

For the reasons set out in the preamble, NMFS proposes to amend 50 CFR part 622 as follows:

PART 622--FISHERIES OF THE CARIBBEAN, GULF OF AMERICA, AND SOUTH ATLANTIC

1. The authority citation for part 622 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

2. Amend § 622.22, by:

- a. Revising introductory paragraph (a);
- b. Revising paragraph (a)(4); and
- c. Adding paragraph (c).

The revisions and addition read as follows:

§ 622.22 Individual fishing quota (IFQ) program for Gulf groupers and tilefishes.

(a) *General.* This section establishes an IFQ program for the commercial sectors of the Gulf reef fish fishery for groupers (including DWG, red grouper, gag, and Other SWG) and tilefishes (including goldface tilefish, blueline tilefish, and tilefish). For the purposes of this IFQ program, DWG includes yellowedge grouper, warsaw grouper, snowy grouper, speckled hind, and scamp, but only as specified in paragraph (a)(7) of this section. For the purposes of this IFQ program, Other SWG includes black grouper, scamp, yellowfin grouper, yellowmouth grouper,

warsaw grouper, and speckled hind, but only as specified in paragraph (a) (6) of this section. Under the IFQ program, the RA initially will assign eligible participants IFQ shares, in five share categories. These IFQ shares are equivalent to a percentage of the annual commercial quotas for DWG, red grouper, gag, Other SWG, and tilefishes, based on their applicable historical landings. Except as provided for in paragraph (c) of this section through December 31, 2029, shares determine the amount of IFQ allocation for Gulf groupers and tilefishes, in pounds gutted weight, a shareholder is initially authorized to possess, land, or sell in a given calendar year. Shares and annual IFQ allocation are transferable. See paragraph (b) (1) of this section regarding a requirement for a vessel landing groupers or tilefishes subject to this IFQ program to have an IFQ vessel account for Gulf groupers and tilefishes. See paragraph (b) (2) of this section regarding a requirement for a Gulf IFQ dealer endorsement. Details regarding eligibility, applicable landings history, account setup and transaction requirements, constraints on transferability, and other provisions of this IFQ system are provided in the following paragraphs of this section.

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Commented [SS1]: Only revision in this intro para (a) is for this exception for (c).

(4) *IFQ allocation.* IFQ allocation is the amount of Gulf groupers and tilefishes, in pounds gutted weight, an IFQ shareholder or allocation holder is authorized to possess, land, or sell during a given fishing year. Except as provided for in paragraph (c) of this section through December 31, 2029, IFQ allocation is derived at the beginning of each year by multiplying a shareholder's IFQ share times the annual commercial quota for Gulf groupers and tilefishes. Except as provided for in paragraph (c) of this section through December 31, 2029, if the quota is increased after the beginning of the fishing year, then IFQ allocation is derived by multiplying a shareholder's IFQ share at the time of the quota increase by the amount the annual commercial quota for groupers and tilefishes is increased. If a reduction in the applicable commercial quota specified in § 622.39(a)(1) is expected to occur after January 1, the beginning of the fishing year, but before June 1 in that same fishing year, NMFS will withhold distribution of IFQ allocation of the applicable groupers and tilefishes commercial quota on January 1 in the amount equal to that reduction. If a final rule to implement the commercial quota reduction is not published in the **Federal Register** and effective by June 1, NMFS will distribute withheld IFQ allocation of the applicable groupers and

Commented [SS2]: only change to this sentence is to add in the exception for para (c)

Commented [SS3]: only change to this sentence is to add in the exception for para (c)

tilefishes commercial quota to current shareholders based on the date the withheld IFQ allocation is distributed.

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(c) *Red grouper commercial quota pool.*

(i) *General.* The provisions in paragraphs (a) and (b) of this section notwithstanding, a red grouper commercial quota pool is established within the IFQ program for the commercial sectors of the Gulf reef fish fishery for grouper and tilefishes. As described in the FMP, the red grouper commercial quota pool holds allocation to be distributed to eligible IFQ shareholder accounts. Quota pool allocation is non-transferable and must be used before any other red grouper allocation can be landed.

