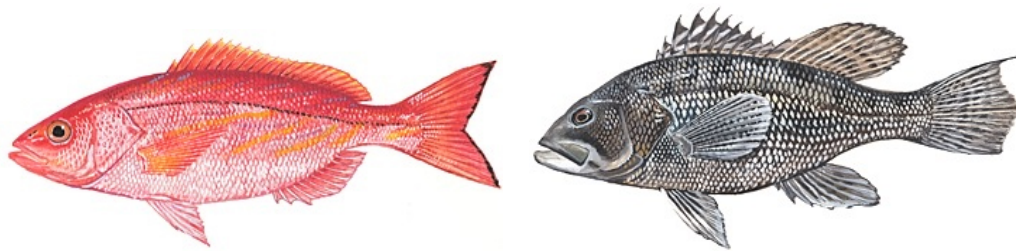
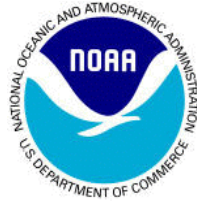


# Abbreviated Framework Amendment 2

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



## Annual Catch Limit Adjustment for Vermilion Snapper and Black Sea Bass



**Including a Regulatory Impact Review and  
Regulatory Flexibility Act Analysis**

**November 2018**

A publication of the South Atlantic Fishery Management Council pursuant to  
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## Abbreviations and Acronyms Used in the FMP

<b>ABC</b>	acceptable biological catch	<b>FMU</b>	fishery management unit
<b>ACL</b>	annual catch limit	<b>M</b>	natural mortality rate
<b>AM</b>	accountability measure	<b>MARMAP</b>	Marine Resources Monitoring Assessment and Prediction Program
<b>ACT</b>	annual catch target	<b>MFMT</b>	maximum fishing mortality threshold
<b>B</b>	a measure of stock biomass in either weight or other appropriate unit	<b>MMPA</b>	Marine Mammal Protection Act
<b>B<sub>MSY</sub></b>	the stock biomass expected to exist under equilibrium conditions when fishing at F <sub>MSY</sub>	<b>MRFSS</b>	Marine Recreational Fisheries Statistics Survey
<b>B<sub>OY</sub></b>	the stock biomass expected to exist under equilibrium conditions when fishing at F <sub>OY</sub>	<b>MRIP</b>	Marine Recreational Information Program
<b>B<sub>CURR</sub></b>	The current stock biomass	<b>MSFCMA</b>	Magnuson-Stevens Fishery Conservation and Management Act
<b>CPUE</b>	catch per unit effort	<b>MSST</b>	minimum stock size threshold
<b>DEIS</b>	draft environmental impact statement	<b>MSY</b>	maximum sustainable yield
<b>EA</b>	environmental assessment	<b>NEPA</b>	National Environmental Policy Act
<b>EEZ</b>	exclusive economic zone	<b>NMFS</b>	National Marine Fisheries Service
<b>EFH</b>	essential fish habitat	<b>NOAA</b>	National Oceanic and Atmospheric Administration
<b>F</b>	a measure of the instantaneous rate of fishing mortality	<b>OFL</b>	overfishing limit
<b>F<sub>30%SPR</sub></b>	fishing mortality that will produce a static SPR = 30%	<b>OY</b>	optimum yield
<b>F<sub>CURR</sub></b>	the current instantaneous rate of fishing mortality	<b>RIR</b>	regulatory impact review
<b>F<sub>MSY</sub></b>	the rate of fishing mortality expected to achieve MSY under equilibrium conditions and a corresponding biomass of B <sub>MSY</sub>	<b>SAFMC</b>	South Atlantic Fishery Management Council
<b>F<sub>OY</sub></b>	the rate of fishing mortality expected to achieve OY under equilibrium conditions and a corresponding biomass of B <sub>OY</sub>	<b>SEDAR</b>	Southeast Data, Assessment, and Review
<b>FEIS</b>	final environmental impact statement	<b>SEFSC</b>	Southeast Fisheries Science Center
<b>FMP</b>	fishery management plan	<b>SERO</b>	Southeast Regional Office
		<b>SIA</b>	social impact assessment
		<b>SPR</b>	spawning potential ratio
		<b>SSC</b>	Scientific and Statistical Committee

## **Abbreviated Framework Amendment 2 to the Fishery Management Plan for the Snapper Grouper Fishery of the South Atlantic Region**

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<b>Proposed actions:</b>	Adjust the annual catch limits for vermilion snapper and black sea bass
<b>Lead agency:</b>	FMP Abbreviated Framework Amendment – South Atlantic Fishery Management Council Categorical Exclusion – National Marine Fisheries Service (NMFS), Southeast Regional Office
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# Chapter 1. Introduction

## 1.1 What Action is Being Proposed?

The South Atlantic Fishery Management Council (Council) is proposing changes to federal regulations for South Atlantic vermilion snapper and black sea bass through an abbreviated framework action to the Fishery Management Plan (FMP) for the Snapper Grouper Fishery of the South Atlantic Region (Snapper Grouper FMP). The action would adjust the annual catch limits (ACL) for both species based on the acceptable biological catch (ABC) recommendations from the Council's Scientific and Statistical Committee (SSC).

## 1.2 Why is the Council Considering Action?

Southeast Data, Assessment, and Review (SEDAR) standard assessments were completed in April 2018 for South Atlantic vermilion snapper (SEDAR 55 2018) and black sea bass (SEDAR 56 2018). Based on the results of the assessments, the National Marine Fisheries Service (NMFS) determined that neither species was overfished or undergoing overfishing. The Council's SSC reviewed both assessments at their May 2018 meeting, stated that the assessments represented the best scientific information available, and provided the Council with overfishing limits (OFL) and ABC recommendations for the two species in pounds whole weight (lbs ww) based on yield at 75%  $F_{MSY}$  (SSC 2018) (**Tables 1.3.1 and 1.4.1**). The Council intends to update vermilion snapper and black sea bass ACLs based on the new ABC recommendations.

An expedited framework procedure can be used to adjust ABCs, ACLs, and annual catch targets (ACT) for snapper grouper species. The expedited framework procedure requires changes be made according to the existing ABC control rule and formulas for specifying ACLs and ACTs that have been approved by the Council and were implemented in a plan amendment to the FMP.

### *South Atlantic Fishery Management Council*

- Responsible for conservation and management of fish stocks
- Consists of 13 voting members: 8 appointed by the Secretary of Commerce, 1 representative from each of the 4 South Atlantic states, the Southeast Regional Director of NMFS; and 4 non-voting members
- Responsible for developing fishery management plans and amendments under the Magnuson-Stevens Act and recommends actions to NMFS for implementation
- Management area is from 3 to 200 miles off the coasts of North Carolina, South Carolina, Georgia, and east Florida through Key West with the exception of Coastal Migratory Pelagics, which is from New York to Florida, and Dolphin Wahoo, which is from Maine to Florida

### 1.3 What is the Proposed Action and Potential Effects for Vermilion Snapper?

Amendment 16 to the FMP set the vermilion snapper total ACL equal to the ABC and sector allocations as 68% commercial and 32% recreational (SAFMC 2009). The current total, commercial, and recreational ACLs are 1,269,000 lbs ww, 862,920 lbs ww, and 406,080 lbs ww, respectively. The proposed vermilion snapper ACLs are specified in **Table 1.3.1** and **Table 1.3.2**.

**Table 1.3.1.** Proposed vermilion snapper OFLs, ABCs, and ACLs beginning in 2019 in lbs ww. Sector allocations are specified in lbs ww and pounds gutted weight. Whole weight to gutted weight conversion factor for vermilion snapper is 1.11.

