

Establishment of a Red Grouper Commercial Quota Pool Under the Gulf Grouper/Tilefish Individual Fishing Quota (IFQ) Program

Reef Fish Amendment 63



New Orleans, LA
January 2026

Purpose and Need Statement

The purpose of this action is to establish a three-year pilot commercial red grouper IFQ quota pool and distribute the resulting annual allocation to eligible participants in the Grouper/Tilefish individual fishing quota (IFQ) program.

The need for action is to enhance economic profitability and reduce discards by improving access to red grouper annual allocation by fishermen engaged in the commercial harvest of red grouper and provide new opportunities for obtaining red grouper annual allocation.

Action 1: Commercial Quota Pool for Gulf Red Grouper

Alternative 1: No Action. Do not establish a commercial quota pool for red grouper. The entirety of the commercial red grouper quota would continue to be allocated based on current IFQ share ownership percentages.

Alternative 2: Establish a commercial quota pool for Gulf red grouper beginning in 2027. If the commercial quota (ACT) is below 2.79 million pounds gutted weight*, the quota pool is set at zero percent of the commercial quota (zero pounds). If the commercial quota is at or above 2.79 million pounds gutted weight, the quota pool would hold:

Option 2a: 15% of the commercial red grouper quota increase above 2.79 mp gw

Option 2b: 20% of the commercial red grouper quota increase above 2.79 mp gw

Option 2c: 25% of the commercial red grouper quota increase above 2.79 mp gw

Option 2d: 30% of the commercial red grouper quota increase above 2.79 mp gw

* Commercial red grouper quota (ACT) before the 2025 Emergency Rule: 2.79 mp gw

Action 1: Commercial Quota Pool for Gulf Red Grouper

Alternative 3: Establish a commercial quota pool for Gulf red grouper beginning in 2027. If the commercial quota (ACT) is below 4.28 million pounds gutted weight*, the quota pool is set at zero percent of the commercial quota (zero pounds). If the commercial quota is at or above 4.28 million pounds gutted weight, the quota pool would hold:

Option 3a: 15% of the commercial red grouper quota increase above 2.79 mp gw

Option 3b: 20% of the commercial red grouper quota increase above 2.79 mp gw

Option 3c: 25% of the commercial red grouper quota increase above 2.79 mp gw

Option 3d: 30% of the commercial red grouper quota increase above 2.79 mp gw

* 2026 Commercial red grouper quota (ACT) in **Preferred Alternative 2** in Reef Fish Amendment 62: 4.28 mp gw

Commercial Red Grouper Quota in the Quota Pool

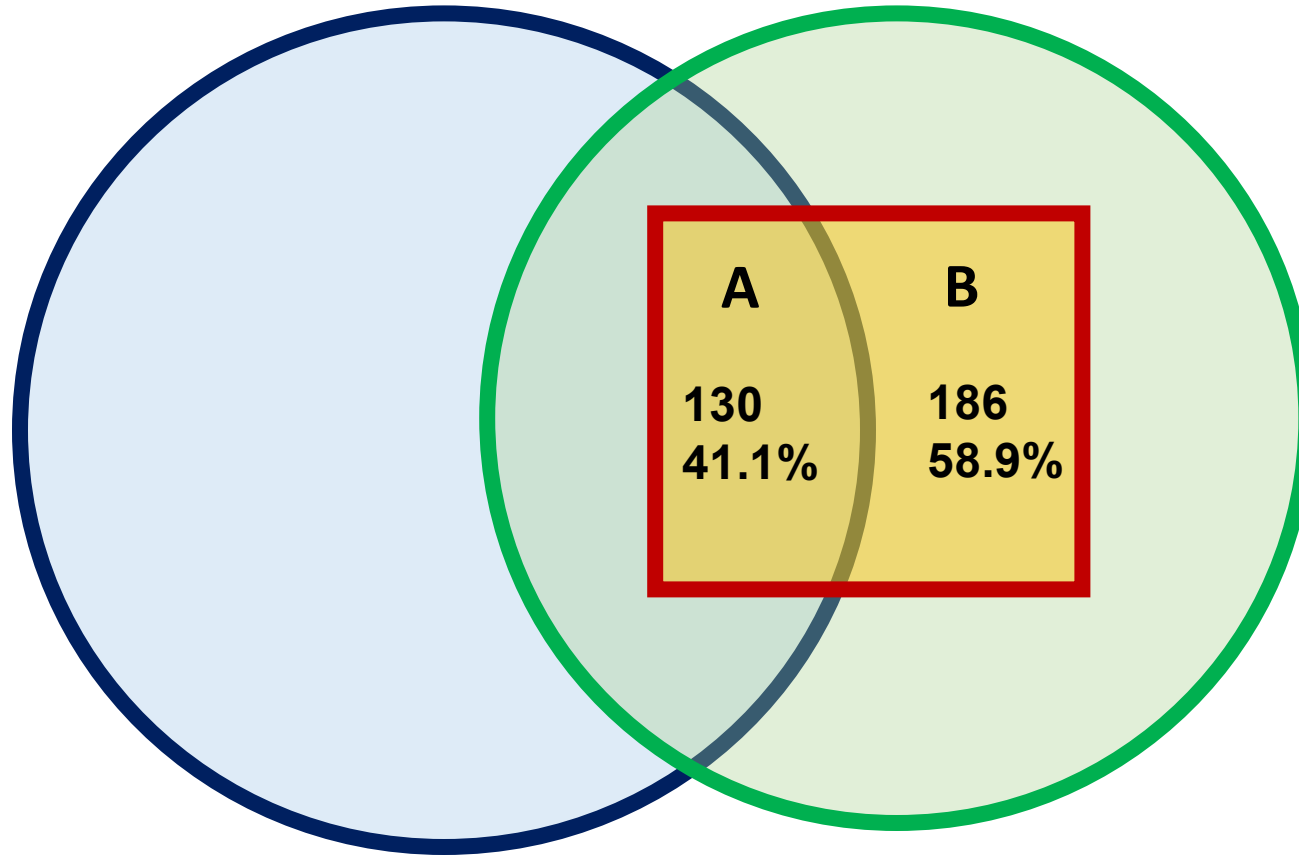
Quota Pool Year	Red Grouper Commercial Quota*	Quota Increase above 2.79 mp	Red Grouper Quota in the Pool			
			(% of Quota Increase)			
			15%	20%	25%	30%
2027	4,830,000	2,040,000	306,000	408,000	510,000	612,000
2028	5,370,000	2,580,000	387,000	516,000	645,000	774,000
2029	5,370,000	2,580,000	387,000	516,000	645,000	774,000

