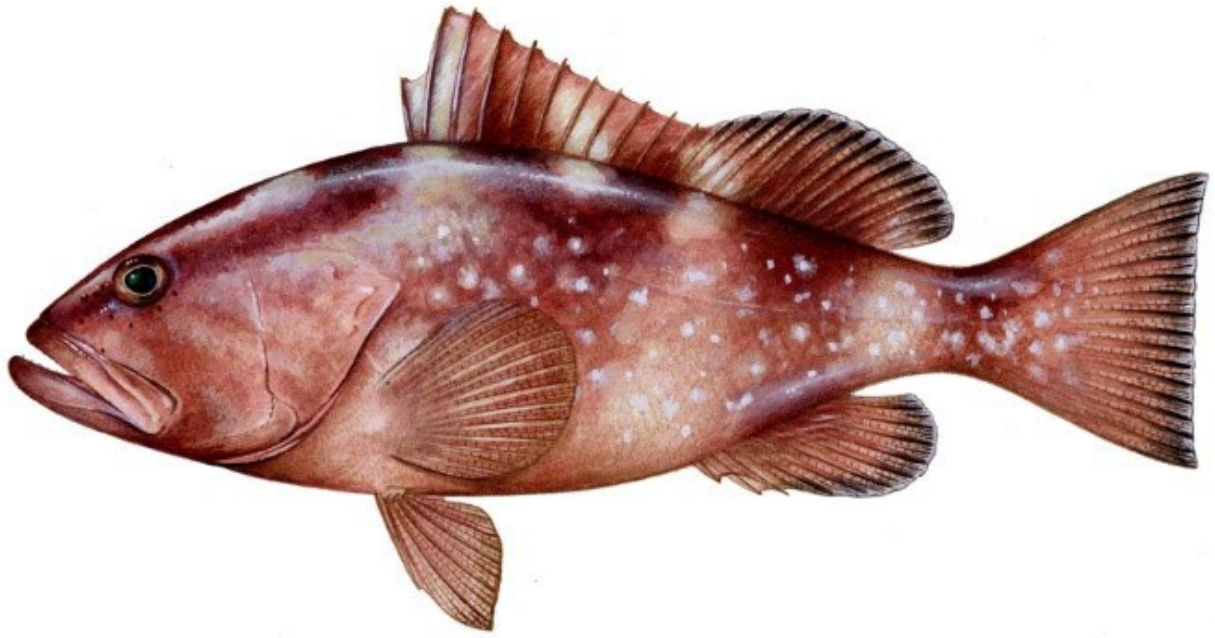
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Amendment 62: Modifications to Gulf Red Grouper Management Measures



Final Amendment to the Fishery Management Plan for Reef Fish Resources in the Gulf

including Fishery Impact Statement, Regulatory Impact Review, Regulatory Flexibility Act Analysis, and Bycatch Practicability Analysis

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The National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service Southeast Regional Office and the Council prepared this Environmental Assessment (EA) for Amendment 62 to the Fishery Management Plan for the Reef Fish Resources of the Gulf (EAXX-006-48-1SE-1769029464) in compliance with the National Environmental Policy Act (NEPA) (42 U.S.C. § 4321 et seq.) and NOAA's Policy and Procedures for Compliance with the NEPA and Related Authorities: Companion Manual for NOAA Administrative Order 216-6A (June 30, 2025).

Certifications

NOAA has considered the factors mandated by NEPA and has determined that the EA represents NOAA's good-faith effort to prioritize documentation of the most important considerations required by the statute within the congressionally mandated page limits. This prioritization reflects NOAA's expert judgment and any considerations addressed briefly or left unaddressed were, in NOAA's judgment, comparatively not of a substantive nature that meaningfully informed the consideration of environmental effects and the resulting decision on how to proceed.

The resulting EA also represents NOAA's good-faith effort to fulfill NEPA's requirements within the congressionally mandated timeline. The EA is substantially complete, and, in NOAA's expert opinion, the agency has thoroughly considered the factors mandated by NEPA. In NOAA's judgment, the analysis contained herein is adequate to inform and reasonably explain NOAA's final decision regarding the proposed activity or decision.