	OFL (lbs ww)	ABC (lbs ww)	Total ACL (lbs ww)	Commercial ACL (lbs ww and lbs gw)	Recreational ACL (lbs ww and lbs gw)
2019	1,810,000	1,579,000	1,579,000	1,073,720 / 967,315	505,280 / 455,207
2020	1,614,000	1,478,000	1,478,000	1,005,040 / 905,441	472,960 / 426,090
2021	1,486,000	1,408,000	1,408,000	957,440 / 862,559	450,560 / 405,910
2022	1,412,000	1,362,000	1,362,000	926,160 / 834,378	435,840 / 392,649
2023 until modified	1,371,000	1,336,000	1,336,000	908,480 / 818,450	427,520 / 385,520

Note: ACLs/quotas are specified in both lbs ww and pounds gutted weight (lbs gw) in the regulations.

The vermilion snapper commercial sector’s quota is equally split into two fishing seasons (January 1 through June 30; July 1 through December 31) (**Table 1.3.2**). The commercial quota is equivalent to the commercial ACL. Any unused quota from season one carries over to season two.

**Table 1.3.2.** Proposed vermilion snapper commercial quotas beginning in 2019 in lbs ww and lbs gw.

	Commercial ACL - Quota (lbs ww)	Season 1 Quota (lbs ww and lbs gw)	Season 2 Quota (lbs ww and lbs gw)
2019	1,073,720	536,860 / 483,658	536,860 / 483,658
2020	1,005,040	502,520 / 452,721	502,520 / 452,721
2021	957,440	478,720 / 431,279	478,720 / 431,279
2022	926,160	463,080 / 417,189	463,080 / 417,189
2023 until modified	908,480	454,240 / 409,225	454,240 / 409,225

It is noted that there has been a change to how recreational landings are monitored through the Marine Recreational Information Program (MRIP). As of January 1, 2018, fishing effort is calculated based on a mail survey instead of by phone. Due to the changes to MRIP, SEFSC revised the vermilion snapper stock assessment using the newly calibrated MRIP data. The Council’s SSC reviewed the revised stock assessment at their October 2018 meeting. The SSC did not provide new ABC recommendation based on the updated stock assessment; instead, the SSC requested more information from the NMFS Southeast Fisheries Science Center (SEFSC)

on the stock assessment diagnostics. The SSC will review the SEFSC information at a future date and will reconsider any changes to the existing ABC recommendation at that time.

### 1.3.1 Biological Effects

Increasing the total ACL for vermilion snapper at the SSC's recommended levels is not expected to result in negative biological effects to the stock. Vermilion snapper has been harvested at or near maximum sustainable yield (MSY) since the species was deemed rebuilt in 2012 (SEDAR 17 2012). Lower ACLs could constrain future harvest and prevent overfishing. However, total harvest is constrained by the commercial and recreational ACLs and accountability measures (AM). Therefore, there is no biological need to constrain harvest to a level lower than that determined to be appropriate by the SSC.

Vermilion snapper is part of a multi-species fishery that can be affected by bycatch. The proposed action is not expected to substantially change fishing effort or behavior, therefore, no adverse biological or population impacts are expected for vermilion snapper or other fish species due to bycatch. Conversely, the action has the potential to reduce regulatory discards due to the increased ACL that is expected to reduce the length of future closures.

#### *Expected Closure Dates of the Commercial and Recreational Sectors Under Proposed ACLs*

The commercial sector's split-year seasons for vermilion snapper (season 1: January-June, season 2: July-December) were implemented in 2009. The commercial ACL is evenly divided into quotas during the two seasons, and the months of March through June and September through December have been typically closed in past years to vermilion snapper commercial harvest because seasonal quotas were met and AMs were triggered. An analysis was conducted to forecast the potential impact to fishing season length based on the proposed ACLs. The analysis accounts for the 500 lbs gw trip limit reduction when 75% of the commercial sector ACL is reached based on the reduction in landings estimated in Regulatory Amendment 18 to the Snapper Grouper FMP (32.5% reduction January through June and 31.3% reduction July through December for the 500 lbs gw trip limit). If the trend in commercial landings of vermilion snapper continue as expected, the proposed ACLs would still result in split-season closures (Table 1.3.1.1). However, the increased ACL is expected to extend the fishing season as much as 48 days in 2019 and progressively decreasing with the declining ACL to five days in 2023 and beyond.

### Vermilion Snapper Life History *An Overview*



- Extend from North Carolina to the Florida Keys, and throughout the Gulf of Mexico to the Yucatan Peninsula
- Waters ranging from 59-400 feet
- Vermilion snapper do not exhibit long range or local movement
- Vermilion snapper spawn in aggregations and the spawning season extends from April through late September, peaking in June through August.
- Can live for at least 14 years
- Additional information on vermilion snapper biology can be found in Amendment 17B to the FMP (SAFMC 2010)



**Table 1.3.1.1.** The projected South Atlantic vermilion snapper commercial closure dates for the current ACL and each proposed sector ACL. Commercial closures were provided for both the January-June and the July-December season. The “Reduced” date for the commercial closures is the date predicted when 75% of the commercial ACL was met and the 500 lb gw trip limit was imposed.

	<b>Commercial ACL</b>	<b>Commercial Closure Season 1</b>	<b>Commercial Closure Season 2</b>
Current	862,920	Reduced: March 13 Closed: April 16	Reduced: September 5 Closed: October 2
2019	1,073,720	Reduced: April 2 Closed: May 10	Reduced: September 18 Closed: October 26
2020	1,005,040	Reduced: March 28 Closed: April 28	Reduced: September 14 Closed: October 14
2021	957,440	Reduced: March 23 Closed: April 23	Reduced: September 11 Closed: October 8
2022	926,160	Reduced: March 20 Closed: April 21	Reduced: September 9 Closed: October 7
2023	908,480	Reduced: March 18 Closed: April 19	Reduced: September 8 Closed: October 4

An analysis of recreational landings, taken from the Southeast Region Headboat Survey (SRHS) and MRIP, show the projected annual landings would be 337,895 lbs ww in 2019-2023. If the trend in recreational landings of vermilion snapper continues as expected, the proposed ACLs would not be exceeded and would not result in recreational season closures.

*Effects to Protected Species*

In the December 1, 2016, biological opinion on the snapper grouper fishery, NMFS concluded that the continued authorization of the fishery is not likely to jeopardize the continued existence of the North Atlantic right whale, loggerhead sea turtle Northwest Atlantic distinct population segment (DPS), leatherback sea turtle, Kemp’s ridley sea turtle, green sea turtle North Atlantic DPS, green sea turtle South Atlantic DPS, hawksbill sea turtle, smalltooth sawfish U.S. DPS, or Nassau grouper. NMFS also concluded that the continued authorization of the snapper grouper fishery is not likely to adversely affect any other Endangered Species Act (ESA)-listed species or designated critical habitat in the South Atlantic Region, including newly listed giant manta rays and oceanic whitetip sharks.

Increasing allowable commercial and recreational harvest of vermilion snapper would not modify fishing activities in a manner causing an effect to listed species or critical habitat not previously considered. There are no gear modifications proposed, and the proposed measure is unlikely to alter fishing behavior or fishing effort in a way that would cause new adverse effects to listed species or critical habitats that were not considered in the recent consultation.

### 1.3.2 Economic Effects

In general, ACLs that increase the amount of fish that can be landed can result in positive short-term economic effects if harvest increases. The ACL does not directly have an economic impact unless harvest changes in comparison to baseline levels. As such, ACLs that do not change observed landings of a species do not have realized economic effects. For the recreational sector, even though the proposed vermilion snapper ACLs are higher than the current ACL, the recreational sector has not landed its current vermilion snapper sector ACL in recent years (**Table 1.3.2.1**). With this being the case, it is unlikely that the recreational sector would realize any change in landings from increasing the ACL for vermilion snapper and realized direct economic effects are not anticipated for the recreational sector due to this action.

