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# Permit Requirements in Individual Fishing Quota Programs

## Draft Amendment 59A to the Fishery Management Plan for the Reef Fish Resources of the Gulf of Mexico

Including Environmental Assessment,  
Fishery Impact Statement, Regulatory Impact Review,  
and Regulatory Flexibility Act Analysis

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# ENVIRONMENTAL ASSESSMENT COVER SHEET

## Draft Amendment 59 A to the Fishery Management Plan for the Reef Fish Resources of the Gulf of Mexico: Participation Requirements in Individual Fishing Quota Programs

Including Environmental Assessment, Fishery Impact Statement, Regulatory Impact Review, and Regulatory Flexibility Act Analysis

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### Type of Action

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# CHAPTER 1. INTRODUCTION

## 1.1 Background

There are currently two individual fishing quota (IFQ) programs in operation in the Gulf of Mexico (Gulf). Amendment 26<sup>1</sup> (GMFMC 2006) established the red snapper IFQ (RS-IFQ) program, and Amendment 29<sup>2</sup> (GMFMC 2008a) established the grouper and tilefish IFQ (GT-IFQ) program. The RS-IFQ program began on January 1, 2007, the GT-IFQ program began on January 1, 2010. The RS IFQ program is a single-species program with only one share category (red snapper). In contrast, the GT IFQ program is a multi-species program with five (5) distinct share categories. Table 1.1.1 details the reef fish species and the current share categories in the GT IFQ program.

Table 1.1.1. Reef fish species and share categories in the grouper-tilefish IFQ program.

IFQ Category	Species
Gag (GG)	Gag
Red Grouper (RG)	Red grouper
Deep-water Grouper (DWG)	Snowy grouper
	Speckled hind
	Warsaw grouper
	Yellowedge grouper
Other Shallow-water Grouper (SWG)	Black grouper
	Scamp
	Yellowfin grouper
	Yellowmouth grouper
Tilefishes (TF)	Blueline tilefish (grey)
	Golden tilefish
	Goldface tilefish

For the GT IFQ and RS IFQ programs, Tables 1.1.2 and 1.1.3 illustrate the distribution of shareholder accounts by share volume. For the multi-species GT IFQ program, the distribution is provided by share category. For the RS IFQ program, the percentage of shares held by small and medium shareholders have decreased over time while the percentage of shares owned by larger shareholders has increased. Similar trends are observed in the GT IFQ share categories.

<sup>1</sup> Reef Fish Amendment 26: Establish a Red Snapper Individual Fishing Quota Program  
<http://www.gulfcouncil.org/Beta/GMFMCWeb/downloads/Amend26031606FINAL.pdf>

<sup>2</sup> Reef Fish Amendment 29: Effort Management in the Commercial and Tilefish Fisheries  
<http://gulfcouncil.org/Beta/GMFMCWeb/downloads/Final%20Reef%20Fish%20Amdt%2029-Dec%2008.pdf>

Table 1.1.2. Distribution of shareholder accounts by grouper-tilefish share volume and category