To address potential appeals, 10% of the quota in the pool is initially withheld. Any quota remaining after appeals would be distributed among qualifying participants.

Quota Pool Year	Quota Pool Amounts Distributed before Appeals			
	15%	20%	25%	30%
2027	275,400	367,200	459,000	550,800
2028	348,300	464,400	580,500	696,600
2029	348,300	464,400	580,500	696,600

*2027-29 quotas based on **Preferred Alternative 2** in Amendment 62

Shareholder Account Subsets



Number of accounts for 2023-2024

A: accounts with red grouper (RG) shares, permit and RG landings

B: accounts with permit and RG landings but **without RG shares**

Shareholder accounts:

with RG shares



with permits



with landings



Action 2: Distribution of Quota Pool among Eligible Participants

Alternative 1: No Action. Do not distribute quota pool allocation to qualifying participants.

Alternative 2: Distribute **60%** of the Quota Pool quota among fishermen with a valid or renewable commercial reef fish permit and red grouper landings within the reference period, but with **no red grouper shares**. Distribute **40%** of the Quota Pool quota among commercial shareholders with a valid or renewable commercial reef fish permit, **red grouper shares**, and red grouper landings within the reference period. 10% of the Quota Pool will initially be set aside for appeals.

Option 2(a): Quota would be distributed to qualifying participants with **no red grouper shares**:

- (i) equally
- (ii) proportionally based on red grouper landings

Option 2(b): Quota would be distributed to qualifying participants **with red grouper shares**:

- (i) equally
- (ii) proportionally based on red grouper landings

continued

Action 2: Distribution of Quota Pool among Eligible Participants

Alternative 3: Distribute **50%** of the Quota Pool quota among fishermen with a valid or renewable commercial reef fish permit and red grouper landings within the reference period, but with **no red grouper shares**. Distribute **50%** of the Quota Pool quota among commercial shareholders with a valid or renewable commercial reef fish permit, **red grouper shares**, and red grouper landings within the reference period. 10% of the Quota Pool will initially be set aside for appeals.

Option 3(a): Quota would be distributed to qualifying participants with **no red grouper shares**:

- (i) equally
- (ii) proportionally based on red grouper landings

Option 3(b): Quota would be distributed to qualifying participants **with red grouper shares**:

- (i) equally
- (ii) proportionally based on red grouper landings

Red Grouper Quota (annual allocation) distributed from the Quota pool is **Non-Transferable**

Reference Periods for Red Grouper Landings

Quota Pool Fishing Year	Reference Period
2027	Jan 1, 2025-Dec 31, 2026
2028	Jan 1, 2026-Dec 31, 2027
2029	Jan 1, 2027-Dec 31, 2028