**Table 1.3.2.1.** Recent vermilion snapper landings and current ACLs in lbs ww.

	Total ACL	Total Landings	% ACL	Commercial			Recreational		
				Landings	ACL	% ACL	Landings	ACL	% ACL
2017	1,269,000	1,179,178	93	861,899	862,920	100	317,279	406,080	78
2016	1,269,000	1,153,480	91	787,417	862,920	91	366,063	406,080	90
2015	1,289,000	1,215,849	94	884,279	876,520	101	331,570	412,480	80

The revised recreational ACLs for vermilion snapper would increase the potential recreational harvest of vermilion snapper and thus would increase the potential economic benefits to the recreational sector. Should recreational catches of vermilion snapper unexpectedly increase beyond the current ACL, then the recreational sector may experience some positive economic effects due to the marginally higher potential consumer surplus (CS) that could be generated from vermilion snapper landings. Additionally, should the proposed recreational ACLs lead to increased fishing activity, positive economic effects could be incurred by for-hire and other fishing related businesses due to increased angler expenditures and thus increased business revenue.

The commercial sector has met or nearly met its sector ACL for vermilion snapper in recent years. This has triggered harvest closures for the remainder of the split fishing season or fishing year as part of the commercial AMs for vermilion snapper (**Table 1.3.2.1**). As such, it is assumed that the commercial sector would be able to fully harvest the additional commercial ACL that would be made available by this action. The additional vermilion snapper available for harvest would result in direct economic benefits realized by the commercial sector through increased revenue, as measured in ex-vessel value.

The estimated ex-vessel value of the additional amount of vermilion snapper that would be available to the commercial sector is provided in **Table 1.3.2.2** for the years from 2019 through 2023. In computing these values, the current and potential future commercial ACLs in lbs ww provided in **Tables 1.3.1** and **1.3.2.1** were converted to lbs gw using a conversion factor of 1.11 (SEDAR 55 2018). Using this conversion factor, the current ACL of 777,405 lbs gw was considered the baseline in calculating the potential marginal increase in landings. Additionally,

to calculate the ex-vessel value of the difference between the current and future ACLs, an ex-vessel price of \$3.81 (2017 dollars) per pound (gw) was applied, which is the average ex-vessel price per pound (gw) of vermilion snapper over the past five years of available data (2013-2017) (SEFSC-SSRG Socioeconomic Panel v.7 as accessed July 16, 2018). Inflation adjustments were made using the annual gross domestic product implicit price deflator provided by the U.S. Bureau of Economic Analysis. To calculate the net present value (NPV) of the change in commercial ACL over the 2019 to 2023 time period, it is assumed that 2019 is year zero of the analysis and a discount rate of 7% is applied in accordance with the Office of Management and Budget (OMB) guidance for regulatory analysis.<sup>1</sup> It should be noted that the costs of each alternative are not included in the NPV analysis, as they cannot be quantified, therefore, this should not be viewed as a cost-benefit analysis.

**Table 1.3.2.2.** Estimated change in ex-vessel value, including NPV, for commercial landings of vermilion snapper relative to status quo from 2019 through 2023 (2017 dollars).

Year	Proposed commercial ACL (lbs gw)	Difference from 2018 commercial ACL (lbs gw)	Estimated change in ex-vessel value (2017 dollars)
2019	967,315	189,910	\$723,557
2020	905,441	128,036	\$487,817
2021	862,559	85,153	\$324,434
2022	834,378	56,973	\$217,067
2023 until modified	818,450	41,045	\$156,382
Total over 5 years	-	-	\$1,909,256
NPV of Total	-	-	\$1,759,328

The amount of additional poundage available and thus increased ex-vessel value of vermilion snapper landings would vary by year, as the ACL for vermilion snapper would increase by the largest amount initially and taper downward until 2023, where it would remain steady until modified. As such, the marginal economic benefits of increasing the ACL depend on the year being examined. In 2019, the estimated ex-vessel value of vermilion snapper landings would increase by approximately \$724,000 (2017 dollars) if the new ACL is implemented and fully met. By 2023, the marginal increase in ex-vessel value for vermilion snapper is estimated at approximately \$156,000 (2017 dollars).

In addition to the increase in ex-vessel value described above, the commercial sector may also experience a prolonged season for vermilion snapper, which would be beneficial for both fishery participants and seafood dealers, as a longer season would provide a source of potential revenue for commercial participants during trips occurring later in the fishing season or year and additional product for seafood dealers to sell to and maintain customers. The estimated increase in the commercial season for vermilion snapper that may result from a larger sector ACL varies according to the year examined and ranges from an increase of 48 days in 2019 to an increase of five days in 2023 (Table 1.3.1.1).

<sup>1</sup>OMB guidance on discount rates for regulatory analysis can be found in Circular A4 at <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A4/a-4.pdf>.

### 1.3.3 Social Effects

In general, management measures that increase the amount of fish a fisherman can land are expected to be more beneficial to fishermen and fishing communities by increasing access to the resource, so long as overharvest is not occurring to negatively affect the stock in the long term. Once an ACL is met or projected to be met, any implemented AMs that restrict or close harvest could negatively affect the commercial fleet, for-hire fleet, and private anglers. The higher the ACL, the greater the short-term social benefits that would be expected to accrue, assuming landings and effort information are up-to-date and accurate to allow sustainable harvest. Additionally, adjustments to an ACL based on updated information from a stock assessment would be the most beneficial in the long-term to fishermen and fishing communities, because ACLs would be based on current conditions.

The proposed vermilion snapper ACL would increase access for the commercial sector, which has met or nearly met its sector ACL in recent years (**Table 1.3.2.1**). This has triggered AMs that have resulted in harvest closures for portions of the split fishing seasons. Based on historical landings, it is expected that the commercial sector would be able to fully harvest the proposed ACLs. This increase in access would be expected to be beneficial to fishermen and fishing communities because it would reduce the likelihood of exceeding the ACL, resulting in shortened fishing seasons that would restrict access to vermilion snapper. Overall, the proposed increase in the vermilion snapper ACL is estimated to result in a longer commercial season and corresponding social benefits. Specific estimates vary by year examined and range from an increase of 48 days in 2019 to an increase of five days in 2019 (**Table 1.3.1.1**).

The proposed vermilion snapper ACL is not expected to have short-term positive or negative social effects on the recreational sector as harvest has been below the current ACL in recent years (**Table 1.3.2.1**). However, if recreational harvest of vermilion snapper increases unexpectedly, fishermen and fishing communities could experience positive social effects associated with improved recreational fishing opportunities and consistent access to the resource.

Overall, if the revised ACL ensures sustainable harvest of vermilion snapper as envisioned, there would be long-term positive social effects throughout the vermilion snapper portion of the snapper grouper fishery in the form of consistent access to the resource.

## 1.4 What is the Proposed Action and Potential Effects for Black Sea Bass?

Amendment 13C to the FMP set the black sea bass total ACL equal to the ABC and sector allocations as 43% commercial and 57% recreational (SAFMC 2006). The current total, commercial, and recreational ACLs are 1,756,450 lbs ww, 755,274 lbs ww, and 1,001,176 lbs ww, respectively. The proposed black sea bass ACLs are specified in **Table 1.4.1** and **Table 1.4.2**.

**Table 1.4.1.** Proposed black sea bass OFLs, ABCs, and ACLs beginning in 2019 in lbs ww. The commercial quota is equivalent to the commercial ACL. Whole weight to gutted weight conversion factor for black sea bass is 1.18. The commercial sector's fishing season is January through December.

	<b>OFL</b> (lbs ww)	<b>ABC</b> (lbs ww)	<b>Total ACL</b> (lbs ww)	<b>Commercial ACL-Quota</b> (lbs ww and lbs gw)	<b>Recreational ACL</b> (lbs ww and lbs gw)
2019	818,000	760,000	760,000	326,800 / 276,949	433,200 / 367,119
2020	718,000	669,000	669,000	287,670 / 243,788	381,330 / 323,161
2021 until modified	703,000	643,000	643,000	276,490 / 234,314	366,510 / 310,602

**Table 1.4.2.** Proposed black sea bass total (in lbs ww) and recreational ACLs (in lbs ww and lbs gw) beginning in 2019. The recreational sector's fishing season is April through March.