DWG	Small	Med.	Large	Total	GG	Small	Med.	Large	Total
	N (Share %)	N (Share %)	N (Share %)			N (Share %)	N (Share %)	N (Share %)	
Initial	299 (2%)	169 (58%)	12 (40%)	480	Initial	415 (6%)	330 (88%)	3 (6%)	748
2010	300 (2%)	148 (54%)	13 (44%)	461	2010	424 (5%)	290 (85%)	5 (10%)	719
2011	275 (2%)	143 (53%)	13 (45%)	431	2011	391 (4%)	263 (81%)	7 (15%)	661
2012	253 (2%)	134 (49%)	14 (49%)	401	2012	355 (4%)	249 (80%)	8 (16%)	612
2013	238 (2%)	131 (49%)	13 (49%)	382	2013	342 (4%)	244 (78%)	9 (18%)	595
2014	224 (2%)	129 (45%)	15 (53%)	368	2014	333 (4%)	233 (78%)	9 (18%)	575
2015	220 (2%)	131 (48%)	15 (50%)	366	2015	328 (4%)	238 (80%)	8 (16%)	574
2016	215 (2%)	127 (44%)	17 (54%)	359	2016	328 (4%)	232 (75%)	11 (21%)	571
2017	221 (2%)	123 (43%)	17 (55%)	361	2017	331 (4%)	227 (73%)	12 (23%)	570
2018	208 (2%)	118 (41%)	18 (57%)	344	2018	288 (4%)	223 (73%)	12 (23%)	523
2019	206 (2%)	115 (41%)	15 (57%)	336	2019	289 (4%)	218 (73%)	12 (23%)	519
2020	203 (2%)	116 (41%)	15 (58%)	334	2020	285 (4%)	212 (71%)	13 (25%)	510
2021	199 (2%)	113 (40%)	15 (58%)	327	2021	281 (4%)	205 (70%)	14 (26%)	500
2022	195 (2%)	109 (38%)	15 (60%)	319	2022	270 (4%)	196 (63%)	17 (33%)	483
2023	193 (2%)	108 (37%)	15 (61%)	316	2023	258 (4%)	194 (61%)	18 (35%)	470
RG	Small	Med.	Large	Total	SWG	Small	Med.	Large	Total
	N (Share %)	N (Share %)	N (Share %)			N (Share %)	N (Share %)	N (Share %)	
Initial	435 (5%)	248 (77%)	9 (18%)	692	Initial	467 (6%)	275 (68%)	10 (26%)	752
2010	421 (4%)	237 (80%)	7 (16%)	665	2010	460 (5%)	250 (65%)	11 (30%)	721
2011	377 (3%)	227 (81%)	6 (16%)	610	2011	421 (5%)	242 (65%)	11 (30%)	674
2012	349 (3%)	212 (77%)	8 (20%)	569	2012	384 (4%)	234 (65%)	11 (31%)	629
2013	339 (3%)	200 (72%)	11 (25%)	550	2013	364 (4%)	227 (65%)	13 (31%)	604
2014	327 (3%)	192 (71%)	11 (26%)	530	2014	351 (4%)	218 (64%)	13 (32%)	582
2015	332 (3%)	186 (67%)	12 (30%)	530	2015	346 (4%)	223 (67%)	12 (29%)	581
2016	332 (3%)	185 (65%)	13 (32%)	530	2016	345 (4%)	221 (68%)	11 (28%)	577
2017	345 (3%)	190 (65%)	13 (32%)	548	2017	347 (4%)	219 (70%)	10 (26%)	576
2018	303 (3%)	190 (66%)	12 (31%)	505	2018	295 (4%)	216 (70%)	10 (26%)	521
2019	305 (3%)	179 (66%)	12 (31%)	496	2019	295 (4%)	212 (69%)	10 (27%)	517
2020	302 (3%)	172 (61%)	14 (36%)	488	2020	291 (4%)	211 (69%)	10 (27%)	512
2021	296 (3%)	165 (60%)	14 (37%)	475	2021	284 (4%)	208 (65%)	11 (31%)	503
2022	284 (3%)	159 (56%)	15 (41%)	458	2022	275 (4%)	204 (65%)	11 (31%)	490
2023	281 (3%)	158 (56%)	15 (41%)	454	2023	273 (4%)	203 (65%)	11 (31%)	487
TF	Small	Med.	Large	Total	Total Shareholders		<p>Note: N indicates the number of shareholders and percent is the total share percentage held by all of those accounts. Small accounts hold &lt; 0.05%; medium accounts hold 0.05% - 1.49999%; large accounts hold ≥ 1.5% shares. All values were based on the last day of the year, except Initial, which was the program's start date (1/1/2010).</p>		
	N (Share %)	N (Share %)	N (Share %)		N (Share %)				
Initial	171 (2%)	100 (36%)	16 (62%)	287	Initial	766			
2010	185 (2%)	85 (30%)	17 (68%)	287	2010	743			
2011	164 (1%)	79 (28%)	17 (71%)	260	2011	699			
2012	155 (1%)	76 (27%)	15 (72%)	246	2012	665			
2013	144 (1%)	72 (25%)	16 (74%)	232	2013	644			
2014	143 (1%)	69 (26%)	15 (73%)	227	2014	628			
2015	143 (1%)	63 (24%)	16 (75%)	222	2015	645			
2016	138 (1%)	54 (19%)	19 (80%)	211	2016	653			
2017	142 (1%)	54 (20%)	18 (79%)	214	2017	667			
2018	134 (1%)	52 (18%)	19 (81%)	205	2018	616			
2019	132 (1%)	48 (17%)	18 (82%)	198	2019	615			
2020	133 (1%)	50 (17%)	18 (82%)	201	2020	606			
2021	132 (1%)	49 (16%)	18 (83%)	199	2021	593			
2022	131 (1%)	46 (16%)	18 (83%)	195	2022	574			
2023	133 (1%)	44 (15%)	17 (84%)	194	2023	575			

