastal resources through the use of MPAs. The E.O. defined MPAs as "any area of the marine environment that has been reserved by federal, state, territorial, tribal, or local laws or regulations to provide lasting protection for part or all of the natural and cultural resources

therein." It directs federal agencies to work closely with state, local and non-governmental partners to create a comprehensive network of MPAs "representing diverse U.S. marine ecosystems, and the Nation's natural and cultural resources."

The alternatives considered in this document are consistent with the directives of E.O. 13158.

1.8 National Marine Sanctuaries Act (NMSA)

Under the NMSA (also known as Title III of the Marine Protection, Research and Sanctuaries Act of 1972), as amended, the U.S. Secretary of Commerce is authorized to designate National Marine Sanctuaries to protect distinctive natural and cultural resources whose protection and beneficial use requires comprehensive planning and management. The National Marine Sanctuary Program is administered by the Sanctuaries and Reserves Division of NOAA. The NMSA provides authority for comprehensive and coordinated conservation and management of these marine areas. The National Marine Sanctuary Program currently comprises 13 sanctuaries around the country, including sites in American Samoa and Hawaii. These sites include significant coral reef and kelp forest habitats, and breeding and feeding grounds of whales, sea lions, sharks, and sea turtles. The three sanctuaries in the South Atlantic exclusive economic zone are the USS Monitor, Gray's Reef, and Florida Keys National Marine Sanctuaries.

The alternatives considered in this document are not expected to have any adverse impacts on the resources managed by the National Marine Sanctuaries.

1.9 Paperwork Reduction Act (PRA)

The purpose of the PRA is to minimize the burden on the public. The PRA is intended to ensure that the information collected under the proposed action is needed and is collected in an efficient manner (44 U.S.C. 3501 (1)). The authority to manage information collection and record keeping requirements is vested with the Director of the Office of Management and Budget (OMB). This authority encompasses establishment of guidelines and policies, approval of information collection requests, and reduction of paperwork burdens and duplications. The PRA requires NMFS to obtain approval from the OMB before requesting most types of fishery information from the public. Actions in this document are expected to affect PRA.

1.10 Small Business Act (SBA)

Enacted in 1953, the SBA requires that agencies assist and protect small-business interests to the extent possible to preserve free competitive enterprise. The objectives of the SBA are to foster business ownership by individuals who are both socially and economically disadvantaged; and to promote the competitive viability of such firms by providing business development assistance including, but not limited to, management and technical assistance, access to capital and other forms of financial assistance, business training, and counseling, and access to sole source and limited competition federal contract opportunities, to help firms achieve competitive viability. Because most businesses associated with fishing are considered small businesses, NMFS, in implementing regulations, must make an assessment of how those regulations will affect small businesses.

1.11 Public Law 99-659: Vessel Safety

Public Law 99-659 amended the Magnuson-Stevens Fishery Conservation and Management Act to require that an FMP or FMP amendment must consider, and may provide for, temporary adjustments (after consultation with the U.S. Coast Guard and persons utilizing the fishery) regarding access to a fishery for vessels that would be otherwise prevented from participating in the fishery because of safety concerns related to weather or to other ocean conditions. No vessel would be forced to participate in South Atlantic fisheries under adverse weather or ocean conditions as a result of the imposition of management regulations proposed in this amendment. No concerns have been raised by South Atlantic fishermen or by the U.S. Coast Guard that the proposed management measures directly or indirectly pose a hazard to crew or vessel safety under adverse weather or ocean conditions.

Appendix B. Regulatory Impact Review

2.1 Introduction

The National Marine Fisheries Service (NMFS) requires a Regulatory Impact Review (RIR) for all regulatory actions that are of public interest to satisfy the obligations under Executive Order (E.O.) 12866, as amended. In conjunction with the analysis of direct and indirect effects in the "Environmental Consequences" section of this Amendment, the RIR: 1) provides a comprehensive review of the level and incidence of impacts associated with a regulatory action; 2) provides a review of the problems and policy objectives prompting the regulatory proposals and an evaluation of the major alternatives which could be used to solve the problem; and 3) ensures that the regulatory agency systematically and comprehensively considers all available alternatives so that the public welfare can be enhanced in the most efficient and cost effective way. The RIR also serves as the basis for determining whether any proposed regulations are a "significant regulatory action" under certain criteria provided in Executive Order (E.O.) 12866. In addition, the RIR provides some information that may be used in conducting an analysis of the effects on small entities pursuant to the Regulatory Flexibility Act (RFA). This RIR analyzes the effects this regulatory action would be expected to have on the commercial sectors of the South Atlantic snapper grouper fishery.

2.2 Problems and Objectives

The problems and objectives for the proposed actions are presented in Section 1.4 of this amendment and are incorporated herein by reference.

2.3 Description of Fisheries

A description of the commercial fisheries for South Atlantic snapper grouper is provided in Section 3.4 of this amendment and is incorporated herein by reference.

2.4 Effects of Management Measures

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

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.1.2. The following discussion summarizes the expected economic effects of the South Atlantic Fishery Management Council (Council) preferred alternative relative to the No Action alternative (i.e., the status quo).

In general, sector ACLs that allow for more fish to be landed can result in increased net economic benefits if harvest increases without notable long-term effects on the health of a stock. The sector ACL does not directly impact the fishery for a species unless harvest changes, fishing behavior changes, or the sector ACL is exceeded, thereby potentially triggering AMs such as harvest closures or other restrictive measures. As such, sector ACLs that are set above observed landings in a fishery for a species and do not change harvest or fishing behavior may not have realized economic effects each year. Nevertheless, sector ACLs set above observed average

harvest levels do create a gap between the sector ACL and typical landings that may be utilized in years of exceptional abundance or accessibility of a species, thus providing the opportunity for increased landings and a reduced likelihood of triggering restrictive AMs. As such there are potential economic benefits from sector ACLs that allow for such a gap.

Commercial Sector

Preferred Alternative 2 would result in a comparatively higher commercial sector allocation and higher sector ACL. If conditions allow, an increase in harvest due to a higher sector ACL would result in an increase in direct net economic benefits through increased producer surplus (PS) for the commercial sector. The estimated change in net economic benefits for the commercial sector for **Preferred Alternative 2** would be an annual increase in net economic benefits of $14,942 (2021 dollars).