(ii) *Duration.* The provisions of paragraph (c) of this section and the red grouper commercial quota pool are valid through December 31, 2029.

(iii) *Red grouper commercial quota pool allocation.* Red grouper commercial quota pool allocation is available only if the red grouper commercial quota specified at § 622.39(a) (1) (iii) (C) is greater than 4.28 million lb (1.94 million kg), gutted weight. The quota pool allocation is equal to 20 percent of the commercial quota that is greater than 2.79 million lb (1.27 million kg), gutted weight. Applying the commercial quota threshold as described in

Commented [SS4]: The end of the 3 years of the program starting in 2027.
Action 1, Preferred Alternative 3, quota pool duration.

Commented [SS5]: Action 1, Preferred Alternative 3

Commented [SS6]: Action 1, Preferred Alternative 3, 3b.

this paragraph (c)(iii), the total available red grouper commercial quota pool allocation is 408,000 lb (185,066 kg), gutted weight, in 2027; 516,000 lb (234,054 kg), gutted weight, in 2028; and 516,000 (234,054 kg), gutted weight, in 2029.

Commented [SS7]: These values came from Am63, Table 2.1.1.

(iv) *Eligibility.* As described in the FMP, to be eligible to receive red grouper commercial quota pool allocation, IFQ shareholder account holders must possess a valid or renewable Federal commercial reef fish permit and have average red grouper commercial landings of at least 500 lb (227 kg), gutted weight, for each 2-year reference period. NMFS will annually determine eligibility in the red grouper commercial quota pool.

(v) *Appeals.* For each year of the red grouper commercial quota pool program, up to 10 percent of the available quota pool allocation will be initially withheld to evaluate appeals. Appeals of decisions regarding eligibility to participate in the red grouper commercial quota pool as described in paragraph (c)(iv) of this section will be evaluated by the NMFS National Appeals Office (<https://www.fisheries.noaa.gov/national/rules-regulations/appeals>). Persons seeking to appeal an eligibility decision must submit their appeal within 30 days from the date on the initial administrative

determination and notification. The only items that may be submitted for an appeal are a person's Federal commercial reef fish permit status as of January 1, share status as of January 1, and a person's red grouper commercial landings information as entered in the Catch Share Online System (<https://secatchshares.fisheries.noaa.gov>). A person's Federal commercial reef fish permit status will be determined through information in the NMFS Southeast Regional Office permits system. A person's red grouper commercial landings information, permit status, and share status will be determined through information as entered in the Catch Share Online System. Hardship appeals will not be considered as part of the red grouper commercial quota pool. By April 1, any appeals will have been resolved and any available red grouper commercial quota will be redistributed as described in paragraph (c)(vi) of this section.

(vi) *Distribution*. Available red grouper commercial quota pool allocation will be distributed to eligible IFQ shareholder account near the beginning of the fishing year. As described in the FMP, 50 percent of the quota pool allocation will be distributed to the eligible IFQ shareholder accounts with red grouper shares and 50 percent will be distributed to the eligible IFQ shareholder

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accounts with no red grouper shares. Each year, the red grouper commercial quota pool allocation will be distributed to each eligible IFQ shareholder account proportionally based on red grouper commercial landings over the same 2-year moving reference period used to determine eligibility under paragraph (c)(iv) of this section.

3. In § 622.39, revise paragraph (a)(1)(iii)(C)(2) to read as follows:

§ 622.39 Quotas.

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(a) * * *

(1) * * *

(iii) * * *

(c) * * *

(2) For fishing year 2027 – 4.83 million lb (2.19 million kg).

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Commented [SS9]: Red Grouper

Commented [SS10]: Note, this paragraph is revised to remove the 2027 quota holdback specific language for red grouper in 2027 and have it go back to what Am62 will implement for 2027. The quota value itself does not change from Am62, or the quota holdback framework. By the time Am63 would be effective, the action to withhold quota in 2027 would have already occurred.