

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

Draft Regulatory Text

For the reasons set out in the preamble, NMFS proposes
to amend 50 CFR part 622 as follows:

**PART 622--FISHERIES OF THE CARIBBEAN, GULF OF MEXICO, AND
SOUTH ATLANTIC**

1. The authority citation for part 622 continues to
read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

X. In § 622.4, revise paragraph (a)(1)(i) to read as
follows:

§ 622.4 Permits and fees--general.

(a) * * *

(1) * * *

(i) The application for a commercial vessel permit or
for a charter vessel/headboat permit must be submitted by
the owner (in the case of a corporation, an officer or

Commented [a1]: Action 3. Recommendation to remove
wreckfish permit.

shareholder; in the case of a partnership, a general partner) or operator of the vessel. A commercial vessel permit that is issued based on the earned income qualification of an operator is valid only when that person is the operator of the vessel.

* * * * *

X. In § 622.7, revise paragraph (c) to read as follows:

§ 622.7 Fishing years.

* * * * *

(c) *Wreckfish in the South Atlantic recreational sector*--April 16 through April 15.

* * * * *

X. In § 622.170, revise paragraphs (a)(1) and (2) and (c)(1) to read as follows:

§ 622.170 Permits and endorsements.

(a) *Commercial vessel permit*--*South Atlantic snapper-grouper*. For a person on a vessel to be eligible for exemption from the bag limits for South Atlantic snapper-grouper in or from the South Atlantic EEZ, to sell South Atlantic snapper-grouper in or from the South Atlantic EEZ, to engage in the directed fishery for golden tilefish in

Commented [a2]: Action 11. Modify the commercial fishing year for wreckfish. 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.

Commented [a3R2]: TBD if change would apply to commercial only or both sectors. Latter requires further action by council required to revise action, alternatives.

Commented [a4]: Action 3. Modify the requirement to possess a commercial permit for wreckfish. Pref. alt. 3. To commercially harvest or sell wreckfish, a South Atlantic unlimited snapper-grouper commercial permit must be issued and on board the vessel, and the permit holder must be a wreckfish shareholder.

the South Atlantic EEZ, to use a bottom longline to fish for South Atlantic snapper-grouper in the South Atlantic EEZ, or to use a sea bass pot in the South Atlantic EEZ between 35°15.19' N latitude (due east of Cape Hatteras Light, North Carolina) and 28°35.1' N latitude (due east of the NASA Vehicle Assembly Building in Cape Canaveral, Florida), either a South Atlantic unlimited snapper-grouper commercial permit or a trip-limited commercial permit for South Atlantic snapper-grouper must have been issued to the vessel and must be on board. A vessel with a trip-limited commercial permit is limited on any trip to 225 lb (102.1 kg) of South Atlantic snapper-grouper. See § 622.171 for limitations on the use, transfer, and renewal of a commercial vessel permit for South Atlantic snapper-grouper. For a person on a vessel to be eligible for exemption from the bag limit for wreckfish, to fish under a commercial quota for wreckfish, or to sell wreckfish harvested in or from the South Atlantic EEZ, a South Atlantic unlimited snapper-grouper commercial permit must be issued for the vessel and the permit must be on board.

* * * * *

X. In § 622.172, revise the section heading and section to read as follows:

Commented [a5]: Action 3. Modify the requirement to possess a commercial vessel permit for wreckfish.
Pref. alt. 3. To commercially harvest or sell wreckfish, a South Atlantic unlimited snapper-grouper commercial permit must be issued to the vessel, the permit must be on board, and the permit holder must be a wreckfish shareholder.

§ 622.172 Wreckfish individual transferable quota (ITQ) program.

(a) *General--(1) Applicability and scope.* This section describes the ITQ program for the commercial harvest and possession of wreckfish in or from the South Atlantic exclusive economic zone (EEZ). Shares in percentage of the wreckfish commercial quota determine the amount of wreckfish in pounds that NMFS allocates to each shareholder at the start of the calendar year. The allocation of wreckfish is the amount of wreckfish in pounds that a shareholder is authorized to possess, land, or sell in a given calendar year. Requirements for ITQ program eligibility, applicable landings history, account setup and transaction requirements, limitations and transferability of shares and allocation, and other provisions of the ITQ program are provided in this section.