ABBREVIATIONS USED IN THIS DOCUMENT

ABC	acceptable biological catch
ACL	annual catch limit
ACT	annual catch target
ALS	accumulated landings system
AM	accountability measures
APAIS	Access Point Angler Intercept Survey
BiOp	biological opinion
BSIA	best scientific information available
CFpA	net cash flow per angler
CFR	code of federal regulations
CHTS	Coastal Household Telephone Survey
Council	Gulf Council
Councils	Gulf and South Atlantic Fishery Management Councils
CS	consumer surplus
DPS	distinct population segments
E.O.	Executive Order
EA	Environmental Assessment
EEZ	exclusive economic zone
EFH	Essential Fish Habitat
EIS	economic impact statement
ESA	Endangered Species Act
FES	Fishing Effort Survey
FL	fork length
FMP	Fishery Management Plan
FMSY	maximum sustainable yield
FWC	Florida Fish and Wildlife Conservation Commission
GDP	gross domestic product
GFMC	Gulf Fishery Management Council
GMFMC	Gulf of Mexico Fishery Management Council
GRFS	Gulf Reef Fish Survey
GT	grouper-tilefish
Gulf	Gulf of America (Formerly Gulf of Mexico)
gw	gutted weight
HAPC	habitat areas of particular concern
IFQ	individual fishing quota
IRFA	initial regulatory flexibility analysis
LA Creel	Louisiana Department of Wildlife and Fisheries' recreational creel survey

LQ	local quotient
Magnuson-Stevens Act	Magnuson-Stevens Fishery Conservation and Management Act
MFMT	maximum fishing mortality threshold
MMPA	Marine Mammals Protection Act
mp	million pounds
MRFSS	Marine Recreational Fishery Statistics Survey
MRIP	Marine Recreational Information Program
MSST	minimum stock size threshold
MSY	maximum sustainable yield
NAICS	North American Industry Classification System
NEPA	National Environmental Policy Act
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
OFL	overfishing limit
OMB	Office of Management and Budget
OST	Office of Science and Technology
Other SWG	Other Shallow-water Grouper complex
PS	producer surplus
Reef Fish FMP	Fishery Management Plan for the Reef Fish Resources in the Gulf
RFA	Regulatory flexibility analysis
RFFA	reasonably foreseeable future actions
RIR	Regulatory Impact Review
RQ	regional quotient
SBA	Small Business Association
Secretary	Secretary of Commerce
SEDAR	Southeast Data, Assessment, and Review
SEFSC	Southeast Fisheries Science Center
SERO	Southeast Regional Office
South Atlantic Council	South Atlantic Fishery Management Council
SPR	spawning potential ratio
SRFS	State Reef Fish Survey
SRHS	Southeast Regional Headboat Survey
SSB	spawning stock biomass
SSC	Scientific and Statistical Committee
SWG	shallow-water grouper
TAC	total allowable catch
TL	total length
TNR	trip net revenue
TPWD	Texas Parks and Wildlife Department
WTP	willingness-to-pay
ww	whole weight

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FISHERY IMPACT STATEMENT

The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) requires that a fishery impact statement (FIS) be prepared for all amendments to fishery management plans. The FIS contains an assessment of likely effects, including the biological, economic, and social effects of the conservation and management measures on, and possible mitigation measures for: 1) fishery participants and their communities; 2) participants in the fisheries conducted in adjacent areas under the authority of another Fishery Management Council; and 3) the safety of human life at sea. Detailed discussion of the expected effects for all proposed changes is provided in Chapter 4. The FIS provides a summary of these effects.

The Southeast Data, Assessment, and Review (SEDAR) 88 (2025) assessment was completed using updated data through 2022 and using private recreational data estimated by Florida's State Reef Fish Survey (SRFS). The Gulf Council's (Council) Scientific and Statistical Committee (SSC) concluded that the SEDAR 88 assessment represented the best scientific information available (BSIA). The SSC also provided overfishing limit (OFL) and acceptable biological catch (ABC) recommendations to the Council. The revised catch limits specified in Amendment 62 to the Fishery Management Plan for the Reef Fish Resources of the Gulf (Reef Fish FMP) are expected to provide social and economic benefits to both the commercial and recreational Gulf of America (Gulf) red grouper sectors, while eliminating a seasonal recreational sector closure that has limited conservation value and would alleviate restrictions on recreational anglers.

