

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

## Reef Fish Amendment 63



Mobile, AL  
April 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 at or 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 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 at or 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 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

## **Action 2: Eligibility Criteria for Participation in the Quota Pool**

**Alternative 1:** No Action. Do not establish eligibility criteria for participation in the quota pool.

**Alternative 2:** To receive annual allocation from the quota pool, IFQ account holders must possess a valid or renewable federal commercial reef fish permit and have **minimum red grouper landings** during a two-year reference period of at least:

**Option 2(a):** 300 lbs

**Option 2(b):** 500 lbs

**Option 2(c):** 1,000 lbs

# Reference Periods for Red Grouper Landings

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

## IFQ Accounts and Minimum Red Grouper Landings (2023-2024)

Minimum Landings (lbs)	Accounts with Shares		Accounts Without Shares		Total
	Number	Percent	Number	Percent	Number
300	102	43.4%	133	56.6%	235
500	86	40.6%	126	59.4%	212
1,000	79	42.0%	109	58.0%	188

## Action 3: 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

## Action 3: 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**

## Equal vs Proportional Distributions (Quota Pool at 15%)

Minimum Landings	50/50 Scenario (Equal)		60/40 Scenario (Equal)	
	With Shares (lbs)	Without Shares (lbs)	With Shares (lbs)	Without Shares (lbs)
300 lbs	1,500	<b>1,150</b>	1,200	1,380
500 lbs	1,779	1,214	1,423	1,457
1,000 lbs	<b>1,937</b>	1,404	1,549	1,684

	50/50 Scenario (Proportional)		60/40 Scenario (Proportional)	
	With Shares (lbs)	Without Shares (lbs)	With Shares (lbs)	Without Shares (lbs)
300 lbs	27 – 11,669	<b>15</b> – 7,660	22 – 9,335	19 – 9,193
500 lbs	50 – 11,712	27 – 7,666	40 – 9,370	32 – 9,200
1,000 lbs	91 – <b>11,748</b>	52 – 7,697	73 – 9,399	63 – 9,237

# Red Grouper Share Categories with a Quota Pool

4 Categories of allocation to land red grouper:

- **RG** – red grouper allocation
- **RGM** – red grouper multi-use allocation  
(set to zero because gag is in a rebuilding plan)
- **RGQP** – red grouper quota pool allocation (Non-Transferable)
- **GGM** – Gag multi-use allocation

**RGQP** must be landed **before** other red grouper allocation categories

- IFQ system will enforce this automatically as it currently does with the multi-use allocation categories

# Appeals

Appeals will be open for 30 days

Appeals must be submitted to the appeals office

Determination for appeals is solely based on landings in the IFQ system

Hardships are not considered for this pilot study

More information on appeals are available at:

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

# Expected Timelines

- **January 1** – Release regular IFQ allocation
  - Red Grouper will be based on the quota minus the pool allocation
  - Multi-use calculations are based on the full quotas (see later slides)
- **Jan 15** – Last day to submit corrections for landings submitted on Dec 31<sup>st</sup>.
- **Jan 16 – Jan 30<sup>th</sup>**: SERO will calculate out the distributions for the quota pool
- **Feb 1**: SERO intends to notify IFQ participants of their expected distribution via the IFQ system
- **Feb 2-15**: SERO releases the allocation minus hold back for appeals
- **Mar 2-3**: deadline to submit appeals (date depends on leap year)
- **March**: Appeals office determines applicable appeals
- **April 1**: Distribution of remaining quota pool allocation

# Gag and Red Grouper Multi-use

- Since 2013, formulas are used to calculate the percentage of allocation converted to multi-use for each species
- The formulas are based on the commercial ACL and commercial quota meant to ensure the ACLs are not exceeded
- If a stock is under a rebuilding plan, there will be no multi-use for the other species

**Gag is under a rebuilding plan, therefore red grouper multi-use (RGM) is 0%**

Year	GGM	RGM
2013	70%	0%
2014	47%	0%
2015 -2016	33%	4.8%
2017-2018	43.6%	3.5%
2019-2021	17%	9.2%
2022	13.8%	11.5%
2023	75.30%	2.10%
2024	100%	0%
2025	73.5%	0%
2026	58.8%	0%