(2) *ITQ program support.* The user functions for the electronic ITQ program including account setup and maintenance, landing transactions, transfers, and paying cost recovery fees are accomplished online. To participate in the ITQ program, a user must have access to a computer and the Internet, and must set up the appropriate ITQ accounts (shareholder, vessel, dealer). Assistance with the ITQ program and online functions is available from Catch

Shares Support at the Southeast Regional Office by calling 866-425-7627 on weekdays between 8 a.m. and 4:30 p.m. eastern time, excluding Federal holidays. The NMFS Catch Shares website is <https://secatchshares.fisheries.noaa.gov/>.

(3) *Open an ITQ program account.* A person or entity eligible to become an ITQ participant by purchasing ITQ shares or allocation or by obtaining a dealer account in the ITQ program must first contact Catch Shares Support to obtain the information necessary to set up the required online ITQ program account through the Catch Shares website.

(i) *Account qualifications for the ITQ shareholder account.* A U.S. citizen or permanent resident alien is eligible to establish an ITQ program account. The U.S. citizen or permanent resident alien is eligible to own and control a U.S. fishing vessel and be issued a South Atlantic unlimited snapper-grouper commercial permit. An ITQ shareholder must complete and submit the application for a shareholder account to certify their citizenship status and ensure all of their account information is accurate and current. The requirement to certify citizenship status may not apply to obtain a shareholder account if an application for the South Atlantic unlimited

Commented [a6]: Action 4. Preferred alternative 2.

snapper-grouper commercial permit satisfies this requirement.

(ii) *Qualification for the ITQ vessel account.* To obtain a vessel account, a shareholder must first obtain a shareholder account.

(iii) *Qualification for the ITQ dealer account.* To obtain a dealer account, a dealer must first obtain a valid Gulf and South Atlantic dealer permit, as specified by § 622.170(c).

(4) *Keep an ITQ account open.* Each ITQ participant must monitor the online account and all associated messages and maintain current contact information.

(i) *Shareholder account.* To maintain or retain existing shares, a shareholder account must be associated with a valid or renewable South Atlantic unlimited snapper-grouper commercial permit with the same individual or entity on a continual basis, or the shares will automatically be reclaimed by NMFS 1 year after the expiration of the South Atlantic unlimited snapper-grouper commercial permit. Establishment of a shareholder account is required before establishing a vessel account in the ITQ program.

(ii) *Vessel account.* A vessel owner must establish a vessel account, which is a sub-account under the

Commented [a7]: Action 6, Preferred alternative 2b. Shareholder accounts must be in compliance with the requirements to maintain shares, or NMFS will reclaim all shares in a shareholder account 1 year following the effective date implementing requirements to maintain shares.

shareholder account in the ITQ program, to fish for, possess, or land wreckfish. Each vessel issued a South Atlantic unlimited snapper-grouper commercial permit must have a unique vessel account. The same individual or entity named on a single shareholder account must be named on each separate vessel account. As a condition of the vessel account, a person on such a vessel must comply with the requirements of this section when fishing for wreckfish regardless of where the fish are harvested or possessed.

(iii) *Dealer account*. A dealer account in the ITQ program and a valid Gulf and South Atlantic dealer permit are required for a dealer to first receive wreckfish from the South Atlantic EEZ and subject to the ITQ program. This requirement is in addition to the requirement for a Gulf and South Atlantic dealer permit as specified in § 622.170(c). The dealer account remains valid as long as the Gulf and South Atlantic dealer permit remains valid, and the dealer is compliant with all reporting requirements and is not subject to any sanctions under 15 CFR part 904. Establishing a dealer account does not also require establishment of a shareholder account unless the dealer also holds ITQ shares.

(5) *Close an ITQ account*. An ITQ account holder may close an ITQ account by submitting a completed Close

Commented [a8]: This may replace current 50 CFR 622.172(e)(6) and (7) and (8).

Account Request Form to NMFS. The form must be signed by an account holder named on the ITQ account. If the request to close an ITQ account is being made because the sole account holder is deceased, the person requesting the account closure must sign the Close Account Request Form indicating their relationship to the deceased and provide any additional information NMFS determines is necessary to complete the request. At the request of an ITQ participant, an ITQ shareholder account may not be closed until all shares and allocation have been transferred from the account to another ITQ account holder and NMFS has received all cost recovery fees. NMFS' Catch Shares Support may close an inactive ITQ shareholder or dealer account automatically if all shares and allocation have been transferred from the account, all cost recovery fees have been received by NMFS, and there have been no landing transactions, corrections, or ITQ transfers by the ITQ account holder in at least 1 year. An inactive account closed administratively by NMFS may be reopened at the request of the ITQ account holder by contacting Catch Shares Support.