Amendment 62 considers three actions. Action 1 would modify the red grouper maximum sustainable yield (MSY) proxy, OFL, ABC, and total annual catch limit (ACL). **Preferred Alternative 3** would increase catch limits for red grouper based on the results of SEDAR 88, and recommendations of the Council's SSC using a three-year constant-catch scenario. **Preferred Alternative 3** would also change the MSY proxy for Gulf red grouper from the yield when fishing at a fishing mortality rate (F) that produces a spawning potential ratio (SPR) of 30 percent ($F_{30\%SPR}$) to be the yield when fishing at $F_{40\%SPR}$, based on the SSC's recommendations for red grouper. The OFL would be 10.64 million pounds (mp) gutted weight (gw), and the ABC would be 8.28 mp gw. The total ACL would be 6.62 mp gw in 2026 (80% of the ABC), 7.45 mp gw in 2027 (90% of the ABC), and would be set equal to the ABC at 8.28 mp gw in 2028 and subsequent years.

Action 2 would modify the sector ACLs and sector allocation for Gulf red grouper. **Preferred Alternative 2** would revise the sector allocations and ACLs based on the average landings from the 1986 through 2005 reference period using SRFS data to estimate private recreational landings. The Marine Recreational Information Program Fishing Effort Survey (MRIP-FES) was used to estimate private recreational landings for the sector allocations put in place for red grouper in Amendment 53 to the Reef Fish FMP (2021). The proposed allocations for red grouper under **Preferred Alternative 2** are 68.2% commercial and 31.8% recreational. The buffer between the commercial ACL and commercial annual catch target (ACT) is 5%; the recreational buffer is 9%. The commercial and recreational total ACLs, sector ACLs, commercial quotas, and recreational ACTs resulting from Action 1 **Preferred Alternative 3** are in the table below.

Preferred Alt 2	Total ACL (mp gw)	Commercial ACL/ACT (mp gw)	Rec ACL/ACT (mp gw)
2026 (80% of ABC)	6.62	4.51/4.28	2.11/1.92
2027 (90% of ABC)	7.45	5.08/4.83	2.37/2.16
2028 (ABC = ACL)	8.28	5.65/5.37	2.63/2.39

Action 3 would modify the February-March recreational shallow-water grouper (SWG) closure, which applies currently to red grouper and the Other SWG complex. **Preferred Alternative 2** would eliminate the February 1-March 31 recreational closed season for SWG in federal waters seaward of the 20-fathom boundary.

Biological Effects

Action 1, **Preferred Alternative 3** would redefine the F_{MSY} proxy for red grouper at a more conservative level of $F_{40\%SPR}$, which results in lower red grouper catch limits than under $F_{30\%SPR}$. **Preferred Alternative 3** would also increase the red grouper OFL, ABC, and total ACL. This alternative is not expected to have substantial impacts on the biological environment. Significant impacts from Action 1 are not expected because the multi-species nature of the reef fish fishery and the manner in which the fishery is prosecuted is not expected to change based on the modifications being made.

Action 2, **Preferred Alternative 2** would allocate landings to the commercial and recreational sectors based on recreational landings estimates by SRFS, which were deemed by the National Marine Fisheries Service (NMFS) and the SSC to be the BSIA. Action 2 is expected to result in positive impacts to the red grouper stock because it would sustainably manage the red grouper resource. The percentage of the red grouper total ACL allocated to the recreational sector is expected to decrease relative to the commercial sector under **Preferred Alternative 2** compared to no action.

Despite the decrease in sector allocation to the recreational sector under **Preferred Alternative 2**, the increase in the catch limits under Action 1 are expected to extend the recreational fishing season duration, thereby impacting regulatory discards of red grouper by removing the need for a closure of the recreational fishing season (except where a late season closure is projected). This change is expected to have negligible to slight negative effects on bycatch. This is because the decrease in regulatory discards due to the increased season duration may be slightly outweighed by the increase in discards related to the minimum size limit due to extended recreational fishing effort. Related to this change in recreational fishery dynamics, the discard mortality rate is expected to decrease slightly with the increased season duration. This is because while out of season discards encompass all sizes of fish captured, in season discards are usually associated with minimum size limits. Thus, the average size of discarded red grouper is expected to be smaller.