	<b>Total ACL</b> (lbs ww)	<b>Recreational ACL</b> (lbs ww and lbs gw)
2019/2020	760,000	433,200 / 367,119
2020/2021	669,000	381,330 / 323,161
2021/2022 until modified	643,000	366,510 / 310,602

Because the black sea bass recreational fishing season straddles multiple years, the new black sea bass recreational ACL would be effective at the start of the 2019/2020 fishing year (i.e., April 2019) and the current recreational ACL would remain in effect through March 31.

It is noted that there has been a change to how recreational landings are monitored through MRIP. As of January 1, 2018, fishing effort is calculated based on a mail survey instead of by phone. Due to the changes to MRIP, SEFSC revised the black sea bass stock assessment using the newly calibrated MRIP data. The Council's SSC reviewed the revised stock assessment at their October 2018 meeting. The SSC did not provide new ABC recommendation based on the updated stock assessment; instead, the SSC requested more information from the SEFSC on the stock assessment diagnostics. The SSC will review the SEFSC information at a future date and will reconsider any changes to the existing ABC recommendation at that time.

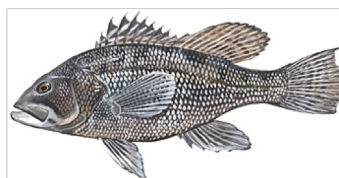
### 1.4.1 Biological Effects

Setting the total ACL for black sea bass at the SSC’s recommended levels is expected to provide biological benefits to the black sea bass stock. The lower proposed ACLs could constrain future harvest and prevent overfishing if harvest increases.

However, compared to recent commercial and recreational landings, the projected ACLs would cause little reduction in harvest despite the large reduction in total ACL. Since 2015, average South Atlantic black sea bass annual landings have been less than 40% of the stock ACL of 1,756,450 lbs ww (**Table 1.4.1.1**). This is true for both the commercial and recreational sectors. The reduced level of recorded landings is supported by observations from commercial and recreational stakeholders who state that black sea bass are not being seen in large quantities or larger sizes in the South Atlantic (Black Sea Bass Fishery Performance Report, SAFMC 2017). Certain environmental factors, such as warming water temperatures, could be causing emigration to areas

north and poor recruitment, which may or may not continue into the future (SAFMC 2017; SSC 2018). Species interactions, such as increased predation on young individuals by lionfish and red snapper, could also be leading to poor recruitment (SSC 2018). Even though the proposed black sea bass ACLs are lower than the current ACL, average total landings (637,338 lbs ww annually from fishing years 2015 through 2017) have been below the proposed ACLs in recent years, thus biological effects are not expected from this action.

### Black Sea Bass Life History *An Overview*



- Extend from Maine to northeastern Florida, and in the eastern Gulf of Mexico
- Waters ranging from 7-394 feet
- Common around rock jetties and rock bottom
- Black sea bass spawn March through May
- Additional information on black sea bass biology can be found in Regulatory Amendment 14 to the FMP (SAFMC 2013)

**Table 1.4.1.1.** Recent black sea bass landings and current ACLs in lbs ww.

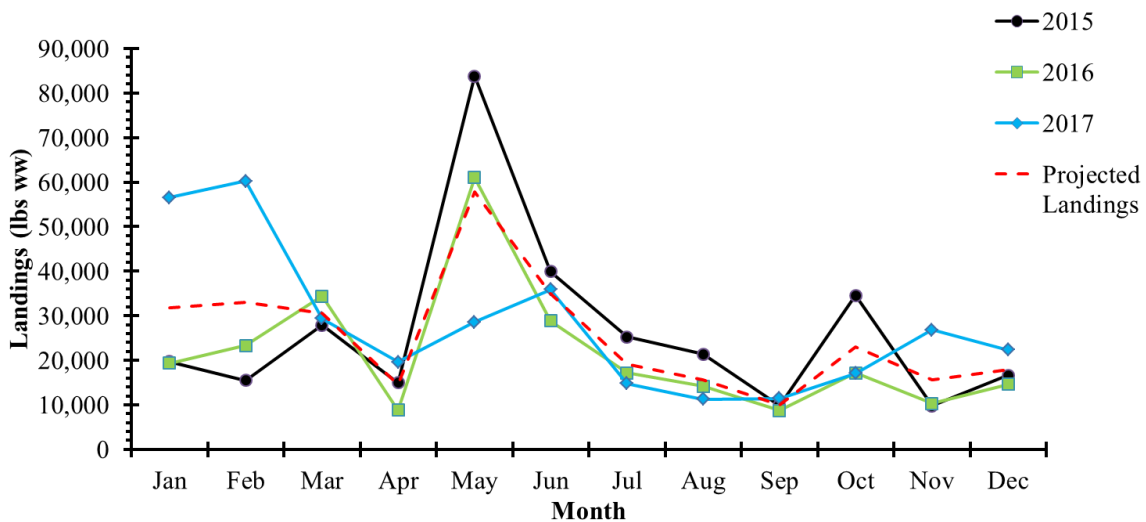
	Total ACL	Total Landings	% ACL	Commercial (Jan-Dec Season)			Recreational (April-March Season)			
				Landings	ACL	% ACL	Season	Landings	ACL	% ACL
2017	1,789,254	655,218	37	333,979	755,274	44	2016/2017	321,239	1,001,176	32
2016	1,814,000	635,181	35	257,942	780,020	33	2015/2016	377,239	1,033,980	37
2015	1,814,000	725,933	40	319,107	780,020	41	2014/2015	406,826	1,033,980	39

Black sea bass is part of a multi-species fishery. Even with a large reduction in the ACL, fishing effort is not expected to substantially change. However, black sea bass are frequently caught while fishermen target other snapper grouper species. Potential high-grading should be minimal and the proposed action is not anticipated to substantially increase bycatch of co-occurring species.

While unlikely, a reduction in the black sea bass ACLs could increase occurrences of regulatory discards if fishermen continue to encounter the species if the ACL is reached, and possession and retention is prohibited. The estimated release mortality rates for black sea bass are 41% for the commercial sector and 38% for the headboat and general recreational fleets (SEDAR 55 2018). However, current gear requirements (e.g., dehooking devices and circle hooks) and seasonal pot closures could help to reduce bycatch and bycatch mortality of black sea bass.

*Expected Closure Dates of the Commercial and Recreational Sectors Under Proposed ACLs*

The average monthly South Atlantic commercial black sea bass landings from 2015 through 2017 were used to project future landings (Figure 1.4.1.1). Changes to the commercial and recreational fishing year imposed by the final rule for Regulatory Amendment 14 to the Snapper Grouper FMP are assumed not to have impacted monthly fishing behavior since neither sector reached their ACL (SAFMC 2013). Based on the projected future commercial landings of black sea bass, the proposed 2019 commercial ACL would not be exceeded and would not result in a closure, but commercial sector ACL closures are projected for November 26 and November 5 in 2020 and 2021, respectively (Table 1.4.1.2).



**Figure 1.4.1.1.** South Atlantic black sea bass monthly commercial landings (lb ww) for 2015-2017, and projected future landings. Source: SEFSC Commercial ACL Dataset (October 5, 2017).



**Table 1.4.1.2.** The projected South Atlantic black sea bass commercial and recreational closure dates for the current ACL and each proposed sector ACL. The total projected landings are included if no closure is projected. Note that each year reflects each fishing season (e.g., the commercial season is from January 1 to December 31 and the recreational season is from April 1 to March 31).

	<b>Combined ACL</b>	<b>Recreational ACL</b>	<b>Recreational Closure Date</b>	<b>Commercial ACL</b>	<b>Commercial Closure</b>	<b>% Combined ACL Landed</b>
Current	1,756,450	1,001,177	No closure (336,202)	755,274	No closure (303,688)	36%
2019	760,000	433,200	No closure (336,202)	326,800	No closure (303,688)	84%
2020	669,000	381,330	No closure (336,202)	287,670	26-Nov	93%
2021	643,000	366,510	No closure (336,202)	276,490	5-Nov	95%

Based on an analysis of SRHS and MRIP information, the recreational fishery is not expected to close in-season in 2019-2021 as future landings are not expected to reach the recreational ACLs in those years (**Table 1.4.1.2**).