(6) *List of shareholders in the ITQ program.* NMFS will provide each shareholder with a list of all shareholders

and their percentage shares in the ITQ program on the Catch Shares website.

(7) *Catastrophic conditions.* The ITQ program allows for the use of paper forms for reporting and recordkeeping purposes if NMFS declares that catastrophic conditions exist. NMFS will determine the participants or geographic areas that are affected by the catastrophic conditions and specify the duration for alternate reporting and recordkeeping methods when these conditions exist. See 50 CFR 622.176(a)(5) for recordkeeping and reporting requirements and other limitations during declared catastrophic conditions.

(8) *ITQ program review.* The South Atlantic Fishery Management Council and NMFS will review the ITQ program at least every 7 years as required by the Magnuson-Stevens Act, consider whether any program changes are appropriate or necessary, and recommend any such changes to NMFS for evaluation and implementation.

(b) *ITQ program operations--(1) ITQ shares.* To obtain shares, a shareholder account must be associated with an entity who is a U.S. citizen, permanent resident alien, or a corporation, partnership, or other entity eligible to own and control a U.S. fishing vessel. The same individual or entity must also be issued a South Atlantic unlimited

Commented [a9]: Action 5. Requirements for Obtaining and Maintaining Wreckfish Individual Transferable Quota Shares in the Online System.
Preferred Alternative 3. To obtain (transfer into a shareholder account) all shareholder accounts must be associated with entities who are U.S. citizens, permanent resident aliens, or a corporation, partnership, or other entity eligible to own and control a U.S. 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 snapper-grouper unlimited commercial permit or the shares will be reclaimed by NMFS. A shareholder account is associated with a permit if the permit has the exact same entities listed on both the shareholder account and permit.

snapper-grouper commercial permit. To maintain or retain shares in a shareholder account, the individual or entity named on a valid or renewable South Atlantic unlimited snapper-grouper commercial permit must match the same ownership on the shareholder account or the shares will be reclaimed by NMFS.

(2) *Share transfers.* (i) All or any portion of the shares held by an individual or entity are transferrable. A share transfer is indefinite and is effective until subsequently transferred. Transfer of any portion of a share will result in the corresponding allocation from the transferred share being automatically issued to the person receiving the transferred share, beginning with the fishing year following the year the transfer occurred. However, within the fishing year the share transfer occurs, transfer of shares and associated allocation are independent of each other; unless the share's associated allocation is transferred separately, quota allocated at the beginning of that fishing year remains with the transferor for the duration of that fishing year. A share transfer transaction that remains in pending status, *i.e.*, has not been completed and verified with a transaction approval code, after 30 days from the date the shareholder initiated the

transfer will be cancelled, and the pending shares will be re-credited to the shareholder who initiated the transfer.

(ii) Share transfers must be accomplished online via the Catch Shares website. An ITQ shareholder must initiate a share transfer request by logging onto the Catch Shares website and following the instructions provided. The shareholder must enter the necessary information regarding the transfer request including, but not limited to, amount of shares to be transferred and must be a minimum of 0.000001 percent; user identifier of the eligible transferee; and the value of the transferred shares. An ITQ shareholder who is subject to a sanction under 15 CFR part 904 is prohibited from initiating a share transfer. An ITQ shareholder who is subject to a pending sanction under 15 CFR part 904 must disclose in writing to the prospective transferee the existence of any pending sanction at the time of the transfer. Share transferee eligibility will only include U.S. citizens and permanent resident aliens who are otherwise in compliance with the provisions of this section and who hold a valid South Atlantic unlimited snapper-grouper commercial permit. The NMFS Catch Shares online system will verify the transfer information entered. If the information is not accepted, the online system will send the ITQ shareholder an electronic message explaining

Commented [a10]: Action 5. Requirements for obtaining and maintaining wreckfish individual transferable quota shares in the online system. Preferred alternative 3.

the reason(s) why the transfer request cannot be completed. If the information is accepted, the online system will send the transferee an electronic message of the pending transfer. The transferee must enter the share value of the transfer and approve the share transfer by electronic signature. If the transferee approves the share transfer, the online system will send a transaction approval code to both the transferor and transferee confirming the transaction. All share transfers during a year must be completed and the transaction approval code received before December 31 at 6 p.m. eastern time.

