

Ad Hoc Red Snapper / Grouper-Tilefish IFQ Advisory Panel Meeting



April 2026

Action 1: Requirements to Open and Maintain Shareholder Accounts

Preferred Alternative 3: In addition to the US citizenship or permanent residency requirement, all applicants are required to possess a valid or renewable commercial reef fish permit to obtain and maintain an IFQ shareholder account.

AP Motion: In Action 1, to add an alternative that establishes a control date for a requirement to obtain and maintain a shareholder account and make the control date the date of implementation of the amendment.

Motion carried with no opposition.

Action 2: Requirements to Obtain and Maintain IFQ Shares

Alternative 1 (No Action): Do not set requirements to obtain or maintain IFQ shares. Any United States citizen, corporation, partnership, or other entity established under the laws of the United States or any State, or permanent resident alien can obtain or maintain IFQ shares

Alternative 2: Only those who meet the US citizenship or permanent residency requirement and with a valid or renewable commercial reef fish permit can **obtain** IFQ shares

Alternative 3: Only those who meet the US citizenship or permanent residency requirement and with a valid or renewable commercial reef fish permit can **obtain** or **maintain** IFQ shares

Action 2: Requirements to Obtain and Maintain IFQ Shares

The Council did not select a Preferred Alternative.

AP Motion: In Action 2, to add an Alternative: To obtain and maintain IFQ shares, in addition to the US citizenship or permanent residency requirement, a shareholder account must be associated with a valid or renewable commercial reef fish permit and/or a Gulf or South Atlantic Dealer Permit.

Motion carried with no opposition.

Action 3: Requirements to Obtain Annual Allocation

Alternative 1 (No Action): Do not set requirements to obtain or maintain IFQ annual allocation. Any United States citizen, corporation, partnership, or other entity established under the laws of the United States or any State, or permanent resident alien can obtain or maintain IFQ annual allocation.

Alternative 2: Only those who meet the US citizenship or permanent residency requirement and with a valid or renewable commercial reef fish permit can **obtain** IFQ annual allocation.

Action 3: Requirements to Obtain Annual Allocation

The Council did not select a Preferred Alternative.

AP Motions

In Action 3, to add an Alternative that establishes a control date for a requirement to obtain annual allocation and to make the control date March 18, 2024.

Motion carried with no opposition.

In Actions 1 and 2, to establish a control date of March 18, 2024.

Motion carried with no opposition.

Action 4: Divestment from Non-compliant Accounts

Preferred Alternative 2. NMFS will reclaim shares from shareholder accounts that are not compliant with requirements set in Actions 1, 2, or 3:

Preferred Option 2a: 1 year following the effective date of the final rule implementing these requirements.

Preferred Alternative 3: After implementation of this amendment, if a shareholder account is no longer in compliance with the requirements set in Actions 1, 2, 3, or 4, the owner(s) of the shareholder account must divest of their shares, or the shares will be reclaimed by NMFS:

Preferred Option 3a: 1 year following the non-compliant status.

AP discussed hardship and indicated that a one-year grace period before divestment may not be enough in some instances, for example in case of death or boat damage. AP noted that fishermen who plan to retire would not be able to sell their shares in instalments

Council Notes and Recommendations

Control Dates have already been considered in previous amendments. The correct phrase to use would be **grandfathering existing participants**

Some dealers are vertically integrated operations; they should continue to participate

Dealer permits are open access permits. Potential loopholes should be evaluated if dealer permits are included in the eligibility requirements.

Importance of limiting potential adverse impacts on those already active in the IFQ programs

Quota Banks (and other nonprofit organizations) participation in IFQ programs from should be considered as the permit requirements are designed.

Quota Bank Standards (applicable to all) should be developed

A **one-year grace period is equivalent to two years**, the year after the expiration notice is sent plus the one-year grace period