*Effects to Protected Species*

Reducing allowable commercial and recreational harvest of black sea bass would not modify fishing activities in a manner causing an effect to listed species or critical habitat not previously considered. There are no gear modifications proposed, and the proposed measure is unlikely to alter fishing behavior or fishing effort in a way that would cause new adverse effects to listed species or critical habitats that were not considered in the recent consultation.

**1.4.2 Economic Effects**

In general, ACLs that decrease the amount of fish that can be landed can result in negative short-term economic effects if harvest decreases. The more restrictive ACL does not directly have an economic affect unless harvest meets the ACL. As such, ACLs that do not restrict the observed landings of a species do not have realized economic effects. For the recreational sector, even though the proposed black sea bass ACLs are lower than the current ACL, average recreational landings (333,662 lbs ww annually from fishing years 2014/2015 through 2017/2018) have been below the proposed ACLs in recent years (**Tables 1.4.1** and **1.4.1.1**). If recreational landings of black sea bass remain at or near the average observed landings in recent years, it is unlikely that the recreational sector would realize any change in landings from decreasing the ACL for black sea bass as proposed and realized direct economic effects are not anticipated for the recreational sector from this action.

The revised recreational ACLs for black sea bass would decrease the potential recreational harvest of black sea bass and thus would decrease the potential economic benefits to the recreational sector that may be incurred from the species. Should recreational catches of black sea bass unexpectedly increase beyond the proposed ACLs for the species, then the recreational



sector may experience some negative economic effects due to the marginally lower potential CS that can be generated from black sea bass landings. Additionally, should the proposed recreational ACLs be met, the recreational season for the species may be shortened the following fishing year which could incur direct short-term negative economic effects due to the closed harvest season. In this case, it can be expected that negative economic effects would occur if fishery participants reduce effort, switch to substitute species that may exhibit a lower CS, or reduce fishing expenditures, thereby, negatively affecting the revenue of for-hire and other fishing related businesses.

The economic effects on the commercial sector are variable according to the year examined. The commercial sector has not met its sector ACL for black sea bass in recent years, however, the proposed commercial ACLs for the species may be constraining for the sector in some years based on recent harvest levels, which would result in negative economic effects for the commercial sector through decreased landings of black sea bass. The estimated ex-vessel value of the reduced amount of black sea bass that would be available to the commercial sector is provided in **Table 1.4.2.1** for the years from 2019 through 2021. In computing these values, commercial landings from 2015 through 2017 and potential future commercial ACLs in lbs ww provided in **Tables 1.4.1** and **1.4.1.1** were converted to lbs gw using a conversion factor of 1.18 (SEDAR 56 2018). Using this conversion factor, the three-year average commercial black sea bass landings of 257,289 lbs gw was considered the baseline in calculating the potential marginal decrease in landings. Additionally, to calculate the ex-vessel value of the difference between the baseline landings and future ACLs, an ex-vessel price of \$3.46 (2017 dollars) per pound (gw) was applied, which is the average ex-vessel price per pound (gw) of black sea bass over the past three years of available data (2015-2017) (SEFSC-SSRG Socioeconomic Panel v.7 as accessed July 16, 2018). Inflation adjustments were made using the annual gross domestic product implicit price deflator provided by the U.S. Bureau of Economic Analysis. To calculate the NPV of the change in commercial ACL over the 2019 to 2021 time period, it is assumed that 2019 is year zero of the analysis and a discount rate of 7% is applied in accordance with the OMB guidance for regulatory analysis.<sup>2</sup> It should be noted that the benefits of each alternative are not included in the NPV analysis, as they cannot be quantified, therefore, this should not be viewed as a cost-benefit analysis.

**Table 1.4.2.1.** Estimated change in ex-vessel value, including NPV, for commercial landings of black sea bass relative to status quo from 2019 through 2021 (2017 dollars).

Year	Proposed commercial ACL (lbs gw)	Difference from baseline landings (lbs gw)	Estimated change in ex-vessel value (2017 dollars)
2019	276,949	19,661	\$0
2020	243,788	-13,500	-\$46,711
2021 until modified	234,314	-22,975	-\$79,493
Total over 3 years	-	-	\$-126,205
NPV of Total	-	-	\$-113,088

<sup>2</sup>OMB guidance on discount rates for regulatory analysis can be found in Circular A4 at <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A4/a-4.pdf>

The reduced poundage available and thus decreased ex-vessel value for black sea bass landings would vary by year, as the ACL for black sea bass would decrease each year until 2021, where it would remain steady until modified. As such, the marginal economic effects of decreasing the ACL depend on the year being examined. In 2019, the new ACL for the commercial sector is not expected to be constraining, therefore, there are no changes expected to ex-vessel value. In 2020 and 2021, the decrease in ex-vessel value is estimated at approximately -\$47,000 and -\$80,000 respectively (2017 dollars).

In addition to the decrease in ex-vessel value described above, the commercial sector may also experience a shortened season for black sea bass, which would likely incur short-term, negative economic effects for both fishery participants and seafood dealers, as a shorter harvest season would allow for fewer potential revenue options during commercial trips occurring later in the year and less product for seafood dealers to sell to and maintain customers. The estimated decrease in the commercial season for black sea bass that may result from a smaller sector ACL varies according to the year examined and ranges from no change in 2019 to a decrease of 57 days in 2021 (**Table 1.4.1.2**).

In addition to the short-term economic effects described above, medium to long-term indirect positive economic effects could ensue from this action as a result of its effects on the black sea bass stock, future management decisions, and future catch rates. If the revised ACL for black sea bass helps the stock maintain sustainable levels, both the commercial and recreational sector would likely experience prolonged positive economic effects in the future from continued access to the black sea bass resource and benefits that are incurred from the harvest of black sea bass.

### **1.4.3 Social Effects**

In general, management measures that reduce the number of fish a fisherman can land typically result in foregone social benefits. However, the ACL for any stock does not directly affect resource users unless the ACL is met or exceeded, in which case AMs that restrict or close harvest could negatively impact the commercial fleet, for-hire fleet, and private anglers. When triggered, these AMs can have direct and indirect social consequences by restricting harvest during the current season and following seasons. While these effects are typically short-lived, they can result in indirect effects due to changes in fisherman behavior, such as increased fishing pressure on other species, decreased interest in for-hire trips, or some fishermen exiting the fishery all together. Generally, the higher the ACL the greater the short-term social benefits that would be expected to occur, if harvest is sustainable. Stock recovery and sustainable fishing result in long-term social benefits to communities and adjustments in an ACL based on updated information are necessary to ensure continuous social benefits over time. These long-term benefits are seen even if the latest information indicates the need for a lower ACL to sustain the stock.

The proposed commercial black sea bass ACL is not predicted to result in restricted harvest and cause corresponding social consequences until 2020. While the proposed commercial ACL is lower than the current ACL, commercial landings have not exceeded 40% of the current commercial sector ACL (**Table 1.4.1.1**). Should commercial landings of black sea bass continue

this trend or level out, it is estimated that there would not be a commercial closure in 2019. Alternatively, estimates indicate that the proposed black sea bass ACL may reduce the commercial season by 35 days in 2020 and 57 days in 2021 (**Table 1.4.1.2**). However, commercial harvest of black sea bass peaks in the spring and summer months and closures predicted to occur late in the season would result in fewer negative social consequences (**Figure 1.4.1.1**). If this trend does not continue and commercial harvest of black sea bass increases unexpectedly, the commercial sector could experience more severe negative social consequences. Additionally, restricted access to the black sea bass resource for several years combined with inconsistency in what fishermen see on the water versus the scientific models can result in distrust of science and management.