Table 1.1.3. Distribution of shareholder accounts by red snapper share volume

Year	Small (<0.05%)		Medium (0.05-1.4999%)		Large (≥ 1.5%)		Total
	Accounts	Share %	Accounts	Share %	Accounts	Share %	Accts
Initial	415	4.55	125	58.52	14	36.94	554
2007	368	4.09	112	49.74	17	46.18	497
2008	346	3.8	111	48.72	17	47.49	474
2009	313	3.34	108	48.02	18	48.66	439
2010	297	3.1	109	47.04	19	49.87	425
2011	284	2.97	116	48.58	18	48.46	418
2012	273	2.91	117	49.94	17	47.16	407
2013	261	2.69	120	48.01	18	49.3	399
2014	236	2.55	125	49.71	17	47.74	378
2015	238	2.67	131	50.3	17	47.04	386
2016	230	2.64	125	47.39	19	49.98	374
2017	233	2.62	126	47.62	19	49.76	378
2018	199	2.47	125	51.5	17	45.96	341
2019	193	2.45	129	50.14	18	47.33	340
2020	194	2.55	130	47.6	19	48.18	343
2021	186	2.37	132	48.21	18	47.75	336
2022	177	2.2	130	47.67	18	48.45	325
2023	188	2.18	133	49.75	17	46.3	338
Average 2019-2023	188	2.35	131	48.67	18	47.60	336

Detailed information relative to the IFQ programs, including information on program regulations, performance, evaluation and on IFQ price information, enforcement and administrative actions is provided in the red snapper and grouper-tilefish annual reports. The 2023 Red Snapper IFQ Annual Report is available at:

[https://noaa-sero.s3.amazonaws.com/drop-files/cs/2023\\_RS\\_AnnualReport\\_FINAL.pdf](https://noaa-sero.s3.amazonaws.com/drop-files/cs/2023_RS_AnnualReport_FINAL.pdf)

The 2023 Grouper-Tilefish IFQ Annual Report is available at:

[https://noaa-sero.s3.amazonaws.com/drop-files/cs/2023\\_GT\\_AnnualReport\\_FINAL.pdf](https://noaa-sero.s3.amazonaws.com/drop-files/cs/2023_GT_AnnualReport_FINAL.pdf)

## 1.2 Purpose and Need

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. The need for action is to promote participation by fishermen 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 shareholder's account and holding and obtaining shares and allocation.

## 1.3 Goals and Objectives of the IFQ programs

During its January, April, and June 2023 meetings, the Council discussed annual reports and reviews of the red snapper and grouper-tilefish IFQ programs. The Council reviewed the original goals and objectives of the Gulf of Mexico IFQ programs, the catch share review outcomes, and the goals and objectives of limited access privilege programs (LAPP) as listed in Section 303A(c)(1) of the Magnuson-Stevens Act. Following its discussions and reviews, the Council approved the IFQ goals and objectives listed below and requested staff initiate plan amendments consistent with these 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

### **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**

## 1.4 History of Management

This summary includes management actions pertinent to red snapper, grouper, and tilefish for the commercial sector, including changes to commercial permit requirements. A complete history of management for the Fishery Management Plan for the Reef Fish Resources of the Gulf of Mexico (Reef Fish FMP) is available on the Council's website.<sup>3</sup> A summary of the history of Amendment 36 and its sub-amendments is provided in Appendix A.

The final rule for the **Reef Fish FMP**, with its associated environmental impact statement (EIS), was effective November 8, 1984, and defined the reef fish fishery management unit to include red snapper, red grouper, gag, the shallow-water groupers (scamp, black, yellowmouth, and yellowfin), and the deep-water groupers (snowy, warsaw, speckled hind, and yellowedge), as well as other important reef fish. Among the species currently managed under Gulf IFQ programs, only the tilefishes were not included in the original Reef Fish FMP.

The Reef Fish FMP included regulations designed to rebuild declining reef fish stocks and included a minimum size limit of 13 inches total length (TL) for red snapper, with exceptions that for-hire vessels were exempted until 1987 and each angler could keep 5 undersize fish.