Dealer Accounts & Proportions of Landings Processed

| Year | Total | Small <1% of landings | Medium 1-3% of landings | Large >3% of landings |
|------|-------|--------------------------|----------------------------|--------------------------|
| 2010 | 85 | 63 (10%) | 15 (28%) | 7 (62%) |
| 2011 | 94 | 75 (13%) | 12 (26%) | 7 (61%) |
| 2012 | 97 | 73 (13%) | 16 (29%) | 8 (58%) |
| 2013 | 96 | 75 (12%) | 11 (20%) | 10 (68%) |
| 2014 | 112 | 94 (14%) | 7 (11%) | 11 (75%) |
| 2015 | 114 | 97 (13%) | 7 (12%) | 10 (76%) |
| 2016 | 107 | 89 (11%) | 8 (14%) | 10 (75%) |
| 2017 | 113 | 95 (14%) | 8 (14%) | 10 (72%) |
| 2018 | 114 | 94 (12%) | 10 (18%) | 10 (70%) |
| 2019 | 117 | 99 (14%) | 8 (14%) | 10 (73%) |
| 2020 | 110 | 93 (14%) | 6 (11%) | 11 (75%) |
| 2021 | 107 | 86 (11%) | 11 (17%) | 10 (71%) |
| 2022 | 104 | 84 (12%) | 10 (12%) | 10 (76%) |
| 2023 | 98 | 84 (13%) | 6 (9%) | 8 (78%) |
| 2024 | 94 | 80 (11%) | 5 (10%) | 9 (79%) |

Actions 1, 2, and 3: Shareholder Accounts, Shares, and Annual allocation Requirements

Additional Alternative 1: To **open and maintain shareholder accounts**, in addition to the US citizenship or permanent residency requirement, a shareholder account must be associated with a valid or renewable commercial reef fish permit or a Gulf or South Atlantic Dealer Permit.

Additional Alternative 2: To **obtain and maintain IFQ shares**, in addition to the US citizenship or permanent residency requirement, a shareholder account must be associated with a valid or renewable commercial reef fish permit or a Gulf or South Atlantic Dealer Permit.

Additional Alternative 3: To **obtain annual allocation**, in addition to the US citizenship or permanent residency requirement, a shareholder account must be associated with a valid or renewable commercial reef fish permit or a Gulf or South Atlantic Dealer Permit.

Reef Fish Amendment 59A IFQ Permit Requirements



Purpose and Need

Purpose: The purpose of this action is to update the goals and objectives of the red snapper and grouper-tilefish IFQ programs and to revise requirements to participate in the IFQ programs.

Need: The need for action is to promote participation by entities engaged in the harvest of reef fish species included in the IFQ programs and improve opportunities for new participants to enter the IFQ programs through considering requirements for obtaining an IFQ account and holding and obtaining shares and allocation.

Red Snapper Shareholder Accounts

| Year | Total | With Shares | | Without Shares | |
|------|-------|-------------|-----|----------------|-----|
| | | # | % | # | % |
| 2007 | 596 | 554 | 93% | 42 | 7% |
| 2008 | 547 | 497 | 91% | 50 | 9% |
| 2009 | 530 | 474 | 89% | 56 | 11% |
| 2010 | 598 | 461 | 77% | 137 | 23% |
| 2011 | 589 | 439 | 75% | 150 | 25% |
| 2012 | 599 | 438 | 73% | 161 | 27% |
| 2013 | 598 | 421 | 70% | 177 | 30% |
| 2014 | 606 | 399 | 66% | 207 | 34% |
| 2015 | 635 | 397 | 63% | 238 | 37% |
| 2016 | 639 | 385 | 60% | 254 | 40% |
| 2017 | 639 | 388 | 61% | 251 | 39% |
| 2018 | 650 | 377 | 58% | 273 | 42% |
| 2019 | 624 | 346 | 56% | 277 | 44% |
| 2020 | 644 | 339 | 53% | 305 | 47% |
| 2021 | 625 | 342 | 55% | 282 | 45% |
| 2022 | 619 | 336 | 54% | 283 | 46% |
| 2023 | 624 | 352 | 56% | 272 | 44% |

Grouper-Tilefish Shareholder Accounts

| Year | Total | With shares | | Without Shares | |
|------|-------|-------------|-----|----------------|-----|
| | | # | % | # | % |
| 2010 | 816 | 765 | 94% | 51 | 6% |
| 2011 | 833 | 756 | 91% | 77 | 9% |
| 2012 | 812 | 701 | 86% | 111 | 14% |
| 2013 | 786 | 659 | 84% | 127 | 16% |
| 2014 | 795 | 639 | 80% | 156 | 20% |
| 2015 | 835 | 620 | 74% | 215 | 26% |
| 2016 | 842 | 655 | 78% | 187 | 22% |
| 2017 | 872 | 644 | 74% | 228 | 26% |
| 2018 | 878 | 656 | 75% | 222 | 25% |
| 2019 | 819 | 603 | 74% | 216 | 26% |
| 2020 | 833 | 600 | 72% | 233 | 28% |
| 2021 | 824 | 590 | 72% | 234 | 28% |
| 2022 | 798 | 589 | 74% | 209 | 26% |
| 2023 | 790 | 556 | 70% | 234 | 30% |

Action 1: Requirements to Open and Maintain Shareholder accounts

Alternative 1 (No Action): Do not establish new requirements to obtain or maintain an IFQ shareholder account. To open and maintain an IFQ shareholder account, the applicant must be a United States citizen, a corporation, partnership, or other entity established under the laws of the United States or any State, or a permanent resident alien.