(3) *Share cap.* No single person, corporation, or other entity may individually or collectively hold ITQ shares in excess of 49 percent of the total shares. For the purposes of considering the share cap, a corporation's total ITQ share is determined by adding the corporation's ITQ shares to any other ITQ shares the corporation owns in another corporation. If an individual ITQ shareholder is also a shareholder in a corporation that holds ITQ shares, an individual's total ITQ share is determined by adding the applicable ITQ shares held by the individual to the applicable ITQ shares equivalent to the corporate share the individual holds in a corporation. A corporation must provide NMFS with the identity of the corporation

shareholders and their percent of shares in the corporation, and provide updated information to NMFS within 30 days of when changes occur. This information must also be provided to NMFS any time a South Atlantic unlimited snapper-grouper commercial permit is renewed or transferred.

(4) *ITQ allocation.* ITQ allocation is the amount in pounds gutted weight of wreckfish that an ITQ shareholder or allocation holder is authorized to harvest, possess, land, or sell during a given fishing year. ITQ allocation for each shareholder is derived at the beginning of each year by multiplying a shareholder's ITQ share percentage with the annual commercial quota of wreckfish. If the commercial quota is increased after the beginning of the fishing year, then additional ITQ allocation for each shareholder is calculated by multiplying the number of shares possessed by a current shareholder on the effective day of the quota increase with the amount the annual commercial quota is increased. If a reduction in the commercial ACL and quota is expected to occur between January 1 and May 30 in that same fishing year, NMFS will withhold distribution of ITQ allocation on January 1 in the amount equal to that expected reduction. If a final rule to implement the commercial quota reduction is not published

Commented [a11]: 622.172(c) ITQs merged with 622.21(a)(4) ITQ allocation.

Commented [a12]: Action 10. Retaining Annual Allocation before a Commercial Annual Catch Limit Reduction. Preferred alternative 2a. Provide NMFS the authority to withhold the amount of wreckfish annual allocation before distribution at the beginning of a year in which a commercial ACL 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 June 1.

in the **Federal Register** and effective by June 1, NMFS will distribute withheld ITQ allocation of wreckfish commercial quota to current shareholders based on shareholdings on the date the withheld ITQ allocation is distributed.

(5) *Allocation transfers.* An allocation can be transferred only to a U.S. citizen or permanent resident alien that also holds ITQ shares and has a valid South Atlantic unlimited snapper-grouper commercial permit. A valid or renewable South Atlantic unlimited snapper-grouper commercial permit, an ITQ shareholder account, an ITQ vessel account, and ITQ allocation are required to harvest, possess (at and after the time of the pre-landing notification), land, or sell wreckfish subject to the ITQ program. To receive allocation from shares, the receiving ITQ shareholder must be compliant with payment of cost recovery fees.

(6) *Restricted transactions during the 20-hour online maintenance window.* All electronic ITQ transactions must be completed by December 31 at 6 p.m. eastern time each year. ITQ landings and landing transactions that occur after 6 p.m. eastern time on December 31 apply to the following year. Electronic ITQ functions will resume on January 1 at 2 p.m. eastern time the following year. No electronic ITQ transactions will be available during these 20 hours. The

Commented [a13]: Action 9. Wreckfish Individual Transferable Quota Requirements to Obtain Annual Allocation through Transfer.
Preferred alternative 2... allocation can be transferred only to individual transferable quota accounts holding shares.
Preferred alternative 3... allocation can be transferred only to accounts with an associated valid snapper-grouper unlimited permit.

Commented [a14]: Action 8. Wreckfish Individual Transferable Quota Requirements to Obtain Annual Allocation from Shares.
Preferred Alternative 2. To obtain annual allocation from shares, an account must hold a valid or renewable commercial snapper grouper unlimited permit.

Commented [a15]: Action 8. Preferred Alternative 3. To obtain annual allocation from shares, an account must hold active wreckfish individual transferable quota shares and be compliant with respect to: Preferred Sub-alternative 3a. Collection and submission of cost recovery fees.

remaining 6 hours before the end of the fishing year and the first 14 hours of the following fishing year are necessary for NMFS to reconcile ITQ accounts, adjust allocations for the upcoming year if the wreckfish commercial quota has changed, and update shares and allocations for the upcoming fishing year. A pre-landing notification, as required by paragraph (b)(6) of this section, may still be submitted during the 20-hour maintenance window by calling NMFS Catch Share Support.