**Amendment 1**, including environmental assessment (EA), regulatory impact review (RIR), and regulatory flexibility analyses (RFA), was implemented in 1990. The management measures included:

- The addition of 10 species to the management unit including the three species of tilefish that remain managed under the GT-IFQ program (goldface, golden, and blueline).
- Prohibited the sale of undersized red snapper and deleted the allowance to keep five undersized red snapper;
- Set a 20-inch TL minimum size limit on red, yellowfin, black, and gag groupers;
- SWG were defined as black grouper, gag, red grouper, Nassau grouper, yellowfin grouper, yellowmouth grouper, rock hind, red hind, speckled hind, and scamp. DWG were defined as misty grouper, snowy grouper, yellowedge grouper, warsaw grouper, and scamp. Once the SWG quota is filled, landings of scamp are allowed and included under DWG quota; and
- Established a commercial reef fish vessel permit.

On November 7, 1989, NMFS announced that anyone entering the commercial reef fish fishery in the Gulf and South Atlantic after a control date of November 1, 1989, may not be assured of future access to the reef fish fishery if a management regime is developed and implemented that limits the number of participants in the fishery. The purpose of this announcement was to establish a public awareness of potential eligibility criteria for future access to the reef fish resource, and does not prevent any other date for eligibility or other method for controlling fishing effort from being proposed and implemented.

**Amendment 3**, including EA and RIR and implemented in July 1991, transferred speckled hind from the SWG category to the DWG category.

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<sup>3</sup> [http://www.gulfcouncil.org/fishery\\_management\\_plans/reef\\_fish\\_management.php](http://www.gulfcouncil.org/fishery_management_plans/reef_fish_management.php)

**Amendment 4**, including EA, RIR and initial RFA (IRFA), was implemented in May 1992. The amendment established a moratorium on the issuance of new commercial reef fish permits for a maximum period of 3 years. The moratorium was created to moderate short-term future increases in fishing effort and to attempt to stabilize fishing mortality while the Council considered a more comprehensive effort limitation program. It allowed the transfer of permits between vessels owned by the permittee or between individuals when the permitted vessel is transferred.

**Amendment 6**, including EA, RIR and RFA, implemented in June 1993, extended the provisions of an emergency rule for red snapper endorsements for the remainder of 1993 and 1994, and it allowed the red snapper trip limits for qualifying and non-qualifying permitted vessels to be changed under the framework procedure for specification of the total allowable catch.

**Amendment 7**, including EA, RIR, and IRFA and implemented in February 1994, established reef fish dealer permitting and record keeping requirements, and allowed transfer of reef fish permits or endorsements in the event of the death or disability of the person who was the qualifier for the permit or endorsement. A proposed provision of this amendment that would have required permitted vessels to sell harvested reef fish only to permitted dealers was disapproved by the Secretary of Commerce and was not implemented.

**Amendment 8**, including EA, RIR and IRFA, proposed establishment of a red snapper individual transferable quota (ITQ) program. It was approved by NMFS and a final rule was published on November 29, 1995. However, concerns about future Congressional funding for the ITQ program to become operational made it advisable to delay implementation pending Congressional action. In October 1996, Congress, through reauthorization of the Magnuson-Stevens Act, repealed the red snapper ITQ program and prohibited regional councils from submitting, or NMFS from approving and implementing, any new IFQ program before October 1, 2000.

**Amendment 9**, including EA, RIR and IRFA, implemented in July 1994, provided for collection of red snapper landings and eligibility data from commercial fishermen for the years 1990 through 1992. This amendment also extended the reef fish permit moratorium and red snapper endorsement system through December 31, 1995, to continue the existing interim management regime until longer term measures could be implemented. The Council received the results of the data collection in November 1994, at which time consideration of Amendment 8 resumed.

**Amendment 11**, including EA, RIR and IRFA, was partially approved by NMFS and implemented in January 1996. The approved provisions included:

- Limited sale of Gulf reef fish by permitted vessels to permitted reef fish dealers;
  - Required that permitted reef fish dealers purchase reef fish caught in Gulf federal waters only from permitted vessels;
  - Allowed transfer of reef fish permits and fish trap endorsements in the event of death or disability;
  - Implemented a new reef fish permit moratorium for no more than 5 years or until December 31, 2000, while the Council considers limited access for the reef fish fishery;
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- Allowed permit transfers to other persons with vessels by vessel owners (not operators) who qualified for their reef fish permit.

**Amendment 13**, including EA, RIR and IRFA, was implemented in September 1996. The amendment further extended the red snapper endorsement system through the remainder of 1996 and, if necessary, through 1997, to give the Council time to develop a permanent limited access system that was in compliance with the new provisions of the Magnuson-Stevens Act.