Alternative 2: In addition to the US citizenship or permanent residency requirement, all applicants are required to possess a valid or renewable commercial reef fish permit to **obtain** an IFQ shareholder account (first 5 years of IFQ programs)

Preferred Alternative 3: In addition to the US citizenship or permanent residency requirement, all applicants are required to possess a valid or renewable commercial reef fish permit to **obtain and maintain** an IFQ shareholder account

IFQ Shareholder Accounts

| Shareholder Accounts | 2019 | 2020 | 2021 | 2022 | 2023 | Average 2019-2023 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------------------|
| with Allocation | 899 | 912 | 902 | 879 | 879 | 894 |
| with Shares | 679 | 673 | 667 | 662 | 692 | 675 |
| with Permits | 608 | 609 | 588 | 566 | 555 | 585 |
| with Landings | 431 | 426 | 414 | 388 | 388 | 409 |
| with Shares and Permits | 408 | 387 | 370 | 363 | 344 | 374 |
| with Shares but no Permit | 271 | 286 | 297 | 299 | 348 | 300 |

Dealer Accounts

| Year | Dealer Accounts | Dealer accounts processing landings | Dealers accounts with shareholder accounts | | Dealers accounts with shareholder accounts and with permits | |
|------|-----------------|-------------------------------------|--|-----|---|-----|
| 2020 | 177 | 124 | 84 | 47% | 64 | 36% |
| 2021 | 165 | 118 | 78 | 47% | 60 | 36% |
| 2022 | 166 | 112 | 80 | 48% | 60 | 36% |
| 2023 | 163 | 107 | 79 | 48% | 68 | 42% |

Action 2: Requirements to Obtain and Maintain IFQ Shares

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Action 3: Requirements to Obtain Annual Allocation

Alternative 1 (No Action): Do not set requirements to obtain or maintain IFQ annual allocation. Any United States citizen, corporation, partnership, or other entity established under the laws of the United States or any State, or permanent resident alien can obtain or maintain IFQ annual allocation.

Alternative 2: Only those who meet the US citizenship or permanent residency requirement and with a valid or renewable commercial reef fish permit can **obtain** IFQ annual allocation.

Action 4: Divestment Measures for Non-Compliant Entities

Alternative 1 (No Action): Shareholder accounts must be compliant with the requirements set in Actions 1, 2, and 3 by the effective date of a final rule implementing these requirements, or their shares will be reclaimed by NMFS.

Preferred Alternative 2: NMFS will reclaim shares from shareholder accounts that are not compliant with requirements set in Actions 1, 2, and 3:

Preferred Option a: 1 year following the effective date of the final rule implementing these requirements

Option b: 2 years

Preferred Alternative 3: After implementation of this amendment, if a shareholder account is no longer in compliance with the requirements set in Actions 1, 2, and 3, the owner(s) of the shareholder account must divest of their shares, or the shares will be reclaimed by NMFS:

Preferred Option a: 1 year following the non-compliant status.

Option b: 2 years following the non-compliant status.

Goals and Objectives

Goal 1: Improve opportunities for participants to enter the program

Objectives:

- To evaluate the merits of limiting share ownership and implement, if appropriate, alternative mechanisms for equitably redistributing shares and allocation to accounts harvesting IFQ species.
- Limit share ownership (maintaining and obtaining shares) to accounts that are harvesting IFQ species
- Identify barriers inhibiting or limiting participation by surveying participants and those wanting to enter the fishery
- Recover and redistribute IFQ shares and allocation held previously by a deceased shareholder to accounts of fishermen currently harvesting IFQ species.
- Create an allocation bank to reduce barriers to fishing privileges

Goals and Objectives (2)

Goal 2: Reduce IFQ discards

Objectives:

- Improve collection of discard information from IFQ vessels
- Create an allocation bank to further reduce bycatch and discards of IFQ species
- Evaluate additional or new flexibility measures to reduce discards

Goal 3: Maintain flexible fishing options and economic stability within the IFQ Programs

Goal 4: Increase IFQ market transparency (eliminates information asymmetries)

Goal 5: Reduce costs per unit harvest