Recreational landings of black sea bass have also shown a decreasing trend over the last three years (**Table 1.4.1.1**). As a result, the proposed ACL is unlikely to result in a shortened season for the recreational sector (**Table 1.4.1.2**). If this trend does not continue and recreational harvest of black sea bass increases unexpectedly, private and for-hire anglers could experience negative social consequences.

Overall, if the revised ACL ensures sustainable harvest of black sea bass, as envisioned, there would be long-term positive social effects throughout the fishery in the form of consistent access to the resource.

## 1.5 Council Conclusions

### Public Comments and Recommendations.

No written comments were received from the public. The Council held a public hearing on October 3 in which they received two oral comments from the public.

#### *Vermilion snapper*

No oral comments were received regarding changes to the vermilion snapper ACL.

#### *Black sea bass*

One commenter spoke against taking action on the black sea bass ACL at this point until more is known about what is happening with the stock. One commenter spoke in favor of taking action on the black sea bass ACL as a way to mitigate possible overharvesting while the Council considers future actions to manage the stock.

### Council's Choice for Action.

The Council concluded that Abbreviated Framework Amendment 2 best meets the purpose of revising the black sea bass and vermilion snapper ACLs, as the abbreviated framework amendment addresses the need to ensure the black sea bass and vermilion snapper ACLs are based upon the best scientific information available and overfishing does not occur. The Council determined that Abbreviated Framework Amendment 2 best meets the objectives of the Snapper Grouper FMP, as amended.

# Chapter 2. Regulatory Impact Review

## Introduction

The National Marine Fisheries Service (NMFS) requires a Regulatory Impact Review (RIR) for all regulatory actions that are of public interest. The RIR does three things: 1) it provides a comprehensive review of the level and incidence of impacts associated with a regulatory action; 2) it 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) it 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.

## Problems and Objectives

The problems and objectives for this action are presented in **Section 1.1** and **1.2** of this amendment and are incorporated herein by reference.

## Description of Fisheries

A description of the vermilion snapper and black sea bass portion of the snapper grouper fishery of the South Atlantic region is provided in **Section 1.3** and **1.4** of this amendment and is incorporated herein by reference. In addition, economic descriptions for vermilion snapper provided in Regulatory Amendment 18 to the Snapper Grouper FMP and that for black sea bass in Regulatory Amendments 16 and 19 to the Snapper Grouper FMP are incorporated herein by reference (SAFMC 2013a, b, c).

## Effects of Management Measures

A detailed analysis and discussion of the expected economic effects of the proposed action is included in **Section 1.3.2** and **1.4.2**. The following discussion summarizes the expected economic effects of the action.

The action proposes measures to adjust the annual catch limits (ACLs) for vermilion snapper. For the recreational sector, even though the proposed vermilion snapper ACLs are higher than the current ACL, the recreational sector has not been landing its current sector ACL in recent years. With this being the case, it is unlikely that the recreational sector would realize any change in landings from increasing the ACL for vermilion snapper and realized direct economic effects are not anticipated for the recreational sector due to this action.

The revised recreational ACLs for vermilion snapper would increase the potential recreational harvest of vermilion snapper and thus would increase potential economic benefits to

the recreational sector. Should recreational catches of vermilion snapper unexpectedly increase beyond the current ACL, then the recreational sector may experience some positive economic effects due to the marginally higher potential consumer surplus that would be generated from vermilion snapper landings. Additionally, should the proposed recreational ACLs lead to increased fishing activity, positive economic effects could be incurred by for-hire and other fishing related businesses due to increased angler expenditures and thus increased business revenue.

The commercial sector has met or nearly met its sector ACL for vermilion snapper in recent years which has triggered a harvest closure for the remainder of the fishing season or year as part of the commercial accountability measures for vermilion snapper. As such, it is assumed that the commercial sector would be able to fully harvest the additional commercial ACL that would be made available by this action. The additional vermilion snapper available for harvest would result in direct economic benefits realized by the commercial sector through increased revenue that is measured in the ex-vessel value. In addition to the increase in ex-vessel value, the commercial sector may also experience a prolonged season for vermilion snapper which would be beneficial for both fishery participants and seafood dealers, as a longer season would provide a source of potential revenue for commercial participants during trips occurring later in the fishing season or year and additional product for seafood dealers to sell to and maintain customers.

The amount of additional poundage available and thus increased ex-vessel value of vermilion snapper landings would vary by year, as the ACL for vermilion snapper would increase by the largest amount initially and taper downward until 2023, where it would remain steady until modified. As such, the marginal economic benefits of increasing the ACL depend on the year being examined. In 2019, the estimated ex-vessel value of vermilion snapper landings would increase by approximately \$724,000 (2017 dollars) if the new ACL is implemented and fully met. By 2023, the marginal increase in ex-vessel value for vermilion snapper is estimated at approximately \$156,000 (2017 dollars).

The action also proposes measures to adjust the ACLs for black sea bass. For the recreational sector, even though the proposed black sea bass ACLs are lower than the current ACL, average recreational landings (333,662 lbs ww annually from fishing years 2014/2015 through 2017/2018) have been below the proposed ACLs in recent years. If recreational landings of black sea bass remain at or near the average observed landings in recent years, it is unlikely that the recreational sector would realize any change in landings from decreasing the ACL for black sea bass as proposed and realized direct economic effects are not anticipated for the recreational sector from this action.

The revised recreational ACLs for black sea bass would decrease the potential recreational harvest of black sea bass and thus would decrease the potential economic benefits to the recreational sector that may be incurred from the species. Should recreational catches of black sea bass unexpectedly increase beyond the proposed ACLs for the species, then the recreational sector may experience some negative economic effects due to the marginally lower potential consumer surplus that could be generated from black sea bass landings. Additionally, should the proposed recreational ACLs be met, the recreational season for the species may be shortened the

following fishing year which could incur direct short-term negative economic effects during the closed harvest season. In this case, it can be expected that negative economic effects would occur if fishery participants reduce effort, switch to substitute species that may exhibit a lower CS, or reduce fishing expenditures, thereby negatively affecting for-hire and other fishing related businesses.

The economic effects on the commercial sector are variable according to the year examined. The commercial sector has not met its sector ACL for black sea bass in recent years, however the proposed commercial ACLs for the species may be constraining for the sector in some years based on recent harvest levels, which would result in short-term, direct negative economic effects for the commercial sector through decreased ex-vessel value of black sea bass landings. In addition to the decrease in ex-vessel value, the commercial sector may also experience a shortened season for black sea bass which would likely create short-term, direct negative economic effects for both fishery participants and seafood dealers, as a shorter harvest season would allow for fewer potential revenue options during commercial trips occurring later in the year and less product for seafood dealers to sell to and maintain customers.

The reduced poundage available and thus decreased ex-vessel value for black sea bass landings would vary by year, as the ACL for black sea bass would decrease each year until 2021, where it would remain steady until modified. As such, the marginal economic effects of decreasing the ACL depend on the year being examined. In 2019, the new ACL for the commercial sector is not expected to be constraining, therefore there are no changes expected to ex-vessel value and thus no anticipated economic effects. In 2020 and 2021, the decrease in ex-vessel value is estimated at approximately -\$47,000 and -\$80,000 respectively (2017 dollars), as the ACLs for these years are expected to be constraining on commercial harvest.

In addition to the short-term economic effects described above, medium to long-term indirect positive economic effects could ensue from this action as a result of its effects on the black sea bass stock, future management decisions, and future catch rates. If the revised ACL for black sea bass helps the stock maintain sustainable levels, both the commercial and recreational sector would likely experience prolonged positive economic effects in the future from continued access to the black bass resource and benefits that are incurred from the harvest of black sea bass.

### **Cumulative Economic Effects Summary**

Overall, the action in this amendment would likely provide short-term, direct positive economic effects on fishery participants, associated industries, and communities. The overall measurable direct positive economic effects are estimated to be approximately \$724,000 (2017 dollars) in 2019, the first year of implementation for the amendment.