Recreational Sector

Recreational landings of wreckfish have not been recorded by MRIP in the South Atlantic region in recent years, but landings do occur from time to time based on feedback from the Council's Snapper Grouper advisory panel and social media indicating the potential to utilize a portion of the recreational ACL should wreckfish be intercepted by MRIP in future years. As such, retaining some level of access to the total ACL for wreckfish would preserve potential economic benefits in the recreational fishery occurring from harvest of the species. **Preferred Alternative 2** would result in a comparatively lower recreational sector allocation and lower potential direct net economic benefits. Nevertheless, since the recreational sector allocation and ACL of wreckfish has gone unused in recent years, there would be no change in quantified net economic benefits to the sector.

Total

In general, higher ACLs allow for increased harvest when fishery conditions allow, thereby increasing net economic benefits. Thus under this notion, **Alternative 4** would allow for the highest potential net economic benefits for the commercial sector followed by **Alternative 3**, **Preferred Alternative 2**, and **Alternative 1 (No Action)**. The opposite would be true for the recreational sector, where **Alternative 1 (No Action)** would allow for the highest potential economic benefits followed by **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4**.

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

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.2.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

The reporting burden under **Preferred Alternative 2** would likely be similar to that under **Alternative 1 (No Action)**. All wreckfish dealers are currently reporting landings electronically, thus implementing an electronic reporting system for the wreckfish ITQ program would not introduce new costs to dealers. If fishermen involved in the wreckfish fishery do not already have the necessary equipment and internet connection to report electronically, **Preferred Alternative 2** would introduce a new cost. To submit logbooks and usage of quota

electronically, dealers and fishermen would need access to an internet equipped device such as a laptop, tablet, or smartphone. While this would result in an additional cost for those individuals that do not already have such a device or internet service, it is assumed that all fishermen likely have existing access that would allow them to submit logbooks electronically. As such, the implementation of an electronic reporting system is not expected to result in notable new or additional direct costs for fishermen.

The switch from paper **(**to electronic commercial logbooks and ITQ monitoring (**Preferred Alternative 2**) is expected to result in positive economic effects and net economic benefits for commercial fishermen, dealers, and NMFS. The transition from paper to electronic means is expected to streamline the logbook submission and ITQ monitoring process by progressively eliminating the mailing, handling, and data entry of logbooks and ITQ coupons received. Commercial fishermen and dealers will no longer have to fill out and mail paper logbooks and coupons, thereby resulting in potential time and postage savings. It is expected that filling out electronic logbooks would take slightly less time than completing and mailing paper forms; however, the difference between the two formats is likely minimal given similar information that would be requested between the paper and electronic formats. As such, the opportunity cost of any time saved would be negligible. Because the electronic submission of commercial logbooks would provide a quasi-instantaneous confirmation of receipt, commercial fishermen would benefit from the assurance that their logbooks were received and would no longer be subject to administrative challenges and adverse effects that may result from misplaced (or lost in the mail) logbooks and from requests for clarification or corrections through logbook send-backs.

The switch from paper-based to electronic logbooks and coupons in **Preferred Alternative 2** is expected to eliminate handling and data entry steps in the long term. The full implementation of electronic submission may lower NMFS' logbook and ITQ coupon processing burden as well as costs and could result in a timelier availability of logbook data. In addition, the accuracy of the data collected may improve because some fishermen's errors, e.g., erroneous entries that would not be possible in the electronic forms, incomplete logbooks, and data entry errors will be eliminated.

There would be administrative cost reductions associated with the conversion from paper to electronic reporting in **Preferred Alternative 2**. The reduction in administrative costs associated with this action would be $1,562 annually. This would include a reduction in costs for postage, printing of materials, and labor. **Preferred Alternative 2** would also allow for more timely monitoring of the wreckfish ITQ program in comparison to **Alternative 1 (No Action)**. As such, **Preferred Alternative 2** would result in increased net economic benefits.

Action 3. Modify the requirements to commercially harvest or sell wreckfish.

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.3.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

Preferred Alternative 3 would be less stringent since it would remove the requirement that a fishery participant must obtain a commercial vessel permit for wreckfish. Under **Preferred**

Alternative 3, shareholders would no longer be required to pay for a wreckfish permit, which costs $10 per year. Assuming the current nine shareholders in the fishery are representative of future years, this would result in an annual direct cost savings of $90 (2021 dollars).

Action 4. Wreckfish Individual Transferable Quota Online Shareholder Account Eligibility

Adding the requirement of a valid snapper grouper unlimited permit to be eligible to open a wreckfish individual transferable quota shareholder account under **Preferred Alternative 2** may add an additional cost to wreckfish fishery participants in comparison to **Alternative 1 (No Action)** if they do not already possess such a permit. If a fishery participant already holds a valid snapper grouper unlimited permit, then there would be no difference in economic effects between the two alternatives. Currently, all shareholders also have a valid snapper grouper unlimited permit, thus any additional costs would only be potentially incurred by new entrants.

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

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.5.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

Under **Alternative 1 (No Action),** there would be no requirements to obtain or maintain wreckfish individual transferable quota shares in an online system. Thus, this alternative would have the lowest barrier to entry into the fishery and least costly to participants. **Preferred Alternative 3** would be the most restrictive of the alternatives considered since it may limit potential fishery participants to those who are U.S. citizens as well as require a valid commercial snapper grouper unlimited permit. This permit requirement may add an additional cost to wreckfish fishery participants if they do not already possess such a permit. Currently, all shareholders also have a valid snapper grouper unlimited permit, thus any additional costs would only be potentially incurred by new entrants.

Action 6. Share Divestment for Permit-Required Accounts.

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.6.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

Under **Alternative 1 (No Action)**, the Wreckfish ITQ program does not specify requirements for NMFS to reclaim wreckfish shares from non-compliant shareholders. This would be a benefit for such shareholders but could represent a cost to other shareholders and the fishery as a whole if the non-compliant shareholders are not utilizing their quota. **Preferred Alternative 2** and **Preferred Alternative 3** would allow NMFS to reclaim these shares and make them available to other compliant shareholders in the fishery. Thus, this could lead to better utilization of the commercial wreckfish quota as a whole and increase net economic benefits. The sub-alternatives of **Preferred Alternative 2** and **Preferred Alternative 3** specify when such an action would occur and how long non-compliant shareholders can take to come into compliance or face the cost of forfeited shares. These sub-alternatives specify the time when the costs and benefits of

Preferred Alternative 2 and **Preferred Alternative 3** may be incurred by both non-compliant and compliant shareholders. These economic effects would be indirect.