(7) ~~Pre-landing notification~~--(i) *General*. For the purpose of this paragraph, landing means to arrive at a dock, berth, beach, seawall, or ramp. The owner or operator of a vessel landing wreckfish is responsible for ensuring that NMFS is contacted between 3 and 24 hours in advance of landing to report the expected time, date, and landing location; estimated pounds in gutted weight of wreckfish on the vessel; vessel identification number (U.S. Coast Guard documentation number or state registration number); the name and address of the ITQ dealer(s) where the wreckfish are to be received; and the name and address of the ITQ shareholder. The vessel must land within 1 hour after the time given in the landing notification, except as provided in paragraph [ref] of this section. The vessel landing wreckfish must have sufficient ITQ allocation in its ITQ

Commented [a16]: Action 12. Pre-landing Notification Requirement for Commercial Vessels in the Wreckfish ITQ Program.
Preferred alternative 2.

vessel account or its linked ITQ shareholder account, at least equal to the pounds in gutted weight of all wreckfish on the vessel at the time of the pre-landing notification.

(ii) *Submitting a pre-landing notification.* Authorized methods for contacting NMFS and submitting the pre-landing notification include calling Catch Shares Support or providing the required information to NMFS through the web-based form available on the Catch Shares website.

(8) *Landing before the provided notification time.* The owner or operator of a vessel that has completed a pre-landing notification and submitted it to NMFS may land before the notification time only if an authorized officer is present at the landing site, is available to meet the vessel, and has authorized the owner or operator of the vessel to land early.

(9) *Changes to a pre-landing notification.* The owner or operator of a vessel who has submitted a pre-landing notification to NMFS may make changes to the notification by submitting a superseding notification during the same fishing trip. If the superseding notification makes changes to one or more of the following: the time of landing is more than 1 hour after the time of landing on the original notification, the dealer(s), or the estimated weights of fish to be landed, then the owner or operator of the vessel

does not need to wait an additional 3 hours to land. If the superseding notification makes changes to the landing location, the time of landing is earlier than previously specified, or more than one superseding notification is submitted on a trip, the vessel must wait an additional 3 hours to land, except as provided in paragraph [ref] of this section.

(10) *Time restriction for offloading.* For the purpose of this paragraph, offloading means to remove wreckfish landed under the ITQ program from a vessel. Wreckfish may be offloaded only between 6 a.m. and 6 p.m., unless an authorized officer is present at the offloading at 6 p.m., is available to remain at the site while offloading continues, and authorizes the owner or operator of the vessel to continue offloading after 6 p.m.

(11) *Restrictions on transfer of wreckfish.* A wreckfish taken in the South Atlantic EEZ may not be transferred at sea, regardless of where the transfer takes place; and a wreckfish may not be transferred in the South Atlantic EEZ.

(12) A wreckfish possessed by a fisherman or dealer shoreward of the outer boundary of the South Atlantic EEZ or in a South Atlantic coastal state will be presumed to have been harvested from the South Atlantic EEZ unless

Commented [a17]: Action 14. Modify offloading time requirements for wreckfish.
Replaces 50 CFR 622.172(d)(3)

accompanied by documentation that it was harvested from somewhere other than the South Atlantic EEZ.

(13) *Landing and transaction requirements.* (i) At the time of the pre-landing notification, the ITQ vessel account or the linked ITQ shareholder account must contain sufficient allocation of wreckfish to be landed. At the time of the landing transaction, the ITQ vessel account must contain sufficient allocation of wreckfish to be landed. Such wreckfish must be sold to, and can be received only by, a dealer issued a Gulf and South Atlantic dealer permit with an ITQ dealer account that is active and not in delinquent status. All ITQ landings and their actual ex-vessel prices must be reported via the Catch Shares website.

(ii) The dealer must complete a landing transaction report for each landing of South Atlantic wreckfish via the Catch Shares website on the day of offload, except if the fish are being trailered for transport to a dealer as specified in [ref] of this section, in which case the landing transaction report may be completed before the day of offload and within 96 hours (4 days) from the time of landing reported on the most recent landing notification, in accordance with the reporting form and instructions provided on the website. The landing transaction report

includes the date, time, and location of transaction; weight and actual ex-vessel price of wreckfish landed and sold (when calculating the weight of South Atlantic wreckfish during a landing transaction, ice and water weight may not be deducted from the weight of the fish unless the actual weight of the ice and water can be determined); and information necessary to identify the fisherman, vessel, and dealer involved in the transaction. The fisherman must validate the dealer transaction report by entering their unique personal identification number when the dealer submits the transaction report. After the dealer submits the transaction report and the information has been verified, the website will send a transaction approval code to the dealer and the allocation holder.

