

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

Reef Fish Amendment 63



Tampa, FL
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

Action 1: Commercial Quota Pool for Gulf Red Grouper

Alternative 4: 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 4a: 15% of the commercial red grouper quota increase above 4.28 mp gw

Option 4b: 20% of the commercial red grouper quota increase above 4.28 mp gw

Option 4c: 25% of the commercial red grouper quota increase above 4.28 mp gw

Option 4d: 30% of the commercial red grouper quota increase above 4.28 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

Action 1 - Alternatives 2 and 3						
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

Action 1 - Alternative 4						
Quota Pool Year	Red Grouper Commercial Quota*	Quota Increase above 4.28 mp	Red Grouper Quota in the Pool			
			(% of Quota Increase)			
			15%	20%	25%	30%
2027	4,830,000	550,000	82,500	110,000	137,500	165,000
2028	5,370,000	1,090,000	163,500	218,000	272,500	327,000
2029	5,370,000	1,090,000	163,500	218,000	272,500	327,000

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

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

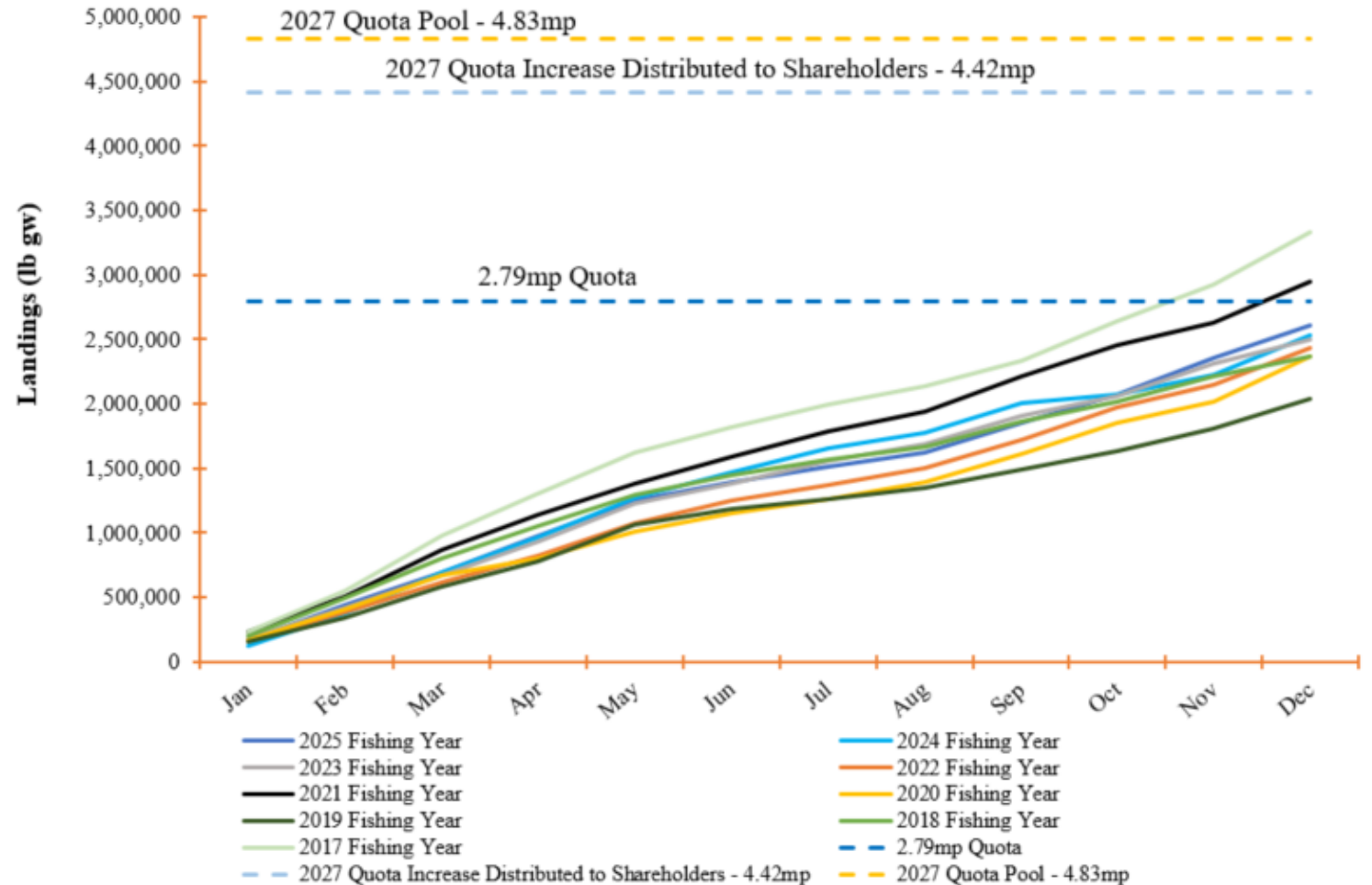
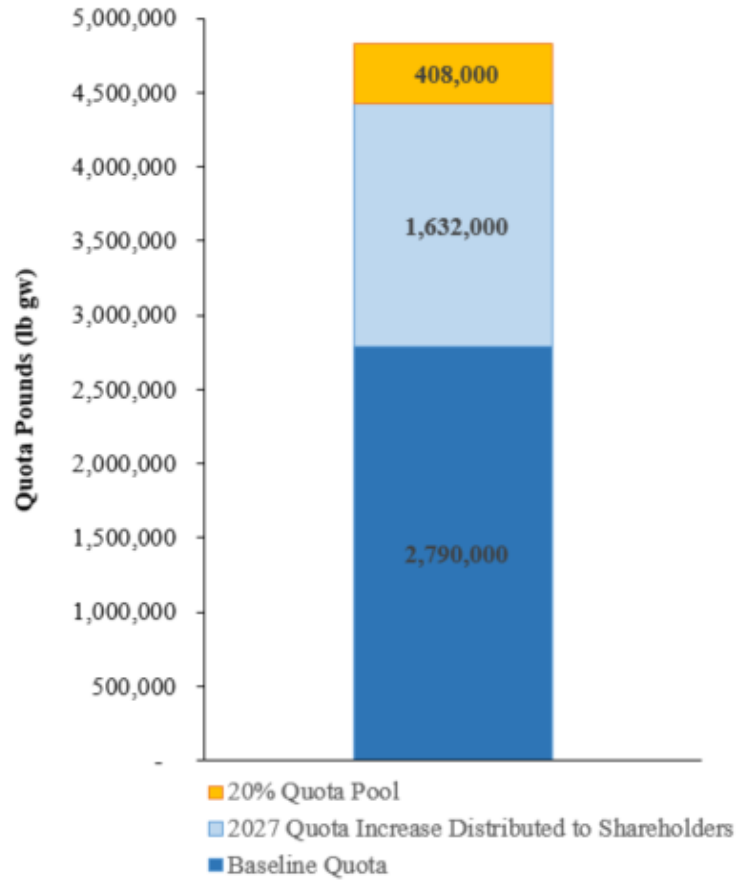
Commercial Red Grouper Quota and Quota Pool Amounts