Non-compliant shareholders would have a preference for sub-alternatives that allow more time to sell their shares or come into compliance, thereby mitigating the potential economic costs and increasing the likelihood of economic benefits. Thus, for non-compliant shareholders, net economic benefits would be highest under **Alternative 1 (No Action)** compared to **Preferred Sub-alternative 2b** and **Preferred Sub-Alternative 3a**. The net economic benefits for compliant shareholder holders that may be able to obtain shares would be lowered under **Preferred Sub-alternative 2b** and **Preferred Sub-Alternative 3a**.

Action 7. Redistribution of reclaimed shares to remaining shareholders.

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.7.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

Under **Alternative 1 (No Action)**, NMFS would not have specific requirements under the Wreckfish ITQ program to reclaim wreckfish shares from non-compliant shareholders. This would be a benefit for such shareholders but could represent a cost to other shareholders and the fishery as a whole if the non-compliant shareholders are not utilizing their quota. **Preferred Alternative 4** would result in a net economic benefit for compliant shareholders in the wreckfish fishery in comparison to **Alternative 1 (No Action)** due to the redistribution of shares to these participants. **Preferred Alternative 4** would likely lead to better utilization of the wreckfish quota and an increase in net economic benefits through harvesting or utilizing the redistributed quota. Additionally, this redistribution of quota would provide a net economic benefit to recipients from the proceeds of the quota if sold. These economic effects would be indirect.

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

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.8.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

Alternative 1 (No Action) would maintain the requirement for fishery participants to have or acquire active wreckfish ITQ shares to obtain annual allocation from shares. If a fishery participant already possesses these shares, then there would be no additional cost, but new entrants would need to obtain shares, representing a cost to these entrants. **Preferred Alternative 3** would require participants to have or acquire active wreckfish ITQ shares to obtain annual allocation as well as be in good standing in respect to cost recovery fees (**Preferred Sub-alternative 3a**), which represent costs that are discussed in subsequent actions covering these topics. Thus, this sub-alternative would not implement direct costs. **Preferred Alternative 3** would implement additional stipulations on exist participants and new entrants, thus this alternative would have comparatively higher costs.

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

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.9.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

Preferred Alternative 2 would be more restrictive than **Alternative 1 (No Action)** and potentially add a cost to fishery participants if they do not already possess wreckfish shares. As such, shares would need to be purchased or annual allocation could not be transferred. The valid snapper grouper unlimited permit requirement of **Preferred Alternative 3** may add an additional cost to wreckfish fishery participants in comparison to **Alternative 1 (No Action)** and **Preferred Alternative 2** if they do not already possess such a permit. If a fishery participant already holds a valid snapper grouper unlimited permit, then there would be no difference in economic effects between the **Alternative 1 (No Action)** and **Preferred Alternative 3** provided that the recipient is also an individual who is a United States citizen or permanent resident alien. Currently, all shareholders also have a valid snapper grouper unlimited permit, thus any additional costs would only be potentially incurred by new entrants.

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

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.10.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

Preferred Sub-alternative 2a under **Preferred Alternative 2** would grant the RA the authority to withhold a portion of the commercial annual allocation in anticipation of a mid-year quota decrease. In and of itself, the flexibility to retain a portion of commercial annual IFQ allocations is an administrative measure that would not be expected to result in direct economic effects. **Preferred Sub-alternative 2a** would reduce the risk of overfishing wreckfish in years that the ACL is being reduced, which could lead to long-term economic benefits. In the short-term, there would be economic costs due to the reduced quota available to the fishery and likely reduced landings of wreckfish.

Action 11. Modify the commercial fishing year for wreckfish.

The fishing year does not directly affect landings or fishing behavior, therefore the economic effects of **Alternative 1 (No Action)** and **Preferred Alternative 2** would likely be similar. Net economic benefits are not expected to change between the two alternatives.

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

Preferred Alternative 2 would create direct economic effects through increased costs for wreckfish fishery participants due to the time it would take to satisfy the hail in requirement and notify NMFS in advance of landing wreckfish. To meet the hail-in requirement, commercial

wreckfish vessel operators would be expected to incur additional costs associated with the opportunity cost of the time spent to hail-in. Based on the 2017-2021 annual average number of trips, the additional hail-in requirement under **Preferred Alternative 2** is expected to apply to 54 trips per year and affect 6 vessels. It is assumed that, on average, complying with the advance notice requirement would take 5 minutes per trip. Therefore, the annual time burden associated with the hail requirement is estimated at approximately 4.5 hours or approximately .75 hours per vessel. Based on an average wage rate of $26.61 (reported by the Bureau of Labor Statistics for first line supervisors/managers in the fishing, forestry, and farming industries as of May 2023; 2021 dollars), the aggregate and per vessel opportunity costs are estimated at $120 and $20 per year, respectively (2021 dollars).

If fishermen involved in the wreckfish fishery do not already have the necessary equipment and internet connection to hail-in, **Preferred Alternative 2** would also introduce a new communication cost. To hail in electronically, commercial wreckfish vessel operators would need access to an internet equipped device such as a laptop, tablet, or smartphone. While this would result in an additional cost for those that do not already have such a device or internet service, it is assumed that all fishermen have existing access that would allow them to hail-in. As such, the implementation of a hail-in requirement is not expected to result in notable new or additional communication costs for fishermen. Additionally, in cases where vessels may arrive at their offloading site in less than 3 hours from the time that they were able to notify NMFS, there may be additional time spent waiting to offload in order to adhere to the 3-hour minimum notice requirement. In this circumstance, there would be additional opportunity costs for **Preferred Alternative 2** in comparison to **Alternative 1 (No Action)**. Since this scenario is situational and may vary by vessel as well as by trip, these economic effects are not quantified.

The positive indirect economic effects of **Preferred Alternative 2** stem from the potential reduction in illegal harvest of wreckfish as a result of better interception of commercial wreckfish vessels by marine enforcement agents. In terms of the change in quantified economic net economic benefits, **Preferred Alternative 2** would result in lower net economic benefits than **Alternative 1 (No Action)**.

Action 13. Modify offloading site requirements for wreckfish.

Removing offloading site requirements under **Preferred Alternative 2** and allowing landing to take place at any NMFS approved location would increase flexibility in landing sites that could result in reduced costs if a vessel ends up traveling a shorter distance, thus decreasing fuel costs. Should this occur, there would be net economic benefits from **Preferred Alternative 2** in comparison to **Alternative 1 (No Action)**.

Action 14. Modify offloading time requirements for wreckfish.

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.14.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

Offloading time requirements implement a cost on fishery participants since they may hinder fishing activity that otherwise would have occurred should such restrictions not be in place.