(iii) If there is a discrepancy regarding the landing transaction report after approval, the dealer or vessel account holder must initiate a landing transaction correction form to correct the landing transaction. The landing transaction correction form is available via the Catch Shares website. The dealer must print the form, both parties must sign it, and the form must be mailed to Catch Shares Support. Catch Shares Support must receive the landing transaction correction form no later than 15 days after the date of the initial landing transaction.

(14) *Requirement for transaction approval code.* If wreckfish are offloaded to a vehicle for transport or are on a vessel that is trailered for transport, an on-site capability to accurately weigh the fish and to connect electronically to the Catch Shares website to complete the transaction and obtain the transaction approval code is required. After a landing transaction has been completed, a transaction approval code verifying a legal transaction of the amount of wreckfish in possession must accompany any wreckfish from the landing location through possession by a dealer. This requirement also applies to wreckfish possessed on a vessel that is trailered for transport. A dealer may only receive wreckfish transported by a vehicle or a trailered vessel that has a corresponding transaction approval code.

(15) *Approved landing locations.* Wreckfish harvested under the ITQ program must be landed at an approved landing location. Landing locations must be approved by NMFS Office of Law Enforcement prior to a vessel landing wreckfish at these sites. Proposed landing locations may be submitted online via the Catch Shares website or by calling Catch Shares Support. New landing locations will be approved only at the end of each quarter during the calendar year. For NMFS to consider a landing location for approval by the end

of the current quarter, the proposed landing location must be submitted to NMFS at least 45 days before the end of the current calendar-year quarter. If a proposed landing location is submitted with fewer than 45 days, NMFS will consider it for approval during the following quarter of the calendar year. NMFS will evaluate the proposed sites based on, but not limited to, the following criteria:

(i) A landing location must have a street address if one is available or has been established. If there is no street address on record for a particular landing location, global positioning system (also known as GPS) coordinates for an identifiable geographic location must be provided.

(ii) Landing locations must be accessible by land and water, and must satisfy the following criteria:

(A) Vehicles must have access to the site via roads with unimpeded access;

(B) Vessels must have access to the site via navigable waters; and

(C) No other condition may impede free and immediate access to the site by an authorized law enforcement officer. Examples of such conditions include, but are not limited to: a locked gate, fence, wall, or other barrier preventing 24-hour access to the site; a gated community

entry point; a guard animal; a posted sign restricting access to the site; or any other physical deterrent.

(16) *Divestment of shares.* Shareholder accounts must remain compliant with the requirements to maintain shares. Shares are reclaimed by NMFS if the shareholder account does not divest of their shares or come into compliance with provisions of this section within 1 year following the valid period of a South Atlantic unlimited snapper-grouper commercial permit held by the shareholder. NMFS will reclaim shares beginning from 1 year after the valid period of a South Atlantic unlimited snapper-grouper commercial permit held by the shareholder.

Commented [a18]: Action 6. Share Divestment for Permit-Required Accounts. Preferred alternative 2b. Shareholder accounts must be in compliance with the requirements to maintain shares, or NMFS will reclaim all shares in a shareholder account effective 1 year after implementation of this provision. Preferred alternative 3a. After implementation of this provision, if a shareholder is no longer in compliance with the requirements to maintain shares, the shareholder must divest of the account's shares, or the shares will be reclaimed by NMFS effective 1 year after the expiration of a shareholder's snapper-grouper unlimited permit.

(17) *Redistribution of shares resulting from permanent revocation.* If NMFS permanently revokes ITQ shares from a shareholder, NMFS will redistribute the ITQ shares among remaining shareholders (subject to the share cap) based on landings from the most recent and previous 3 fishing years.

Commented [a19]: Action 7. Redistribution of reclaimed shares to remaining shareholders. Preferred alternative 4b. Redistribute reclaimed shares to remaining shareholders based on the proportion of total wreckfish landings over the most recent 3 fishing years.

During each December, NMFS will determine the amount of any revoked shares to be redistributed, and the shares will be distributed at the beginning of the subsequent fishing year.

(18) *Annual recalculation and notification of ITQ shares and allocation.* On or about January 1 each year, ITQ shareholders will be notified via the Catch Shares website

of their ITQ share and allocation for the upcoming fishing year. The updated share values will reflect share transfers and any redistribution of shares (subject to the share cap) resulting from permanent revocation of applicable shares. Updated allocation values will reflect any change in ITQ shares and any change in the annual commercial quota for wreckfish. ITQ participants can monitor the status of their shares and allocation throughout the year via the Catch Shares website.