Since the commercial sector operates under the individual fishing quota (IFQ) program, commercial discards are expected to be limited to those commercial reef fish fishermen who do not hold the requisite allocation to land red grouper and to regulatory discards, especially those related to the commercial minimum size limit. Commercial discards may increase in the

commercial fishery due to the expected increase in fishing effort, but this may be mitigated by reductions in regulatory discards in the fishery when there is no available quota. However, the extent of any reduction in bycatch depends on whether those who fish for red grouper receive additional allocation, either through shares they own or by purchasing allocation. In addition, commercial fishermen are more likely to fish in deeper areas where they catch fewer small red grouper, which may partially mitigate the expected increase in discards.

In summary, impacts to aspects of the biological environment related to Action 2 are not expected to be substantial because modifications to the red grouper catch limits and sector allocations would not change the fishing methods used or change the way in which the reef fish fishery as a whole is prosecuted.

Action 3, **Preferred Alternative 2** would eliminate the fixed February 1 through March 31 closed season in federal waters seaward of the 20-fathom boundary for SWG, including red grouper, and would thus allow for recreational harvest throughout the year. The 20-fathom closure is intended to provide additional protection during the spawning season for SWG species by limiting harvest in deeper waters. However, the current closure may be redirecting fishing effort into waters shoreward of the 20-fathom boundary, where the average size of fish is smaller and more interactions with undersize fish occur. This may be leading to greater fishing effort to harvest the bag limit, which may potentially reduce or eliminate the conservation benefit of this seasonal area closure. The closed season limits the harvest of SWG species, but not of other reef fish species open to harvest during the SWG closure. As such, recreational fishing in the area closed to SWG during February and March continues due to the multi-species nature of the reef fish fishery. Eliminating this closure under **Preferred Alternative 2** may increase recreational fishing effort for SWG including red grouper, but this closure has not demonstrated a positive biological effect on these species. For these reasons and because of the multi-species nature of the reef fish fishery, no substantial biological impacts are expected from this action.

Economic Effects

The revised MSY proxy and OFL being considered in Action 1 for Gulf red grouper are based on the SSC's current recommendations and BSIA. Revising the MSY proxy and OFL for the Gulf red grouper would not alter the current harvest or use of the resource. Since there would be no effects on resource harvest or use, there would be no economic effects on fishery participants, associated industries, or communities as a result from Action 1's changes to the Gulf red grouper MSY proxy or OFL. However, benefits or impacts may result from the revised MSY proxy and OFL if changes in catch limits or management regulations occur.

The revised ABC being considered in Action 1 controls the total amount of fish available for harvest. Action 1 would increase the red grouper ABC from 4.96 mp gw to 8.28 mp gw. This increased ABC is expected to substantially increase harvest opportunities from the status quo, largely due to the associated increase in the total ACL. In general, ACLs that allow more fish to be landed can result in increased net economic benefits. As such, the anticipated economic effects of Action 1's modification of Gulf red grouper's ABC would be an increase overall to net economic benefits for all sectors.

The revised total ACLs being considered in Action 1 set the total amount of fish available for harvest. The total ACLs and commercial and recreational ACLs and ACTs are listed in the table above. Action 2 would revise the commercial sector allocation from 59.3% to approximately 68.2%. This is expected to result in an estimated increase in commercial landings of 0.55 mp gw in 2026, 0.63 mp gw in 2027, and 0.71 mp gw in 2028 and subsequent years. NMFS anticipates that if the overall supply of red grouper commercial landings increases, the average price per lb gw would likely decrease. When accounting for potential ex-vessel price changes, the overall change in ex-vessel revenue and profits is positive. The expected change in commercial ex-vessel revenue resulting from the proposed changes to the red grouper total ACL, commercial sector allocation, and commercial quota is estimated at $2,768,089 in 2026, $2,906,092 in 2027, and $2,495,524 in 2028 and subsequent years. The average vessel would experience an increase in revenue of $8,543 in 2026, $8,969 in 2027, and $7,702 in 2028 and subsequent years. This would result in an increase to annual economic profits of $2,401 per vessel in 2026, $2,520 per vessel in 2027, and $2,164 per vessel in 2028 and subsequent years. Multiplying 47.6% by the expected change in total annual commercial revenue gives the expected change in commercial producer surplus (PS) from the new commercial ACL**,** which is estimated to be $1,317,610 in 2026, $1,383,300 in 2027, and $1,187,869 in 2028 and subsequent years, respectively. When accounting for potential ex-vessel price changes in Gulf red grouper, the expected changes in commercial consumer surplus (CS) are estimated to be $5,048,463 in 2026, $7,243,521 in 2027, and $9,641,198 in 2028 and subsequent years, respectively.