Thus, less restrictive time requirements offer comparative economic benefits**.** As such, **Preferred Alternative 2** offers greater potential economic benefits to fishery participants than **Alternative 1 (No Action)**.

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

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.15.1.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

A cost recovery plan in **Preferred Alternative 2** would implement an additional cost on wreckfish fishery participants but an equal benefit to fishery management agencies, in this case the National Marine Fisheries Service (NMFS), by helping to offset administrative costs. Thus, implementation of a cost recovery plan would create distributional economic effects. Assuming that a maximum cost recovery fee of 3% of ex-vessel revenue is implemented, the total estimated annual fee collected from wreckfish fishery participants would be $43,268 (2021 dollars).

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

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.15.2.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

Alternative 1 (No Action) represents the lowest cost to fishery participants, but it is not a legally viable alternative. **Preferred Alternative 4** would create a reporting and time burden, and this an opportunity cost in comparison to **Alternative 1 (No Action)**, since cost collection would be required once per quarter. However, **Preferred Alternative 4** is the least burdensome viable alternative considered in Sub-Action 15-2 and thus would have the lowest expected costs for fishery participants of the viable alternatives considered in the sub-action.

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

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.15.3.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

Alternative 1 (No Action), represents the lowest costs to fishery participants, as it is the least stringent, but is also not a legally viable alternative. **Preferred Alternative 2** would implement a cost recovery fee submitted once per year, which is the lowest frequency of the viable alternatives considered in the sub-action. Less frequency between when the fees must be

submitted may lead to less reporting-related costs from those submitting the fees to NMFS and thus comparatively higher economic benefits. Under this notion, **Preferred Alternative 2** may require less reporting burden on the part of the entity submitting the fees to NMFS, since it would only be required once per year and thus the lowest costs of the viable alternatives.

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

A detailed analysis and discussion of the expected economic effects of the proposed action are included in Section 4.15.4.2. The following discussion summarizes the expected economic effects of the Council preferred alternative relative to the No Action alternative (i.e., the status quo).

Alternative 1 (No Action) represents the lowest cost to fishery participants and lowest benefits to NMFS, but it is not a legally viable alternative. The comparative costs for fishery participants related to **Preferred Alternative 2** would comparatively higher that **Alternative 1 (No Action)** but is similar the other viable alternative considered in the sub-action.

2.5 Public Costs of Regulations

The preparation, implementation, enforcement, and monitoring of this or any federal action involves the expenditure of public and private resources, which can be expressed as costs associated with the regulations. Costs to the private sector and program-related administrative costs to NMFS are discussed in the effects of management measures. Estimated public costs associated with the development of this action are in 2021 dollars and include:

South Atlantic Council costs of document preparation, meetings, public hearings, and information dissemination	$###
NMFS administrative costs of document preparation, meetings, and review	$###
TOTAL	$###

The estimate provided above does not include any additional law enforcement costs. Any enforcement duties associated with this action would be expected to be covered under routine enforcement costs rather than an expenditure of new funds. The estimated Council and NMFS administrative costs directly attributable to this amendment and the rulemaking process would be incurred prior to the effective date of the final rule implementing this amendment.

2.6 Net Benefits of Regulatory Action

It is important to specify the time period being considered when evaluating benefits and costs. According to OMB's Circular A-4 (2023), "The time frame for your analysis should include a period before and after the date of compliance that is long enough to encompass all the important benefits and costs likely to result from the regulation. A logical beginning point for your stream of estimates would be the year in which the regulation will begin to have effects, even if that is expected to be some time in the future. The ending point for your analysis should be far enough

in the future to encompass, to the extent feasible, all the important benefits and costs likely to result from all regulatory alternatives being assessed. You generally should not, for example, end an analysis at a point before benefits or costs are likely to change in a way that could change the sign of the estimated net benefits, change the relative ranking of regulatory alternatives, or otherwise have effects relevant to the public or policymakers."

For current purposes, the appropriate time frame is considered to be the next 10 years. There are two primary reasons for considering the next 10 years the appropriate time frame for evaluating the benefits and costs of this regulatory action rather than a longer (or shorter) time period. First, this regulatory action does not include a predetermined sunset provision. Second, based on the history of management of the wreckfish fishery in the South Atlantic, regulations such as those considered in this amendment are not often revisited within a decade and will presumably remain consistent through that time period.

The analyses of the changes in economic benefits indicates a decrease of $### in net economic benefits in the first year of implementation. This estimate is based on $### in total benefits and $### in total costs. In subsequent years, there would be an estimated increase of $### in net economic benefits annually. This estimate is based on $### in total benefits and $### in total costs. In discounted terms and over a 10-year time period using the analyses provided in this amendment, the total net present value of the change in net economic benefits is $### using a 2% discount rate[24] (2021 dollars).

The estimated non-discounted public costs resulting from the regulation are $### (2021 dollars). The costs resulting from developing the amendment and the associated rulemaking process should not be discounted as they will be incurred prior to the effective date of the final rule. Based on the quantified economic effects, this regulatory action is expected to increase net economic benefits to the Nation. Over a 10-year time period, the quantified change in net economic benefits is expected to be $### using a 2% discount rate (2021 dollars). On an annualized basis over a 10-year time period, the total net present value of the change in net economic benefits is $### using a 2% discount rate (2021 dollars).

2.7 Determination of Significant Regulatory Action

Pursuant to E.O. 12866, a regulation is considered a "significant regulatory action" if it is likely to result in: 1) an annual effect of $200 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; 2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; 3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights or obligations of recipients thereof; or 4) raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this executive order. Based on the information provided above, these actions have been determined to not be

[24] Two percent discount rate is applied as advised in OMB Circular A-4 (2023): https://www.whitehouse.gov/wp-content/uploads/2023/11/CircularA-4.pdf

economically significant for the purposes of E.O. 12866. In absolute terms, the expected total costs and benefits of this amendment are $### in the first year of implementation (2021 $). This is also the year of maximum cost and benefits in absolute terms.

Appendix C. Initial Regulatory Flexibility Analysis

To be completed before the June 2024 Council meeting.

Appendix D. Essential Fish Habitat and Ecosystem Based Fishery Management

EFH and EFH-HAPC Designations and Cooperative Habitat Policy Development

Summary

The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) requires federal fishery management councils and the National Marine Fisheries Service (NMFS) to designate essential fish habitat (EFH) for species managed under federal fishery management plans (FMP). Federal regulations that implement the EFH program encourage fishery management councils and NMFS to designate subsets of EFH to highlight priority areas for conservation and management. These subsets of EFH are called EFH-Habitat Areas of Particular Concern (EFH-HAPCs or HAPCs) and are designated based on ecological importance, susceptibility to human-induced environmental degradation, susceptibility to stress from development, or rarity of the habitat type.