**Amendment 14**, including EA, RIR and IRFA, was implemented in March and April 1997. The amendment provided the NMFS Regional Administrator with authority to reopen a fishery prematurely closed before the allocation was reached and modified the provisions for transfer of commercial reef fish vessel permits.

**Amendment 15**, including EA, RIR and IRFA and implemented in January 1998, included the following actions:

- Modified the red snapper endorsement system to create two classes of red snapper licenses. Class 1 licenses would have a 2,000-lb trip limit and would be issued to endorsement holders on March 1, 1997 and historical captains. Class 2 licenses would have a 500-lb trip limit and would be issued to other reef fish permit holders on March 1, 1997 with red snapper landings between January 1, 1990 and March 1, 1997. Licenses could be transferred without restriction. This red snapper license system was extended indefinitely or until replaced by an alternate license management system.
- Set monthly commercial red snapper openings to open at noon on the first day of each month and close at noon on the fifteenth day of each month until the commercial quota is reached. The commercial season is split into two time periods with the first period to begin on February 1 with two thirds of the quota, and the second period on September 1 with the remainder of the quota.

**Amendment 16B**, including EA, RIR and IRFA, was implemented on November 24, 1999. Among other actions, this amendment set the minimum size limit in fork length for scamp at 16 inches.

An August 1999 **regulatory amendment**, including EA, RIR, and IRFA and implemented June 19, 2000, increased the commercial size limit for gag from 20 to 24 inches TL, and prohibited the commercial sale of gag, black, and red grouper each year from February 15 to March 15 (the peak of gag spawning season).

**Amendment 17**, including EA, RIR and IRFA, was implemented in August 2000. This amendment extended the commercial reef fish permit moratorium for another 5 years from its previous expiration date of December 31, 2000 to December 31, 2005, unless replaced sooner by a comprehensive controlled access system. The purpose of the moratorium was to provide a stable environment in the fishery necessary for evaluation and development of a more comprehensive controlled access system for the entire commercial reef fish fishery.

**Amendment 18A**, including supplemental EIS, RIR and IRFA, was implemented by NMFS in September 2006. Among other actions, this amendment:

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- Required a NMFS-approved vessel monitoring system on board vessels with a commercial reef fish permit, including charter vessels that also have a commercial reef fish permit;
- Prohibited persons on vessels with both commercial and charter vessel reef fish permits from retaining reef fish caught under the recreational size, bag, and possession limits when commercial quantities of reef fish are onboard;
- Adjusted the maximum crew size onboard a vessel issued a certificate of inspection (COI) when the vessel has both a commercial and charter/headboat permits for reef fish to the minimum crew size required under the COI.

As part of the implementing regulations, NMFS added provisions to change the permit application process for all permits to an annual rather than biennial procedure, as well as simplifying the income qualification documentation requirements for fisheries having income criteria.

**Secretarial Amendment 1**, including a supplemental EIS, RIR, and IRFA, was initially submitted to NMFS in September 2002 and was implemented in July 2004. It contained a 10-year rebuilding plan for red grouper based on 3-year intervals.

**Amendment 22**, including supplemental EIS, RIR, and IRFA, was implemented in July 2005. It modified the red snapper rebuilding plan to rebuild the red snapper stock by 2032.

**Amendment 24**, including EA, RIR, and IRFA, was implemented August 2005. It established a permanent limited access system for the commercial sector for reef fish. Permits issued under the limited access system are renewable and transferable.

**Amendment 26**, including supplemental EIS, RIR, and IRFA and implemented in January 2007, established a commercial IFQ program for red snapper. The amendment required that, for any single fishing year, no person shall own IFQ shares that represent a percentage of the total, which exceeds the maximum percentage issued to a recipient at the time of the initial apportionment of IFQ shares. It also restricted initial eligibility to persons possessing a Class 1 or Class 2 license, and allocated initial IFQ shares proportionately among eligible participants based on average annual landings. During the first 5 years of the program, IFQ shares/allocations can be transferred only to individuals/vessels with a valid commercial reef fish permit and to United States citizens and permanent resident aliens thereafter.

**Amendment 27**, including supplemental EIS, RIR, and RFA, was implemented in February 2008. Among the actions, the commercial size limit for red snapper was reduced to 13 inches TL.

**Amendment 29**, including EIS, RIR, and RFA and implemented in January 2010, established the commercial IFQ program for groupers and tilefishes. As with the RS-IFQ program, during the first 5 years of the program, IFQ shares/allocations can be transferred only to individuals/vessels with a valid commercial reef fish permit and to United States citizens and permanent resident aliens thereafter.