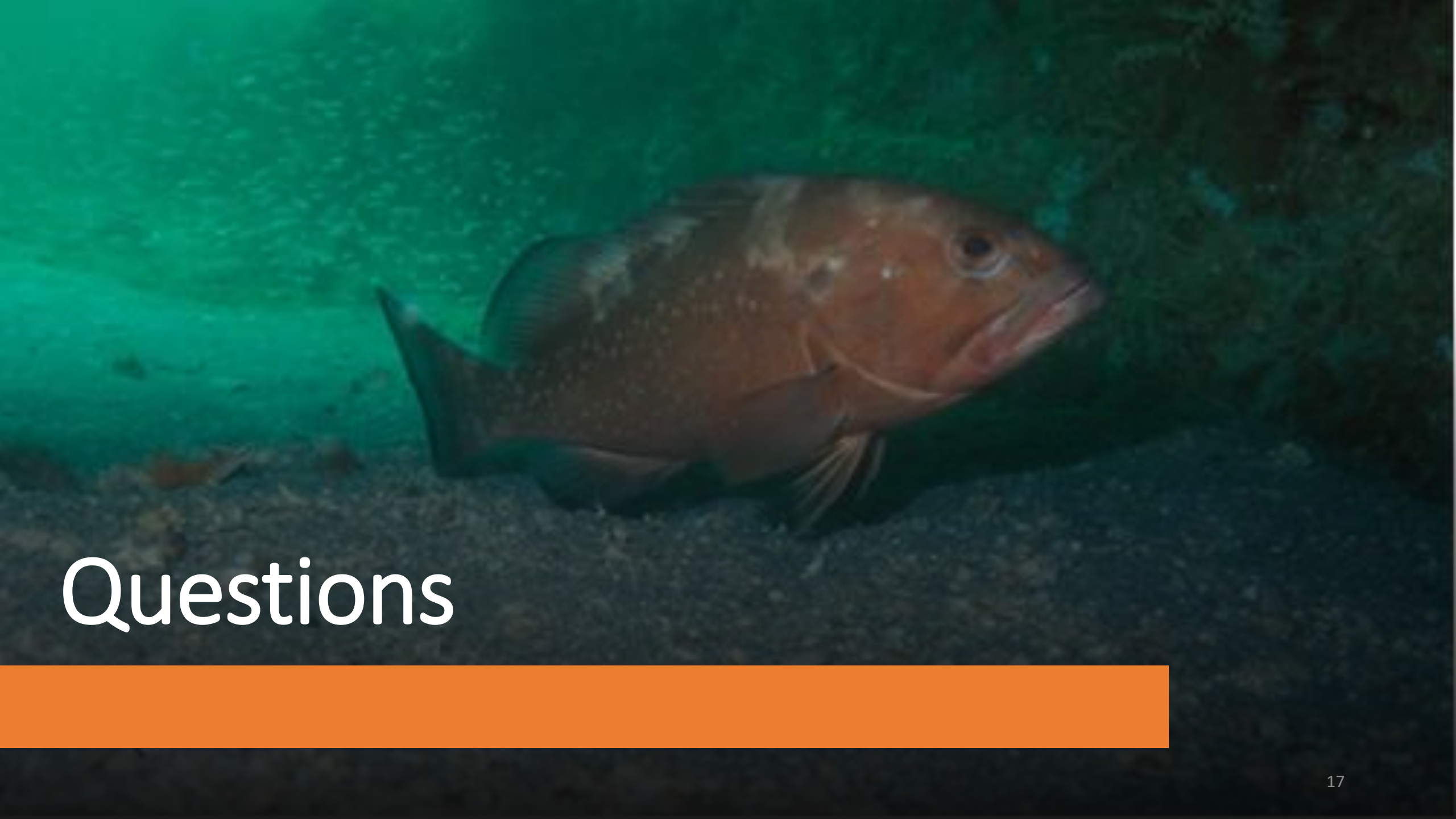
# Gag and Red Grouper Multi-use

Under the Quota Pool scenario, the commercial quota used in the formulas will be the entire red grouper allocation distributed from both shares and the quota bank

$$\text{Red Grouper Multi - use} = \frac{(\text{Gag ACL} - \text{Gag Comm. quota})}{\text{Red Grouper comm. quota}}$$

$$\text{Gag Multi - use} = \frac{(\text{RG ACL} - \text{RG Comm quota})}{\text{Gag comm. quota}}$$

Year	GGM	RGM
2027	79.8%	0%
2028	75.7%	0%
2029	75.7%	0%



# Questions