Information supporting EFH and EFH-HAPC designations was updated (pursuant to the EFH Final Rule) in Fishery Ecosystem Plan (FEP) II (SAFMC 2018). Additional detailed information supporting the EFH designations appears in FEP I (SAFMC 2009a), individual FMPs, general information on the EFH provisions of the Magnuson-Stevens Act and its implementing regulations (50 CFR 900 Subparts J and K), and the EFH User Guide (SAFMC 2021).

In addition to implementing regulations to protect habitat from degradation due to fishing activities, the Council cooperates with NMFS to comment on non-fishing projects or policies that may impact EFH. The Council established a Habitat and Ecosystem Advisory Panel (AP) and adopted a comment and policy development process that was recently revised in the Habitat Blueprint (SAFMC 2023). Members of the AP serve as the Council's habitat contacts and professionals in the field and have guided the Council's development of the policy statements. To access these policy statements, refer to the habitat website: https://safmc.net/fishery-management-plans/habitat/

Habitat Conservation

The Council has been proactive in advancing habitat conservation through extensive fishing gear restrictions in all Council FMPs and by directly managing habitat and fisheries affecting those habitats through two FMPs: the FMP for Coral, Coral Reefs and Live/Hard Bottom Habitat of the South Atlantic Region (Coral FMP;SAFMC 1984) and the FMP for the Sargassum Fishery of the South Atlantic Region (SAFMC 2003).

Ecosystem Approach to Conservation and Management of Deep-water Ecosystems

Building on the long-term conservation approach, the Council facilitated the evolution of the Habitat Plan into FEP and FEP II to assemble information on the physical, biological, and human/institutional context of ecosystems within which fisheries are managed. These two documents were intended to initiate the transition from single species management to

Ecosystem-Based Fisheries Management (EBFM) in the region. To support this, the South Atlantic Council adopted broad goals: (1) maintaining or improving ecosystem structure and function; (2) maintaining or improving economic, social, and cultural benefits from resources; and (3) maintaining or improving biological and cultural diversity.

Through Comprehensive Ecosystem-Based Amendment 1 (CE-BA 1;SAFMC 2009b), Comprehensive Ecosystem-Based Amendment 2 (SAFMC 2011), and Coral Amendment 8 (SAFMC 2013), the South Atlantic Council established and expanded deep-water coral HAPCs (CHAPCs) and co-designated them as EFH-HAPCs.

EFH for species managed under the Snapper Grouper FMP

EFH for species managed under the Snapper Grouper FMP includes coral reefs, live/hard bottom, submerged aquatic vegetation, artificial reefs and medium to high profile outcroppings on and around the shelf break zone from shore to at least 183 meters (m) (but to at least 610 m for wreckfish) where the annual water temperature range is sufficiently warm to maintain adult populations of members of this largely tropical complex. EFH includes the spawning area in the water column above the adult habitat and the additional pelagic environment, including *Sargassum*, required for larval survival and growth, up to and including settlement. In addition, the Gulf Stream is an EFH because it provides a mechanism to disperse snapper grouper species larvae.

For specific life stages of estuarine dependent and nearshore snapper grouper species, EFH includes areas inshore of the 31 m contour, such as attached macroalgae; submerged rooted vascular plants (seagrasses); estuarine emergent vegetated wetlands (saltmarshes, brackish marsh); tidal creeks; estuarine scrub/shrub (mangrove fringe); oyster reefs and shell banks; unconsolidated bottom (soft sediments); artificial reefs; and coral reefs and live/hard bottom.

HAPC for species managed under the Snapper Grouper FMP

EFH-HAPC for species managed under the Snapper Grouper FMP include medium to high profile offshore hard bottoms where spawning normally occurs; localities of known or likely periodic spawning aggregations; nearshore hard bottom areas; The Point, The Ten Fathom Ledge, and Big Rock (North Carolina); The Charleston Bump (South Carolina); mangrove habitat; seagrass habitat; oyster/shell habitat; all coastal inlets; all state-designated nursery habitats of particular importance to snapper grouper (e.g., Primary and Secondary Nursery Areas designated in North Carolina); pelagic and benthic Sargassum; Hoyt Hills for wreckfish; the Oculina Bank HAPC; all hermatypic coral habitats and reefs; manganese outcroppings on the Blake Plateau; and Council-designated Special Management Zones (SMZ).Areas that meet the criteria for EFH-HAPCs include habitats required during each life stage (including egg, larval, post-larval, juvenile, and adult stages).

EFH-HAPCs for Golden Tilefish includes irregular bottom comprised of troughs and terraces inter-mingled with sand, mud, or shell hash bottom. Mud-clay bottoms in depths of 150-300 m are HAPC. Golden tilefish are generally found in 80-540 m, but most commonly found in 200 m depths. EFH-

HAPC for Blueline Tilefish includes irregular bottom habitats along the shelf edge in 45-65 m depth; shelf break; or upper slope along the 100-fathom contour (150-225 m); hard bottom habitats characterized as rock overhangs, rock outcrops, manganese-phosphorite rock slab formations, or rocky reefs in the South Atlantic Bight; and the Georgetown Hole (Charleston Lumps) off Georgetown, South Carolina.

EFH-HAPCs for the Snapper Grouper complex include the following deep-water marine protected areas (MPA) as designated in Amendment 14 to the Snapper Grouper FMP: Snowy Grouper Wreck MPA, Northern South Carolina MPA, Edisto MPA, Charleston Deep Artificial Reef MPA, Georgia MPA, North Florida MPA, St. Lucie Hump MPA, and East Hump MPA.

The Council established the Special management Zone (SMZ) designation process in 1983 in the Snapper Grouper FMP, and SMZs have been designated in federal waters off North Carolina, South Carolina, Georgia, and Florida since that time. The purpose of the original SMZ designation process, and the subsequent specification of SMZs, was to protect snapper grouper populations at the relatively small, permitted artificial reef sites and "create fishing opportunities that would not otherwise exist." Thus, the SMZ designation process was centered on protecting the relatively small habitats, which are known to attract desirable snapper grouper species.