**Amendment 30B**, including EIS, RIR, and RFA and implemented in 2009, addressed the overfishing of gag. Among other actions, the amendment set interim allocations of gag and red

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grouper catches between the recreational and commercial sectors. The amendment also required that all vessels with federal commercial or charter/headboat permits for reef fish must comply with the more restrictive of state or federal reef fish regulations when fishing in state waters.

**Amendment 31**, including EIS, RIR, and RFA, was implemented in May 2010. The amendment addressed sea turtle interactions with bottom longline fishing gear and included the following management actions:

- Longline endorsement requirement - Vessels must have average annual reef fish landings of 40,000 lbs gutted weight or more from 1999 through 2007;
- Reef fish bottom longline fishing was restricted to outside the 35-fathom depth contour from June – August.

**Amendment 32**, including EIS, RIR, and RFA and effective in March 2012, established annual catch limits (ACL) and annual catch targets for 2012 through 2015 for gag and for 2012 for red grouper. The amendment also:

- established a rebuilding plan for gag;
- contained a commercial gag and shallow-water grouper quota adjustment to account for dead discards;
- made adjustments to the multi-use IFQ allocation provisions in the GT-IFQ program; and
- reduced the commercial gag size limit;
- revised gag, red grouper, and shallow-water grouper accountability measures.

**Amendment 34**, including EA, RIR, and RFA, was implemented in November 2012. The amendment addressed crew size limits for dual-permitted vessels (i.e., vessels with both a charter/headboat and a commercial permit for reef fish), increasing the maximum crew size from three to four. It also eliminated the earned income qualification requirement for the renewal of commercial reef fish permits.

The **Framework Action** to Set the 2013 Gag Recreational Fishing Season and Modify the February-March Shallow-water Grouper Closed Season, eliminated the February 1 through March 31 shallow-water grouper closure shoreward of 20 fathoms.

The **Framework Action** to Retain 2016 Red Snapper Commercial Quota was implemented in December 2015. The action withheld 4.9% of the 2016 commercial red snapper ACL prior to the annual distribution of red snapper allocation to the IFQ shareholders on January 1, 2016. This action allowed the allocations being established through Amendment 28 to be effective for the 2016 fishing year.

**Amendment 28**, including EIS, RIR, and RFA, was implemented in May 2016. The amendment revised the commercial and recreational sector allocations of the red snapper ACLs, by shifting 2.5% of the commercial sector's allocation to the recreational sector. The resulting sector allocations for red snapper were 48.5% commercial and 51.5% recreational and were applied to the 2016 quotas. On March 3, 2017, a U.S. district court vacated Amendment 28 and subsequently ordered that the sector quotas for 2017 be set consistent with the previous sector allocations of 51% commercial and 49% recreational.

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**Amendment 44**, including EA, RIR, and RFA, was approved on December 21, 2017 (there was no rulemaking associated with this amendment, and therefore no implementation date). The amendment changed the minimum stock size threshold (MSST) for seven reef fish species, including gag, red grouper, and red snapper to be equal to 50% of the biomass at maximum sustainable yield. MSST is used to determine whether or not a stock is considered to be overfished; if the biomass of the stock falls below the threshold then the stock is considered to be overfished. Changing the MSST is not expected to affect management action as fishing is primarily constrained by the overfishing definition. As long as overfishing is prevented, the stock biomass should never drop to the MSST level.

**Amendment 36A**, including EA, RIR, and RFA, required all reef fish permitted vessels landing federally managed reef-fish to land at approved locations and hail-in at least 3 hours, but no more than 24 hours before landing. The amendment returns red snapper and grouper-tilefish shares from non-activated IFQ accounts to NMFS for redistribution and allows NMFS to withhold a portion of IFQ allocation at the start of the year equal to an anticipated quota reduction. The actions to return non-activated shares and withhold quota in the event of an anticipated quota decrease became effective July 12, 2018. The advance notice of landing requirement became effective January 1, 2019.

The **Framework Action** to Modify Mutton Snapper and Gag Management Measures was effective on July 23, 2018. For gag, the action increased the commercial minimum size limit to 24 inches.

The **Framework Action** to Modify Red Grouper Annual Catch Limits and Annual Catch Targets was implemented October 31, 2019. It reduced the catch limits for red grouper consistent with a May 2019 emergency rule and following an interim red grouper assessment.