(c) *ITQ program cost recovery fees--(1) General.* As required by the Magnuson-Stevens Act, NMFS collects a fee from participants in the ITQ program to recover the actual costs directly related to the management and enforcement of the ITQ program. The fee cannot exceed 3 percent of the ex-vessel value of South Atlantic wreckfish landed under the ITQ program as described in the Magnuson-Stevens Act. Such fees are deposited in the Limited Access System Administration Fund (LASAF). The fee will be 3 percent of the actual ex-vessel price of South Atlantic wreckfish landed per trip under the ITQ program, as documented in each landings transaction report. NMFS will review the cost recovery fee annually to determine if adjustment is warranted. Factors considered in the review include the catch subject to the ITQ cost recovery, projected ex-vessel

Commented [a20]: Action 15.1. Implement a cost recovery plan for the wreckfish individual transferable quota program. Pref. alt. 2.

Commented [a21]: Action 15.4 (18). Determination of wreckfish individual transferable quota program cost recovery fees. Pref. alt. 2.

value of the catch, costs directly related to the management and enforcement of the ITQ program, the projected ITQ balance in the LASAF, and expected non-payment of fee liabilities. If NMFS determines that a fee adjustment is warranted, NMFS will publish a notification of the fee adjustment in the **Federal Register**.

(2) *Fee payment responsibility.* The ITQ shareholder specified in the documented wreckfish ITQ landing transaction report is responsible for payment of the cost recovery fee.

(3) *Timing of fee payment.* Cost recovery fees are calculated in the last quarter of the calendar year in which the fish is harvested. The ITQ shareholder is responsible for submitting all applicable cost recovery fees once per year. The shareholder must submit the cost recovery fees no later than 30 days after notification by NMFS. Cost recovery fees not received by the deadline are delinquent.

(4) *Fee payment procedure.* For each ITQ shareholder, the Catch Share online system will post a year-end statement of cost recovery fees that are due. The ITQ shareholder is responsible for submitting the cost recovery fee payments using <https://pay.gov> via the Catch Share Support website. Authorized payments methods are credit

Commented [a22]: Action 15.2 (16). Collection of wreckfish individual transferable quota program cost recovery fees. Pref. alt. 4.

Commented [a23]: Action 15.3 (17). Frequency of wreckfish individual transferable quota program cost recovery fee submission. Pref. alt. 2.

card, debit card, or automated clearing house (also known as ACH).

(5) *Fee reconciliation process.* The following procedures apply to an ITQ shareholder whose cost recovery fees are delinquent.

(i) After January in the following calendar year, NMFS will send any ITQ shareholder with delinquent cost recovery fees from the previous year an electronic message via the Catch Shares Online system and official notice via postal mail that NMFS has suspended the ITQ account for the shareholder until receipt of payment of the applicable delinquent fees.

(ii) After March in the following calendar year, NMFS will refer any ITQ shareholder with delinquent cost recovery fees from the previous year to the appropriate authorities for collection of payment. The ITQ account for the shareholder will remain suspended until receipt of payment of the applicable delinquent fees.

X. In § 622.176 **Recordkeeping and reporting.**

(a) * * *

(3) *Requirements for wreckfish.* The shareholder in the wreckfish individual transferable quota (ITQ) program described in § 622.172, or the operator of a vessel issued

a South Atlantic unlimited snapper-grouper commercial permit, as required under § 622.170(a)(2), must--

(i) Maintain and submit a completed electronic fishing report for each fishing trip within the time period specified in paragraph (a)(4) of this section.

(ii) Make available to an authorized officer upon request all records of commercial offloadings, purchases, or sales of wreckfish.

(4) *Reporting deadlines.* A completed fishing report required by this paragraph (a) must be submitted not later than 7 days after the end of each fishing trip. If no fishing occurred during a calendar month, a report so stating must be submitted not later than 7 days after the end of that month. Information to be reported is indicated on the form and its accompanying instructions.

(5) *Catastrophic conditions.* (i) During catastrophic conditions only, NMFS may modify or waive reporting time requirements. NMFS will determine when catastrophic conditions exist, the duration of the catastrophic conditions, and which participants or geographic areas are deemed affected by the catastrophic conditions. NMFS will inform affected participants via notification published in the **Federal Register** and other appropriate means. NMFS has the authority to modify or waive reporting time

requirements for the affected participants for the duration of the catastrophic conditions.