In CE-BA 1 (SAFMC 2009b), the Council determined that SMZs met the criteria to be EFH-HAPCs for species included in the Snapper Grouper FMP. Since CE-BA 1, the Council has designated additional SMZs in the Snapper Grouper FMP including Spawning SMZs. The SMZ and EFH-HAPC designations serve similar purposes in identifying and protecting valuable and unique habitat for the benefit of fish populations, which are important to both fish and fishers. Therefore, the Council determined that a designated SMZ meets the criteria for an EFH-HAPC designation, and the Council intends that all SMZs designated under the Snapper Grouper FMP also be designated as EFH-HAPCs under the Snapper Grouper FMP.

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Appendix E. Actions and Alternatives Removed from Consideration

Action 5. Require all commercial vessels with a South Atlantic Unlimited Snapper Grouper Permit participating in the wreckfish portion of the snapper grouper fishery to be equipped with vessel monitoring systems.

Alternative 1 (No Action). Commercial vessels with a South Atlantic Unlimited Snapper-Grouper Permit are not required to be equipped with vessel monitoring systems when participating in the wreckfish portion of the snapper grouper fishery.

Alternative 2. Require all commercial vessels with a South Atlantic Unlimited Snapper Grouper Permit participating in the wreckfish portion of the snapper grouper fishery to be equipped with vessel monitoring systems.

Discussion: In March 2023, the South Atlantic Fishery Management Council (Council) removed consideration of a vessel monitoring system requirement for the wreckfish portion of the commercial snapper grouper fishery. The Council felt that, given the relatively small size of the wreckfish individual transferable quota (ITQ) fishery, the requirements currently in place provide an effective system for enforcement, monitoring, and management of the ITQ program.

Appendix F. Fishery Impact Statement

The Magnuson-Stevens Fishery Conservation and Management Act requires a Fishery Impact Statement (FIS) be prepared for all amendments to fishery management plans (FMP). The FIS contains an assessment of the expected and potential biological, economic, and social effects of the conservation and management measures on 1) fishery participants and their communities; 2) participants in the fisheries conducted in adjacent areas under the authority of another Council; and 3) the safety of human life at sea. Detailed discussion of the expected effects for all proposed changes is provided in Chapters 1 and 2. The FIS provides a summary of these effects.

Amendment 48 to the Fishery Management Plan (FMP) for the Snapper Grouper Fishery of the South Atlantic Region includes actions to modernize the Wreckfish fishery including implementing an electronic program, and cost recovery, while modifying the wreckfish permit requirement, allocations and annual catch limits, offloading sites and times, and economic data collection. These actions respond to the 2019 Wreckfish review which identified needed improvements to the Wreckfish ITQ program, particularly with respect to confidentiality issues and related constraints.

Assessment of Biological Effects

Most of the actions in Amendment 48 are administrative in nature and therefore not expected to have any direct effects, positive or negative, on the biological environment.

Action 1 modifies the allocation of the annual catch limit between the commercial and recreational sectors. There would be negative or positive biological effects because the allocation percentages do not affect the total annual catch limit (ACL) established for this fishery and the commercial sector is well regulated under an Individual Transferable Quota (ITQ) program.

Action 2 through Action 15 are administrative in nature and don't change the way the fishery operates in a manner that would result in positive or negative biological impacts. There may be positive indirect biological effects, however, because the electronic system may be more efficient for both fishermen and managers and would allow for better tracking of catch and allocation. The commercial sector has not exceeded its ACL since the inception of the paper based ITQ program, but it is expected that an electronic ITQ program will allow for better management and execution of the fishery.

Assessment of Economic Effects

In general, sector ACLs that allow for more fish to be landed can result in increased net economic benefits if harvest increases without notable long-term effects on the health of a stock. The sector ACL does not directly impact the fishery for a species unless harvest changes, fishing behavior changes, or the sector ACL is exceeded, thereby potentially triggering accountability measures (AM) such as harvest closures or other restrictive measures. As such, sector ACLs that are set above observed landings in a fishery for a species and do not change harvest or fishing behavior may not have realized economic effects each year. Nevertheless, sector ACLs set

above observed average harvest levels do create a gap between the sector ACL and typical landings that may be utilized in years of exceptional abundance or accessibility of a species, thus providing the opportunity for increased landings and a reduced likelihood of triggering restrictive AMs. As such there are potential economic benefits from sector ACLs that allow for such a gap. In the case of wreckfish, the revised sector allocations and resulting ACLs would not be constraining on harvest for the recreational sector but may allow commercial landings to increase. Action 1 would result in a comparatively higher sector allocation and net economic benefits for the commercial sector, a comparatively lower sector allocation but similar net economic benefits for the recreational sector, and an increase in total net economic benefits.

The re-occurring opportunity cost related to reporting would be roughly equivalent under the current paper-based system versus an electronic system since similar information will be asked of wreckfish fishery participants in Action 2. All wreckfish dealers are currently reporting landings electronically, thus implementing an electronic reporting system for the wreckfish ITQ program would not introduce new costs or burdens to dealers. If fishermen involved in the wreckfish fishery do not already have the necessary equipment and an internet connection to report electronically, this action would introduce a new cost. To submit usage of quota electronically, dealers and fishermen would need access to an internet equipped device such as a laptop, tablet, or smartphone. While this would result in an additional cost for those individuals that do not already have such a device or internet service, it is assumed that all fishermen likely have existing access that would allow them to submit information electronically. There will be a onetime cost associated with the time that would be necessary for fishermen to establish an online ITQ account. This process is estimated to take approximately 10 minutes per fisherman. The switch from paper to electronic ITQ monitoring is expected to result in positive economic effects and economic benefits for commercial fishermen and dealers. The transition from paper to electronic means is expected to streamline the ITQ landings submission and ITQ monitoring process by eliminating the mailing of ITQ coupons received. Because the electronic submission of ITQ landings would provide a quasi-instantaneous confirmation of receipt, commercial fishermen would benefit from the assurance that their wreckfish landings were received and would no longer be subject to administrative challenges and adverse effects that may result from misplaced (or lost in the mail) wreckfish landings transactions and from requests for clarification or corrections through form send-backs.

Modifying the requirements to commercial harvest or sell wreckfish in Action 3 would reduce regulatory burden since it would remove the requirement that a fishery participant must obtain a commercial vessel permit for wreckfish. Shareholders would no longer be required to pay for a wreckfish permit, thus resulting in reduced costs for shareholders. Adding the requirement of a valid snapper grouper unlimited permit to be eligible to open a wreckfish individual transferable quota shareholder account under Action 4 may add an additional cost to wreckfish fishery participants if they do not already possess such a permit. Currently, all shareholders also have a valid snapper grouper unlimited permit, thus any additional costs would only be potentially incurred by new entrants. Similarly, adding requirements for obtaining or maintaining wreckfish ITQ shares in the online system (Action 5) may add some restrictions to new entrants, however all shareholders currently have a valid snapper grouper unlimited permit.