**Amendment 53**, including EIS, RIR, and RFA, implemented in June, 2022. Revised the red grouper allocation from 76% commercial and 24% recreational to 59.3% commercial and 40.7% recreational. The action also increased the ACT buffer from 8% to 9%, and modified the OFL, ABC, and sector ACLs and ACTs.

NMFS implemented interim measures to reduce gag overfishing for the 2023 fishing Year on May 3, 2023. This temporary rule decreases the stock ABC for Gulf gag to 661,000 lb gw. The sector allocation was retained at 61% recreational and 39% commercial. The recreational fishing season was modified to open on September 1 and close on November 10. The purpose of this interim rule was to reduce overfishing ahead of the development of Amendment 56 to the Reef Fish FMP.

**Amendment 56**, including EA, RIR, and RFA, implemented in May, 2024 for gag grouper specifically,

- Updated the sector ACLs, ACTs, and commercial quota, consistent with the revised allocation, and the rebuilding plan.
  - Revised the buffer between the recreational ACL and the recreational ACT from 10.25% to 20%.
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- Revised the buffer between the commercial ACL and commercial quota from approximately 23% to 5% and set the commercial quota equal to the commercial ACT.
  - Revised the federal recreational fishing season for Gulf gag such that it would open on September 1 instead of June 1.
  - Modified the recreational AM to direct NMFS to prohibit harvest when the recreational ACT (rather than the ACL) is projected to be met. In addition, removed the provision that requires NMFS to maintain the prior year's ACT if the ACL is exceeded in the previous year.
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## CHAPTER 2. MANAGEMENT ALTERNATIVES

### 2.1 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 (US) citizen, a corporation, partnership, or other entity established under the laws of the US 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.

**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.

#### Discussion:

**Alternative 1 (No Action)** would not establish additional requirements to obtain and maintain an IFQ shareholder account. To open and maintain an IFQ shareholder account, the applicant must be a United States (US) citizen, a corporation, partnership, or other entity established under the laws of the US or any State, or a permanent resident alien (or US citizenship or permanent residency requirement). Therefore, **Alternative 1** would not be expected to affect individuals or entities applying or already holding shareholder accounts.

In addition to the US citizenship or permanent residency requirement, **Alternative 2** would require all those seeking to obtain a shareholder account to possess a valid or renewable commercial reef fish permit. **Alternative 2** would restore requirements that were in effect at the inception of the IFQ programs. For each IFQ program, permit requirements were eliminated after 5 years, i.e., public participation began. For the red snapper and the grouper/tilefish programs, public participation began in 2012 and 2015, respectively. For the red snapper and grouper-tilefish programs, the numbers of shareholder accounts with annual allocation are provided in Table 2.1.1. Between 2019 and 2023, red snapper and grouper-tilefish shareholder accounts with annual allocation averaged 627 and 813 accounts, respectively. **Alternative 2** would not affect existing shareholder accounts but would prevent future applicants from getting a shareholder account if they do not possess a valid or renewable commercial reef fish permit.

Like **Alternative 2**, **Preferred Alternative 3** would require a valid or renewable commercial reef fish permit to obtain a shareholder account. **Preferred Alternative 3** would also require a commercial reef fish permit to maintain a shareholder account. **Preferred Alternative 3** would be more binding than **Alternative 2** because it would affect future as well as existing shareholder accounts.

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Table 2.1.1. Shareholder accounts with annual allocation (by IFQ program).

Year	RS	GT
2007	596	
2008	547	
2009	530	
2010	598	816
2011	589	833
2012	599	812
2013	598	786
2014	606	795
2015	635	835
2016	639	842
2017	639	872
2018	650	878
2019	624	819
2020	644	833
2021	625	824
2022	619	798
2023	624	790
Average 2019-2023	627	813

## 2.2 Action 2 – Requirements to Obtain and Maintain IFQ Shares

**Alternative 1 (No Action):** Any US citizen, corporation, partnership, or other entity established under the laws of the US or any State, or any permanent resident alien can obtain, hold, and transfer IFQ shares.