## Public and Private 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 associated with this amendment include:

Council costs of document preparation, meetings, public hearings, and information dissemination.....	\$15,000
NMFS administrative costs of document preparation, meetings and review.....	\$15,000
TOTAL .....	\$30,000

Law enforcement currently monitors regulatory compliance in effected fisheries under routine operations and does not allocate specific budgetary outlays to these fisheries, nor are increased enforcement budgets expected to be requested to address components of this action. In practice, some enhanced enforcement activity might initially occur while the fishery becomes familiar with the new regulations. However, the costs of such enhancements cannot be forecast. Thus, no specific law enforcement costs can be identified.

## 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 \$100 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 economically significant for the purposes of E.O. 12866.



# Chapter 3. Regulatory Flexibility Act Analysis

## 3.1 Introduction

The purpose of the Regulatory Flexibility Act (RFA) is to establish a principle of regulatory issuance that agencies shall endeavor, consistent with the objectives of the rule and of applicable statutes, to fit regulatory and informational requirements to the scale of businesses, organizations, and governmental jurisdictions subject to regulation. To achieve this principle, agencies are required to solicit and consider flexible regulatory proposals and to explain the rationale for their actions to assure that such proposals are given serious consideration. The RFA does not contain any decision criteria; instead, the purpose of the RFA is to inform the agency, as well as the public, of the expected economic impacts of various alternatives contained in the fishery management plan (FMP) or amendment (including framework management measures and other regulatory actions). The RFA is also intended to ensure that the agency considers alternatives that minimize the expected impacts while meeting the goals and objectives of the FMP and applicable statutes.

With certain exceptions, the RFA requires agencies to conduct a regulatory flexibility analysis for each proposed rule. The regulatory flexibility analysis is designed to assess the impacts various regulatory alternatives would have on small entities, including small businesses, and to determine ways to minimize those impacts. In addition to analyses conducted for the RIR, the regulatory flexibility analysis provides: 1) a statement of the reasons why action by the agency is being considered; 2) a succinct statement of the objectives of, and legal basis for the proposed rule; 3) a description and, where feasible, an estimate of the number of small entities to which the proposed rule will apply; 4) a description of the projected reporting, record-keeping, and other compliance requirements of the proposed rule, including an estimate of the classes of small entities which will be subject to the requirements of the report or record; 5) an identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap, or conflict with the proposed rule; and 6) a description of any significant alternatives to the proposed rule which accomplish the stated objectives of applicable statutes and which minimize any significant economic impact of the proposed rule on small entities.

Additional information on the description of affected entities and expected economic effects of the proposed rule may be found in Chapter 2.

## 3.2 Statement of the Need for, Objective of, and Legal Basis for the Proposed Action

The purpose of this abbreviated framework action is to adjust the vermilion snapper and black sea bass total annual catch limits (ACL) and sector ACLs. Based on the results of stock assessments for vermilion snapper (SEDAR 55) and black sea bass (SEDAR 56), which were

completed in April 2018, the National Marine Fisheries Service (NMFS) has determined that both stocks are neither overfished nor undergoing overfishing. The South Atlantic Fishery Management (Council) decided to adjust the ACLs for both stocks based on the new acceptable biological catch (ABC) recommendations from the Council's Scientific and Statistical Committee (SSC). This abbreviated framework action is needed to expedite the ACL adjustments.

The Magnuson-Stevens Fishery Conservation and Management Act provides the statutory basis for this proposed action.

### **3.3 Description and Estimate of the Number of Small Entities to which the Proposed Action would Apply**

The proposed action would directly affect federally permitted commercial fishermen fishing for vermilion snapper and black sea bass in the South Atlantic. Recreational anglers fishing for these species would also be directly affected by this abbreviated framework amendment, but anglers are not considered business entities under the RFA. For-hire vessels would also be affected by this action but only in an indirect way. For-hire businesses (charter vessels and headboats) operate in the recreational sector, but these businesses only sell fishing services to recreational anglers. For-hire vessels provide a platform for the opportunity to fish and not a guarantee to catch or harvest any species, though expectations of successful fishing, however defined, likely factor into the decision by anglers to purchase these services. Because the effects on for-hire vessels would be indirect, they fall outside the scope of the RFA.

For RFA purposes only, NMFS has established a small business size standard for businesses, including their affiliates, whose primary industry is commercial fishing (see 50 CFR § 200.2). A business primarily engaged in commercial fishing (NAICS code 11411) is classified as a small business if it is independently owned and operated, is not dominant in its field of operation (including affiliates), and has combined annual receipts not in excess of \$11 million for all its affiliated operations worldwide.

As of July 25, 2018, there were 538 valid or renewable Federal South Atlantic snapper grouper unlimited permits, 109 valid or renewable 225-lb trip limited permits, and 32 black sea bass pot endorsement. From 2013 through 2017, an average of 208 vessels (all gear) per year landed vermilion snapper in the South Atlantic (**Table 3.3.1**). These vessels, combined, averaged 1,766 trips per year in the South Atlantic on which vermilion snapper were landed and 4,578 trips in the South Atlantic that did not land any vermilion snapper or trips that were taken outside the South Atlantic regardless of the species caught. The average annual total dockside revenues were approximately \$3.03 million from vermilion snapper, \$2.79 million from other species co-harvested with vermilion snapper (on the same trips), and \$7.30 million from trips in the South Atlantic on which no vermilion snapper were harvested or trips that occurred outside the South Atlantic regardless of the species caught (**Table 3.3.2**). Total average annual revenue from all species landed by vessels harvesting vermilion snapper in the South Atlantic was approximately \$13.12 million, or \$63,000 per vessel. These vessels generated approximately 23.1% of their total fishing revenues from vermilion snapper. Vessels using bandit gear accounted for most of the vermilion snapper landings. **Table 3.3.1** and **Table 3.3.2** present the

2013-2017 average performance characteristics similar to those vessels landing vermilion snapper using any gear type. In terms of revenues, the 123 vessels that landed vermilion snapper using bandit gear generated approximately \$2.56 million from vermilion snapper, \$2.14 million from other species co-harvested with vermilion snapper (on the same trips), and \$8.88 million from trips in the South Atlantic on which no vermilion snapper were harvested or trips that occurred outside the South Atlantic regardless of the species caught (**Table 3.3.2**). Total average annual revenue from all species landed by these vessels was approximately \$13.58 million, or \$110,000 per vessel. These vessels generated approximately 18.9% of their total fishing revenues from vermilion snapper.

From 2013 through 2017, an average of 214 vessels (all gear) per year landed black sea bass in the South Atlantic (**Table 3.3.1**). These vessels, combined, averaged 2,089 trips per year in the South Atlantic on which black sea bass were landed and 3,985 trips in the South Atlantic that did not land any black sea bass or trips that were taken outside the South Atlantic regardless of the species caught. The average annual total dockside revenues were approximately \$0.96 million from black sea bass, \$3.82 million from other species co-harvested with black sea bass (on the same trips), and \$7.58 million from trips in the South Atlantic on which no black sea bass were harvested or trips that occurred outside the South Atlantic regardless of the species caught (**Table 3.3.2**). Total average annual revenue from all species landed by vessels harvesting black sea bass in the South Atlantic was approximately \$12.36 million, or \$58,000 per vessel. These vessels generated approximately 7.8% of their total fishing revenues from black sea bass. Black sea bass pots/traps are historically important gear used by vessels harvesting black sea bass. This particular segment of the black sea bass commercial sector is currently managed under an endorsement system. At the start of the program, 32 endorsements were issued to commercial vessels with snapper grouper permits, but not all vessels harvest black sea bass in any one year. **Table 3.3.1** and **Table 3.3.2** present the 2013-2017 average performance characteristics of these vessels similar to those vessels landing black sea bass using any gear type. In terms of revenues, the 23 vessels that landed black sea bass using pots/traps generated approximately \$469,000 from black sea bass, \$38,000 from other species co-harvested with black sea bass (on the same trips), and \$5,000 from trips in the South Atlantic on which no black sea bass were harvested or trips that occurred outside the South Atlantic regardless of the species caught (**Table 3.3.2**). Total average annual revenue from all species landed by these vessels was approximately \$513,000, or \$22,000 per vessel. These vessels generated approximately 91.6% of their total fishing revenues from black sea bass, indicating their strong reliance on black sea bass.