Action 6 would allow NMFS to reclaim shares from non-compliant shareholders and make them available to other compliant shareholders in the fishery. Thus, this could lead to better utilization of the commercial wreckfish quota as a whole and increase net economic benefits. These economic effects would be indirect. Redistribution of reclaimed shares (Action 7) would result in a net economic benefit for compliant shareholders in the wreckfish fishery. This action would likely lead to better utilization of the wreckfish quota and an increase in net economic benefits through harvesting or utilizing the redistributed quota. Additionally, this redistribution of quota would provide a net economic benefit to recipients from the proceeds of the quota if sold. These economic effects would be indirect.

Action 8 would require participants to have or acquire active wreckfish ITQ shares to obtain annual allocation as well as be in good standing in respect to cost recovery fees, which represent costs that are discussed in subsequent actions covering these topics. Thus, these sub-alternatives would not implement direct costs. Action 9 would potentially add a cost to fishery participants if they do not already possess wreckfish shares. As such, shares would need to be purchased or annual allocation could not be transferred. The valid snapper grouper unlimited permit requirement may also add an additional cost to wreckfish fishery participants, however all shareholders also currently have a valid snapper grouper unlimited permit, thus any additional costs would only be potentially incurred by new entrants.

Action 10 would grant the RA the authority to withhold a portion of the commercial annual allocation in anticipation of a mid-year quota decrease. In and of itself, the flexibility to retain a portion of commercial annual IFQ allocations is an administrative measure that would not be expected to result in direct economic effects. This action would reduce the risk of overfishing wreckfish in years that the ACL is being reduced, which could lead to long-term economic benefits. In the short-term, there would be economic costs due to the reduced quota available to the fishery and likely reduced landings of wreckfish. Modifying the fishing year in Action 11 does not directly affect landings or fishing behavior. Therefore, net economic benefits are not expected to change from this action.

Action 12 would create direct economic effects through increased costs for wreckfish fishery participants due to the time it would take to satisfy the pre-landing requirement and notify NMFS in advance of landing wreckfish. To meet the pre-landing notification requirement, commercial wreckfish vessel operators would be expected to incur additional costs associated with the opportunity cost of the time spent to notify the agency. The annual time burden associated with the pre-landing requirement is estimated at approximately 4.5 hours or approximately .75 hours per vessel. If fishermen involved in the wreckfish fishery do not already have the necessary equipment (e.g., internet or telephone service) to notify the agency, this action would also introduce a new communication cost. To submit a pre-landing notification electronically, commercial wreckfish vessel operators would need access to an internet equipped device such as a laptop, tablet, or smartphone or cellular/satellite service to use the call service option. While this would result in an additional cost for those that do not already have such a device or internet service, it is assumed that all fishermen have existing access that would allow them to notify the agency. As such, the implementation of a pre-landing notification requirement is not expected to result in notable new or additional communication costs for fishermen. Additionally, in cases where vessels may arrive at their offloading site in less than 3 hours from the time that they were able to notify NMFS, there may be additional time spent waiting to offload in order to adhere to

the 3-hour minimum notice requirement. In this circumstance, there would be additional opportunity costs for this action.

Removing offloading site requirements in Action 13 and allowing landing to take place at any NMFS approved location would increase flexibility in landing sites that could result in reduced costs if a vessel ends up traveling a shorter distance, thus decreasing fuel costs. Should this occur, there would be net economic benefits from this action. Offloading time requirements implement a cost on fishery participants since they may hinder fishing activity that otherwise would have occurred should such restrictions not be in place. Thus, Action 14 would offer a less restrictive time requirements and offer increased economic benefits**.**

A cost recovery plan in Sub-Action 15-1 would implement an additional cost on wreckfish fishery participants but an equal benefit to fishery management agencies, in this case the National Marine Fisheries Service (NMFS), by helping to offset administrative costs. Thus, implementation of a cost recovery plan would create distributional economic effects. This sub-action would represent the same costs to fishery participants and same benefits to NMFS. The entity that bears the time burden and associated cost related to collection and submittal of the cost recovery fee would be the quota shareholder. Sub-Action 15-2 represents a costs to fishery participants through the collection of wreckfish ITQ program cost recovery fees but may require less of a reporting and time burden to collect fees for either shareholders or dealers than other potential options since it would only be required once per quarter. Less frequent submittal of fees under Sub-Action 15-3 may lead to lower reporting-related costs from those submitting the fees to NMFS and thus comparatively higher economic benefits. Under this notion, this sub-action may impose a lower reporting burden on the part of the entity submitting the fees to NMFS, since it would only be required once per year. It is estimated that the total annual time burden associated with submittal of fees would be approximately .45 hours. Determining the wreckfish individual transferable quota program cost recovery fees in Sub-Action 15-4 would be situational and variable. Under this sub-action, fishery participants that received ex-vessel values above the values calculated by NMFS would end up paying a lower cost recovery fee, while the opposite would hold true for fishery participants that received ex-vessel values below those calculated by NMFS.

Assessment of Social Effects

Generally, sector allocations that allow for more fish to be landed by a given sector result in social benefits for fishing communities engaged in or reliant upon fishing opportunities for that sector (Action 1). However, there can be many different social effects that result as allocations are discussed further, and perceptions are formed. In fisheries management generally, there has often been resistance to further decreasing a given sector's percentage allocation. It is difficult to predict the social effects with any allocation scheme for wreckfish as it would depend upon other management measures in conjunction with this one. In the case of wreckfish, modifying the sector allocations is anticipated to all commercial Wreckfish ITQ program shareholders additional annual poundage while still allowing the recreational sector to harvest wreckfish when they are encountered without reaching the recreational ACL and triggering accountability measures (AMs).

In general, positive social effects of electronic reporting requirements (Action 2) would likely be associated with decreased time and financial burden for Wreckfish ITQ holders and captains to meet the requirements when compared to the paper-based reporting system. Requiring all Wreckfish ITQ shareholders to report electronically is expected to result in broad social benefits by improving quota monitoring. There may also be some positive benefits for individual fishing businesses associated with having a consistent record of catch on their trips under this online system. This information could be used for marketing purposes to demonstrate the ability and knowledge of the captain and crew.