Equal Distribution: Estimated Allocation Received per Account

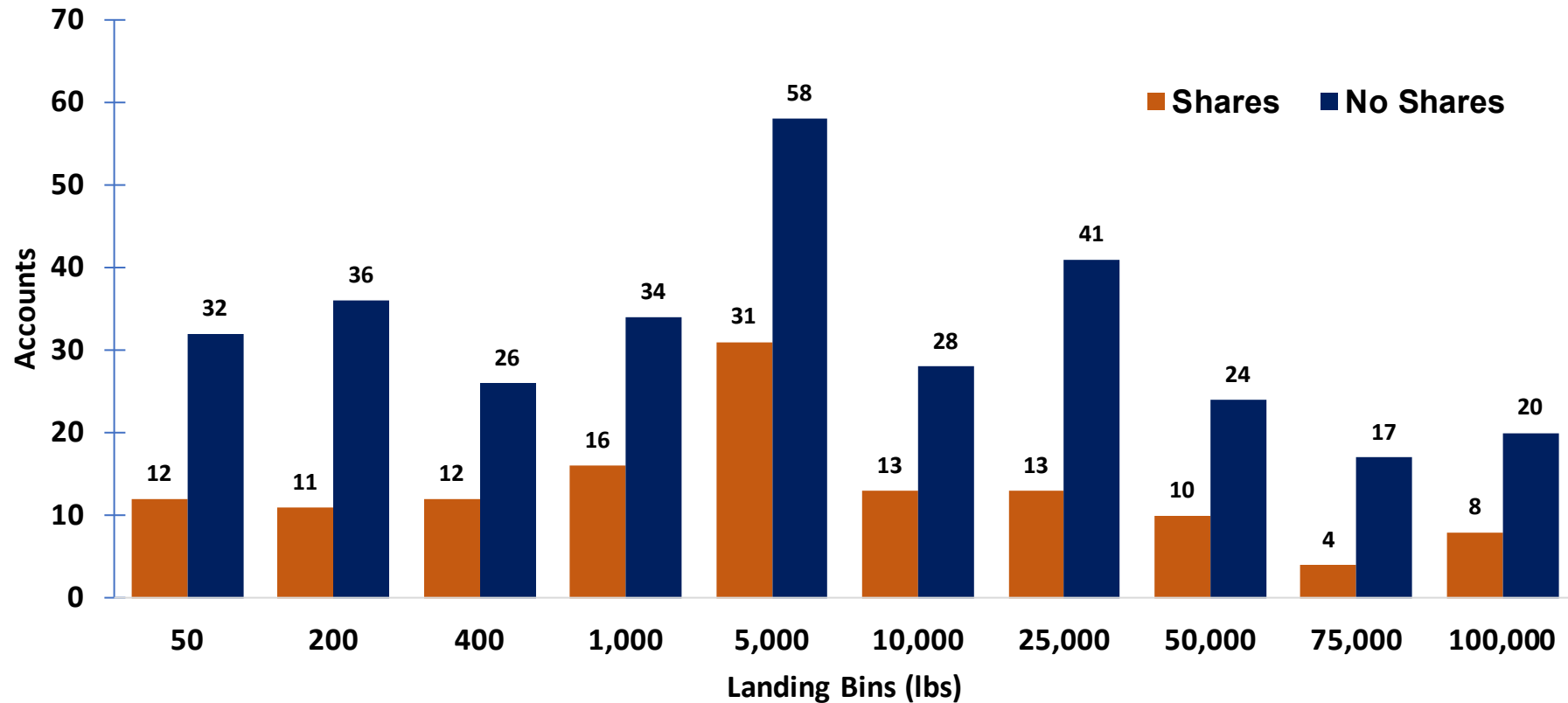
Percentage of quota over 2.79 mp	50/50 Scenario		60/40 Scenario	
	With Shares (lbs)	Without Shares (lbs)	With Shares (lbs)	Without Shares (lbs)
15%	343	282	274	338
20%	457	376	366	451
25%	572	470	457	564
30%	686	564	549	676

Two-year Average and Median Landings by Share Status (2023-2024)

	Accounts with Shares	Accounts without Shares
Accts	130	186
Average (lbs)	13,225	17,446
Median (lbs)	1,532	2,586