Based on the foregoing revenue information, all commercial vessels affected by the proposed action may be considered to be small entities.

**Table 3.3.1.** Summary of 2013-2017 average vessel counts, trips, and logbook landings (pounds gutted weight (lbs gw)) for vessels landing at least one pound of South Atlantic subject species.

	Number of Vessels	Number of South Atlantic Trips that Caught Subject Species	Subject Species Landings (lbs gw)	“Other Species” Landings Jointly Caught with Subject Species (lbs gw)	Number of Other Trips*	Landings on Other Trips (lbs gw)
<b>Vermilion Snapper</b>						
All gear	208	1,766	795,622	990,114	4,578	2,290,269
Bandit gear	123	1,254	670,018	764,209	4,753	3,304,768
<b>Black Sea Bass</b>						
All gear	214	2,089	292,912	1,113,305	3,985	2,876,906
Pots/traps	23	252	146,720	18,693	4	1,708

Source: NMFS SEFSC Economic Query System, July 24, 2018.

\*Includes South Atlantic trips on which subject species were not harvested, as well as trips in the Gulf or Mid-Atlantic regardless of what species were harvested, including the subject species.

**Table 3.3.2.** Summary of 2013-2017 average vessel counts and revenue (2017 dollars) for vessels landing at least one pound of South Atlantic subject species.

Year	Number of Vessels	Dockside Revenue from Subject Species	Dockside Revenue from “Other Species” Jointly Caught with Subject Species	Dockside Revenue on Other Trips	Total Dockside Revenue	Average Total Dockside Revenue per Vessel
<b>Vermilion Snapper</b>						
All gear	208	\$3,029,927	\$2,787,476	\$7,302,682	\$13,120,085	\$63,016
Bandit gear	123	\$2,561,316	\$2,136,282	\$8,878,819	\$13,576,417	\$110,362
<b>Black Sea Bass</b>						
All gear	214	\$963,639	\$3,816,921	\$7,583,010	\$12,363,571	\$57,794
Pots/traps	23	\$469,814	\$38,249	\$5,103	\$513,165	\$21,891

Source: NMFS SEFSC Economic Query System, July 24, 2018.

Note: Dollar values are adjusted for inflation using the Bureau of Economic Analysis gross domestic product implicit price index.

### **3.4 Description of the Projected Reporting, Record-keeping and Other Compliance Requirements of the Proposed Action**

No duplicative, overlapping, or conflicting Federal rules have been identified with this abbreviated framework amendment.

### **3.5 Identification of All Relevant Federal Rules, which may Duplicate, Overlap or Conflict with the Proposed Action**

The abbreviated framework amendment would not introduce any changes to reporting and record-keeping and other compliance requirements which are currently required.

### **3.6 Significance of Economic Impacts on a Substantial Number of Small Entities**

#### **Substantial Number of Small Entities Criterion**

All directly affected entities have been determined, for the purpose of this analysis, to be small entities. Therefore, the abbreviated framework amendment would affect a substantial number of small entities.

#### **Significant Economic Impact Criterion**

The outcome of “significant economic impact” can be ascertained by examining two issues: disproportionality and profitability.

Disproportionality: Do the regulations place a substantial number of small entities at a significant competitive disadvantage to large entities?

All entities that are expected to be affected by this abbreviated framework amendment are considered small entities, so the issue of disproportional effects on small versus large entities does not presently arise.

Profitability: Do the regulations significantly reduce profit for a substantial number of small entities?

The proposed action would increase the ACLs and consequently the commercial ACL for vermilion snapper. The proposed vermilion snapper commercial ACL would be increased from approximately 777,000 lbs gw in 2018 to approximately 967,000 lbs gw in 2019, but would decline through the subsequent years. By 2023 and thereafter, the proposed commercial ACL would be approximately 818,000 lbs gw (see **Table 1.3.2.2** in Chapter 1). In principle, the proposed action would be expected to increase the revenues and possibly profits of vessels that participate in the vermilion snapper segment of the commercial sector. In contrast, the proposed

action would reduce the ACLs and consequently the commercial ACL for black sea bass. The black sea bass commercial ACL would be reduced from approximately 640,000 lbs gw in 2018 to approximately 277,000 lbs gw in 2019, and would decline further in subsequent years. By 2021 and thereafter, the commercial ACL for black sea bass would be approximately 234,000 lbs gw (see **Table 1.4.2.1** in Chapter 1). In principle, this would be expected to reduce the revenues and possibly profits of vessels that participate in the black sea bass segment of the commercial sector.

Commercial landings of vermilion snapper have reached or nearly reached the commercial ACL in the last few years. For example, commercial landings of vermilion snapper were approximately 100% of the commercial ACL in 2015 and 2017 and 91% in 2016 (see **Table 1.3.2.1**). There is a likelihood that the proposed ACL increases would be fully reached. Under this scenario, the expected revenue increases would be approximately \$724,000 in 2019 and down, but still positive, to approximately \$156,000 by 2023 and thereafter. Over a 5-year period (2019-2023), the net present value (using 7% discount rate) of revenue increases would be approximately \$1.8 million. Increases in profits may also result from the ACL increases. In the Gulf of Mexico, for example, net revenue from fishing operations was 36% of total revenues of vessels landing at least one pound of vermilion snapper in 2016 (Overstreet and Liese 2018).

Commercial landings of black sea bass have been well below the commercial ACL in the last few years. For example, commercial landings were below 50% of the ACL from 2015 through 2017, and likely through 2018 (see **Table 1.4.1.1**). This relatively large undershoot of landings may be partly attributed to the high ACLs for these years. Relative to the average 2015-2017 landings of approximately 257,000 lbs gw, the proposed ACLs would likely be constraining for 2020 and beyond, but not for 2019. The expected revenue effects would be zero in 2019, -\$47,000 in 2020, and -\$79,000 in 2021 and thereafter. Over a 3-year period (2019-2021), the net present value of revenue losses would be approximately \$113,000, or about \$38,000 per year. This would be about 3.9% of total revenues from black sea bass for all vessels using any gear type or 8.1% of total revenues from black sea bass for vessels using pots/traps. Relative to total revenues from all fishing sources, this annual revenue reduction would be about 0.31% for all vessels harvesting black sea bass using any gear type, or about 7.4% for vessels harvesting black sea bass using pots/traps. The revenue reductions would be borne largely by vessels using pots/traps as they derive more than 90% of their revenues from black sea bass.

### **3.7 Description of the Significant Alternatives to the Proposed Action and Discussion of How the Alternatives Attempt to Minimize Economic Impacts on Small Entities**

The abbreviated framework amendment has only one alternative ACL, in addition to the status quo, for each of the vermilion snapper and black sea bass segments of the commercial sector. The proposed commercial ACLs for both the vermilion snapper and black sea bass segments of the commercial sector are based on the recommendations of the Council's SSC.

Because the proposed action for vermilion snapper would result in revenue increases and thus, would not result in significant adverse economic impacts to a substantial number of small

entities, the issue of significant alternatives to the proposed action for vermilion snapper is not relevant.

The proposed commercial ACLs for black sea bass would be expected to reduce vessel revenues, at least from 2020 through 2021. Although NMFS has determined that, based on the recent stock assessment, the stock is neither overfished nor undergoing overfishing, other factors, such as warming water temperature, recent poor recruitment, and reported absence of large quantities or larger black sea bass, may be working to negatively affect the status of the stock in the near future. These factors could be partly responsible for the low commercial landings in the last few years.

## Chapter 4. References

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