Removing the requirement to possess a commercial wreckfish permit (Action 3) to commercially harvest wreckfish would be less burdensome on shareholders as well as NMFS. Requiring the commercial snapper grouper (unlimited) permit as opposed to either the commercial snapper grouper (unlimited) or (limited) permit is an additional restriction, however all current shareholders have vessels with a commercial snapper grouper (unlimited) permit, so these this requirement would not result in additional social effects. However, it would be an additional restriction for fishermen not currently involved in the Wreckfish ITQ program who may want to participate in the future.

The additional requirement to open a Wreckfish ITQ shareholder account (Action 4) would add additional cost and time for participants who do not currently possess a valid commercial snapper grouper (unlimited) permit. The additional burden would be experienced by new entrants into the fishery for wreckfish, as all current participants in the Wreckfish ITQ program possess a snapper grouper unlimited permit, so they would not experience additional social effects. Additionally, the requirement would ensure that only those with the requirements necessary to harvest wreckfish would be eligible to open a Wreckfish ITQ account.

Requirements to obtain and maintain Wreckfish ITQ (Action 5) directly affect who is able to participate in the fishery for wreckfish and thus which communities are able to experience the social benefits of wreckfish shares. Stricter requirements for obtaining and maintaining shares, specifically ensure that those individuals with shares also meet the requirements to harvest wreckfish ensuring that the benefits from shares have the potential to be realized by those active in the fishery.

Specifying requirements that would authorize NMFS to reclaim shares from shareholder accounts that were not in compliance with the requirements to maintain shares (Action 6) would prevent individuals from holding on to shares that they did not have the ability to utilize, ensuring that the social benefits of Wreckfish ITQ shares were fully realized and utilized by communities. The length of time to divest shares would directly affect the individual who transferred their permit or let their permit expire, but there may be indirect social effects on the wreckfish fishery as a whole. Permits are in a renewable status for one year after they expire. While a shorter time period would ensure that social benefits lost from wreckfish shares not being fully utilized are minimal, a longer time period allows shareholders leeway once their permit is transferred or expired to divest the shares themselves to an appropriate account.

How Wreckfish ITQ share redistribution (Action 7) would affect fishing communities in the South Atlantic would depend on the distribution of active shares and their locations at the time of

redistribution. Overall, redistributing reclaimed shares would have a positive social effect on active shareholders as it would increase their opportunity to harvest wreckfish and ensure that the available quota was able to be more fully utilized. Redistributing shares based on the last three years of landings would represent recent effort in the fishery, but could be skewed if a shareholder was unable to fish during a portion of the last three fishing years due to factors outside of their control (weather, vessel breakdowns, etc.) Overall, like with communities the social effects are likely to vary for individual shareholders.

Requiring the shareholder to also meet the requirements necessary to harvest wreckfish in order to receive allocation from shares (Action 8), in this case a commercial snapper grouper (unlimited) permit ensures that there is the potential for the highest social benefits to be realized through harvest of all available wreckfish allocation. Requiring shareholders to be in good standing with collection and submission of cost recovery fees would aid in the management of wreckfish ensuring social benefits are achieved in the long term.

Mirroring what is currently in place under the paper-based reporting system, requiring individuals interested in receiving allocation via transfer (Action 9) to already hold wreckfish individual transferable quota shares, would result in additional burden to an individual interested in participating in the fishery as they would need to find a current shareholder willing to sell them a percentage of shares in the fishery. Additionally, the benefits of allocation would be realized only in communities with active wreckfish shareholders, as is currently the case under the paper-based reporting system. Requiring someone receiving allocation via transfer to have a commercial snapper grouper (unlimited) permit, which is a requirement to harvest wreckfish, would ensure that the annual wreckfish allocation has the highest potential to be fully utilized and the highest possible social benefits from harvest realized.

Allowing the RA to withhold annual allocation before a commercial ACL reduction (Action 10) would reduce the risk of overfishing wreckfish in years that the ACL is being reduced, which would promote long-term social benefits and ensure overfishing of wreckfish does not occur.

The fishing year (Action 11) does not directly affect landings or fishing behavior, therefore the social effects to fishing communities is not expected to be affected by a change to the commercial fishing year.

Requiring the owner or operator of a commercial snapper grouper unlimited permitted vessel participating in the wreckfish component of the snapper grouper fishery to notify NMFS at least three hours in advance of landing (Action 12) may result in positive or negative social effects when depending on how individual fishing business must change their practices to account for the additional requirement. Providing advance notice of landing and relaying 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 identification will take additional time when on a fishing trip when the captain and/or crew may traditionally have been completing other tasks. However, long-term social benefits will be realized if the requiring a pre-landing notification improves monitoring, enforcement, and compliance in the Wreckfish ITQ fishery, ensuring long-term sustainability and fishing opportunities for communities.

Allowing landing to take place at any NMFS approved location (Action 13) would increase flexibility in landing sites that could reduce the burden on vessels if they are now able to land at a more convenient location and could adjust to different locations as circumstances require. Overall, there would be social benefits from the increased flexibility of pre-approved landing locations.

Restrictive offloading hours can prevent fishermen from offloading the day's catch and extend the amount of time they need to be at dock and away from fishing grounds. Expanding the allowable offload hours (Action 14) would address a problem in the fishery identified by stakeholders and may help to improve perceptions of the management process. Additionally, offloading hours of 6 a.m. to 6 p.m. would still allow law enforcement officers to monitor offloading during daylight hours, promoting officer safety.

Establishing a cost recovery program for wreckfish (Sub-Action 15-1), as mandated by the Magnuson Stevens Act would have some positive social effects associated with funding for management, data collection, and enforcement which helps ensure the long-term sustainability of the fishery for wreckfish. Negative social effects of the cost recovery fee on the wreckfish shareholder responsible for collection and submission would be associated with the cost of the fee itself as well as the time and materials required for completing the paperwork and paying the fee. Having fees collected during the last quarter of the calendar year and submitting them once per year would require the lowest time burden associated with cost recovery collection (Sub-Action 15-2 and Sub-Action 15-3, respectively). How cost recovery determination methodology (Sub-Action 15-4) affects fishing communities will depend on which results in a lower ex-vessel value during a given time as that would provide the highest social benefits to fishery participants. However, there may be distributional effects between fishermen how get above average ex-vessel prices and those that get below-average ex-vessel prices. How those social effects are experiences by communities would depend on where fishermen are receiving those ex-vessel prices and the concentration of shares and thus landings within those communities.

Assessment of the Effects on Safety at Sea

Amendment 48 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region is not expected to result in direct impacts to safety at sea.