**Alternative 2:** To **obtain** 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.

**Alternative 3:** 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.

### **Discussion:**

**Alternative 1 (No Action)** would not establish additional requirements to obtain and maintain IFQ shares. To acquire and maintain IFQ shares, the applicant must be a United States (US)

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citizen, a corporation, partnership, or other entity established under the laws of the US or any State, or a permanent resident alien (or US citizenship or permanent residency requirement). Therefore, **Alternative 1** would not be expected to affect the acquisition of IFQ shares. In addition to the US citizenship or permanent residency requirement, **Alternative 2** would require all those seeking to obtain IFQ shares to possess a valid or renewable commercial reef fish permit. As discussed in Action 1, **Alternative 2** would restore requirements that were in effect when the red snapper and grouper-tilefish programs were implemented. For each IFQ program, commercial reef fish permit requirements lapsed after 5 years, allowing IFQ participants to acquire and maintain IFQ shares without a commercial reef fish permit. For the red snapper and grouper-tilefish programs, annual numbers of shareholder accounts with annual allocation by share ownership status (with and without shares) are provided in Table 2.1.2. and 2.1.3, respectively. Between 2019 and 2023, red snapper and grouper-tilefish shareholder accounts with annual allocation averaged 627 and 813 accounts, respectively. **Alternative 2** would not affect current shareholder accounts with IFQ shares but would prevent shareholder accounts without a valid or renewable commercial reef fish permit from obtaining additional IFQ shares in the future.

Table 2.1.2. Red snapper shareholder accounts with annual allocation by share status.

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%
Average 2019-2023	627	343	55%	284	45%

Table 2.1.3. Grouper-Tilefish shareholder accounts with annual allocation by share status.

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%
Average 2019-2023	813	588	72%	225	28%

Like **Alternative 2**, **Alternative 3** would require a valid or renewable commercial reef fish permit to obtain IFQ shares. In addition, **Alternative 3** would require a commercial reef fish permit to maintain IFQ shares. **Alternative 3** would be more binding than **Alternative 2** because it would affect current as well as future IFQ share ownership.

## 2.3 Action 3 – Requirements to Obtain Annual Allocation

**Alternative 1 (No Action):** Any US citizen, corporation, partnership, or other entity established under the laws of the US or any State, or any permanent resident alien can obtain, hold, and transfer annual allocation.

**Alternative 2:** 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.

### **Discussion:**

**Alternative 1 (No Action)** would not establish additional requirements to obtain annual allocation. To acquire and maintain annual allocation, the applicant must be a United States (US) citizen, a corporation, partnership, or other entity established under the laws of the US or any State, or a permanent resident alien (or US citizenship or permanent residency requirement). Therefore, **Alternative 1** would not be expected to affect the acquisition of IFQ annual allocation.

In addition to the US citizenship or permanent residency requirement, **Alternative 2** would require all those seeking to obtain IFQ annual allocation to possess a valid or renewable commercial reef fish permit. **Alternative 2** would restore requirements that were in effect when the red snapper and grouper-tilefish programs were implemented. **Alternative 2** would prevent shareholder accounts without a valid or renewable commercial reef fish permit from obtaining annual allocation in the future. Under **Alternative 2**, the owner of a shareholder account associated with a valid or renewable commercial reef fish permit could receive annual allocation and subsequently cancel the association between the shareholder account and a valid or renewable permit, e.g., by transferring the permit to another account. However, because annual allocation expires at the end of each calendar year, the shareholder account must be associated with a valid or renewable commercial reef fish permit to receive allocation during the subsequent year.

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## 2.4 Action 4 –Divestment from Non-compliant Shareholder Accounts

**Alternative 1 (No Action).** Shareholder accounts must be compliant with the requirements set in Actions 1, 2, 3 and, 4 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, 3, or 4:

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

**Option 2b:** 2 years 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.

**Option 3b:** 2 years following the non-compliant status.

### **Discussion:**

**Alternative 1 (No Action)** would require shareholder accounts to be in compliance with the participation requirements set in Actions 1- 4 by the effective date of a final rule implementing these requirements, or their shares will be reclaimed by NMFS. Therefore, **Alternative 1** would not provide an adjustment period to shareholders.

**Preferred Alternative 2** would provide an adaptation or grace period to shareholders before reclaiming shares from shareholder accounts that are not in compliance with the requirements set in Actions 1-4. **Preferred Option 2a** would reclaim shares from non-compliant accounts one year following the effective date of the final rule implementing these requirements if shareholders do not divest of their shares. **Option 2b** would set a longer adjustment period, i.e., two years, before reclaiming shares.

Shareholder accounts may fall out of compliance after the implementation of this amendment. **Preferred Alternative 3** would address these non-compliant shareholder accounts and reclaim shares either one year (**Preferred Option 3a**) or two years (**Option 3b**) following the non-compliant status if shareholders do not divest of their shares.

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