(ii) In addition to the provisions of paragraph 622.176(a)(5)(i), the requirements of this paragraph (a)(5)(ii) apply to participants in the wreckfish ITQ program in § 622.172. The ITQ program allows for the use of paper forms for reporting and recordkeeping purposes if NMFS declares that catastrophic conditions exist. NMFS will specify the duration for alternate reporting and recordkeeping methods when these conditions exist, and will authorize the affected participants' use of paper forms for the duration of the catastrophic conditions. NMFS will provide each ITQ dealer the necessary paper forms and instructions for submission of the forms. The paper forms will also be available from Catch Shares Support. The ITQ program functions available to participants or geographic areas affected by catastrophic conditions and using paper forms will be limited. There will be no mechanism for transfers of ITQ shares or allocation available to participants or geographic areas affected by catastrophic conditions. Contact Catch Shares Support for assistance with the requirements of the paper forms.

* * * * *

(c) *Dealers.* (1) A dealer who first receives South

Atlantic snapper-grouper, including wreckfish, must maintain records and submit information as specified in § 622.5(c).

(2) Upon request by an authorized officer, a dealer who has been issued a Gulf and South Atlantic dealer permit, as required under § 622.170(c)(1), must make available to the authorized officer all records of purchases and sales of South Atlantic snapper-grouper.

* * * * *

X. In § 622.190, revise paragraphs (b) and (c) to read as follows:

§ 622.190 Quotas.

* * * * *

(b) *Wreckfish* --381,318 lb (172,963 kg) in round weight and 343,530 lb (155,822 kg) in gutted weight. The commercial quota applies to a shareholder in the wreckfish individual transferable quota (ITQ) program. See § 622.172 for information on the wreckfish ITQ program.

* * * * *

X. In § 622.193, revise paragraph (r) to read as follows:

§ 622.193 Annual catch limits (ACLs) and accountability

Commented [a24]: Indirect change from Action 1, pref. alt 2. Copied from new comm ACL. See table 2.1.1.1.

Commented [a25]: 1.11 conversion ratio in section 4.1.2 of Am 48. Round weight divided by 1.11 equals the gutted weight.

measures (AMs).

* * * * *

(r) Wreckfish--(1) *Commercial sector.* (i) The commercial ACL in round weight is 381,318 lb (172,963 kg) and 343,530 lb (155,822 kg) in gutted weight.

(ii) The ITQ program for wreckfish in the South Atlantic serves as the accountability measure for commercial wreckfish. The commercial ACL for wreckfish is equal to the commercial quota specified in § 622.190(b). Applicable restrictions after a commercial quota closure are specified in § 622.190(c).

(2) *Recreational sector.* (i) The recreational ACL in round weight is 7,782 lb (3,530 kg) and 7,011 lb (3,179 kg) in gutted weight.

(ii) If recreational landings of wreckfish reach or are projected to reach the recreational ACL, the AA will file a notification with the Office of the Federal Register to close the recreational sector for the remainder of the fishing year regardless if the stock is overfished, unless NMFS determines that no closure is necessary based on the best scientific information available. On and after the effective date of such a notification, the bag and possession limits for wreckfish in or from the South Atlantic EEZ are zero.

Commented [a26]: Action 1. Revise sector allocations and sector annual catch limits for wreckfish.
Pref. alt. 2. Commercial ACL is 98% of the total ACL for wreckfish. Recreational ACL is 2% of the total ACL for wreckfish.

(iii) If recreational landings of wreckfish exceed the recreational ACL, then during the following fishing year recreational landings will be monitored for a persistence in increased landings, and if necessary, the AA will file a notification with the Office of the Federal Register to reduce the length of the recreational fishing season and the recreational ACL by the amount of the recreational ACL overage, if the species is overfished based on the most recent Status of U.S. Fisheries Report to Congress, and if the combined commercial and recreational ACL specified in § 622.193(r)(3) is exceeded during the same fishing year. The AA will use the best scientific information available to determine if reducing the length of the recreational fishing season and recreational ACL is necessary. When the recreational sector is closed as a result of NMFS reducing the length of the recreational fishing season and ACL, the bag and possession limits for wreckfish in or from the South Atlantic EEZ are zero.

(3) *Total ACL.* The combined commercial and recreational ACL in round weight is 389,100 lb (176,493 kg) and 350,541 lb (159,002 kg) in gutted weight.

* * * * *