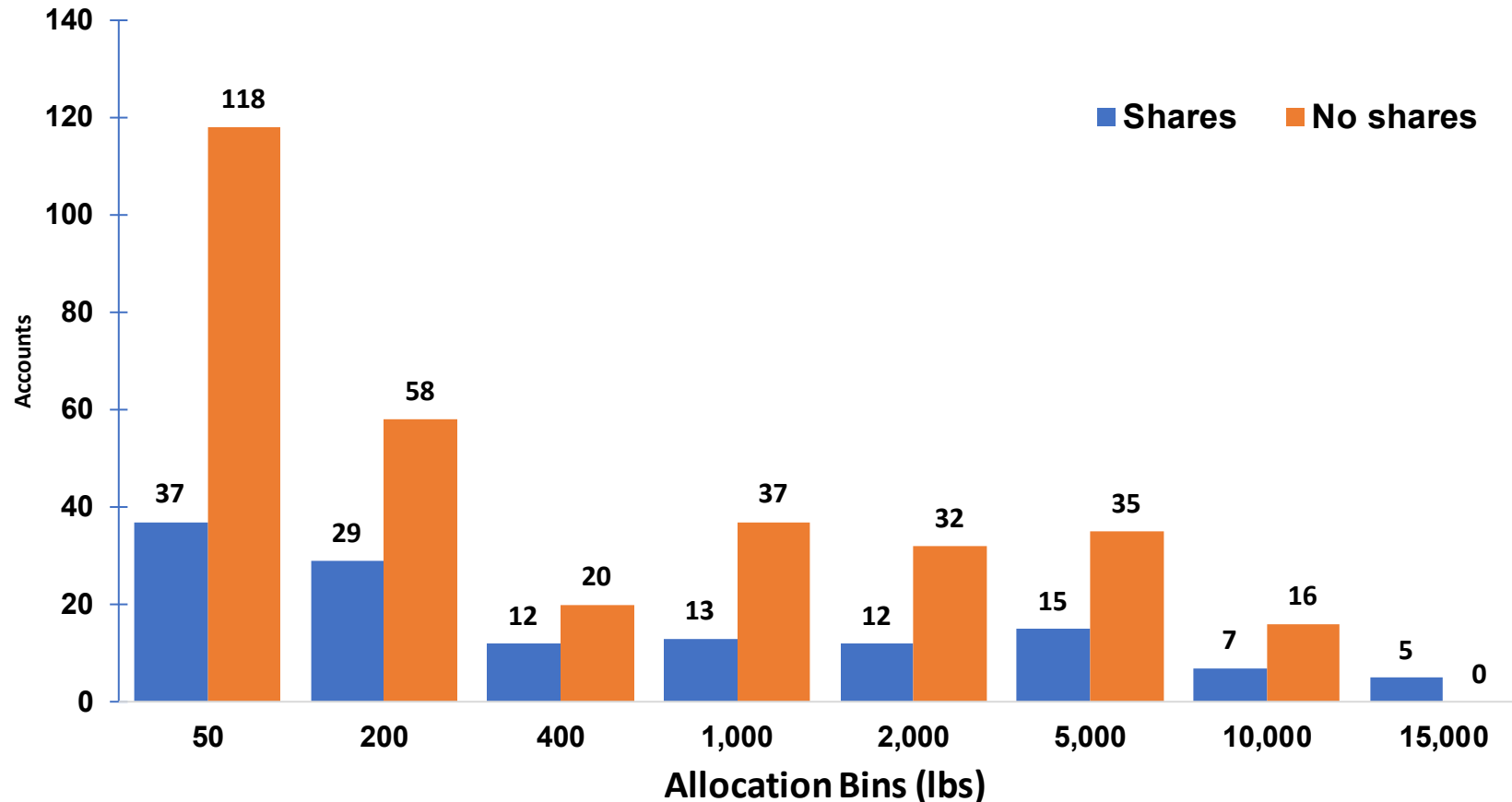
On average, accounts without shares land more red grouper than accounts with shares

Red Grouper Landings Distribution



Combined landings over 2023 and 2024

Red Grouper Allocation Distribution



Example based on a **proportional distribution of 25% of the quota increase** above 2.79 mp (510,000 lbs) in 2027; **60%** distributed to accounts without RG shares and **40%** to accounts with RG shares

Accounts by Minimum Red Grouper Landings

	Accounts		With Shares		Without Shares	
Accounts with Landings	316		130		186	
	Number	Percent	Number	Percent	Number	Percent
Minimum 400 lb	222	70.3%	95	73.1%	127	68.3%
Minimum 800 lb	199	63.0%	83	63.8%	116	62.4%
Minimum 1,200 lb	180	57.0%	74	56.9%	106	57.0%
Minimum 2,400 lb	157	49.7%	60	46.2%	97	52.2%

Should minimum landings thresholds be considered for eligibility to receive allocation from the quota pool?

Appeals

Persons may appeal eligibility pertaining to permit status and landings history by submitting a written petition of appeal to the NOAA Fisheries' National Appeals Office. Hardships are not appealable. Procedures for appeal are described at:

<https://www.federalregister.gov/documents/2014/02/06/2014-02565/national-appeals-office-rules-of-procedure>