Quota Pool Year	Red Grouper <u>Total</u> Commercial Quota	Red Grouper Quota Pool	Red Grouper Quota minus Quota Pool
2027	4,830,000	408,000	4,422,000
2028	5,370,000	516,000	4,854,000
2029	5,370,000	516,000	4,854,000

Quota pool amounts based on Preferred Alternative 3 (Option 3b)

Red grouper quota minus Quota Pool will be distributed based on percentages of share ownership

Landings to Quota Comparison



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

continued

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

IFQ Accounts and Red Grouper Shares

Accounts with red grouper shares: **446**

Accounts with red grouper shares but **NO red grouper landings**: **316**

These accounts hold 68.4% of red grouper shares

Accounts with red grouper shares **WITH red grouper landings**: **130**

These accounts hold 31.5% of red grouper shares

Accounts with red grouper shares **WITH minimum 500 lbs red grouper landings**: **86**

These accounts hold 27.6% of red grouper shares

Landings reference period: 2023-2024

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

continued

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**

Commercial Red Grouper Quota and Quota Pool Amounts

Quota Pool Year	Red Grouper Quota Pool	Red Grouper Quota Pool to accounts with RG shares	Red Grouper Quota Pool to accounts without RG shares
2027	408,000	204,000	204,000
2028	516,000	258,000	258,000
2029	516,000	258,000	258,000

Quota pool amounts based on Preferred Alternative 3 (Option 3b)

50% of the quota pool amount distributed to accounts with RG shares

50% of the quota pool amount distributed to accounts **without RG shares**

Quota Pool Distribution Minimum Landings 500 lbs Quota Pool at 20%

	50/50 Scenario (equal)		60/40 Scenario (equal)	
	With Shares	Without Shares	With Shares	Without Shares
Min. 300	2,000	1,534	1,600	1,841
Min. 500	2,372	1,619	1,898	1,943
Min. 1,000	2,582	1,872	2,066	2,246

	50/50 Scenario (Proportional)		60/40 Scenario (Proportional)	
	With Shares	Without Shares	With Shares	Without Shares
Min. 300	36 – 15,559	21 – 10,214	29 – 12,447	25 – 12,257
Min. 500	66 – 15,617	36 – 10,222	53 – 12,493	43 – 12,266
Min. 1,000	121 – 15,664	70 – 10,263	97 – 12,531	84 – 12,316

Accounts with Red Grouper Landings and Shares

	50/50 Scenario (proportional)			
	Small Landings (<2,500 lb)	Medium Landings (2,500 - 15,000 lb)	Large Landings (15,000+ lb)	Total Accounts
Increase	7	17	26	50
Decrease	22	11	3	36

	60/40 Scenario (proportional)			
	Small Landings (<2,500 lb)	Medium Landings (2,500 - 15,000 lb)	Large Landings (15,000+ lb)	Total Accounts
Increase	6	14	26	46
Decrease	23	14	3	40

Each scenario assumes 20% of the increase of the quota above 2.79 mp will make up the quota pool, and that each account owns shares and lands a minimum of 500lb red grouper

Accounts with RG Landings but NO Shares

	Small Landings (<2,500 lb)	Medium Landings (2,500 - 15,000 lb)	Large Landings (15,000+ lb)	Total Accounts
Increase	29	40	57	126

This scenario assumes that each account does not own shares and lands a minimum of 500 lb of red grouper

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 31st.
- **Jan 16 – Jan 30th**: 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



Questions