Action 2 would revise the recreational sector allocation from 40.3% to approximately 31.8%. Because Gulf red grouper recreational landings and effort estimates from SRFS are lower than those produced by MRIP-FES, and the modification of the recreational Gulf red grouper sector allocation and sector ACLs is based on SRFS rather than MRIP-FES, Action 2 is still expected to allow the recreational season to remain open longer than under the status quo. Specifically, the action is projected to increase the annual target trips of charter vessels for red grouper during waves 4 through 6. In 2026, when the red grouper total ACL is equal to 80% of the ABC, a short recreational closure is anticipated to occur on December 28, but in subsequent years, no closure would be expected. Overall, the action would be expected to result in a net increase in target trips of 33,779 in 2026 and 34,359 in 2027, 2028 and subsequent years. In the long run, factors of production, such as labor and capital, can be used elsewhere in the economy, and so only short-term changes to economic profits are expected. Because not all permitted for-hire vessels may be active, the change in net revenue per charter vessel may be greater than presented here. The 33,779 additional directed red grouper recreational angler trips in 2026 is expected to increase (PS) for charter vessels by approximately $5,875,389. The 34,359 additional directed angler trips in 2027, 2028 and subsequent years is expected to increase PS for charter vessels by approximately $5,776,209. Given that there are on average approximately 1,273 charter fishing businesses that are eligible to recreationally harvest Gulf red grouper each year, the average increase in annual net revenue per charter business is approximately $4,615 in 2026 and $4,537 in 2027, 2028 and subsequent years.

Action 2's revised recreational sector allocation is expected to decrease recreational landings of Gulf red grouper in numbers of fish by 79,352 in 2026, 90,298 in 2027, and 101,243 in 2028 and subsequent years relative to the current sector allocations when applied to the Action 1 preferred alternative. When combined, Action 1's revised recreational ACL and Action 2's revised

recreational sector allocation are expected to increase recreational landings of Gulf red grouper by 9,742 in 2026, 45,013 in 2027, and 80,285 fish in 2028 and subsequent years. The expected change in the recreational sector's CS is calculated by multiplying the expected change in recreational landings, expressed as number of fish, by the value of $130.75. The expected changes in the recreational sector's CS are $1,273,767, $5,885,450, and $10,497,264 in 2026, 2027, 2028 and subsequent years, respectively.

Action 3 would eliminate the closure of the recreational season from February 1 through March 31 for SWG in federal waters seaward of the 20-fathom boundary. In the short-term, this would be expected to have positive effects on the recreational sector by providing additional access to fishing grounds, which could result in increased CS for anglers and PS for for-hire fishing businesses. Given a recent framework action (GFMC 2025) that proposes establishing a recreational fixed closed season for the Other SWG complex of January 1 through June 30 each year (season open July 1 through December 31), of the six SWG species, only the recreational season for red grouper would be affected in the near future[1], and so only the private angling component and the for-hire component that are specifically targeting and/or catching red grouper would be affected. The extent of these increases in catch rates, landings, and the associated economic effects for red grouper cannot be quantitatively estimated at this time. Action 3 is not expected to have an effect on the commercial sector in the short-term, as the seasonal closure for SWG is specific to the recreational sector.

The total expected change in net economic benefits (CS+PS) for both the recreational and commercial sectors combined resulting from Action 1 and Action 2 is estimated to be $13,515,229 in 2026, $20,288,480 in 2027, and $27,102,540 in 2028 and subsequent years (2024 dollars).

Social Effects

In Action 1, **Preferred Alternative 3** would provide positive social benefits, as it relies on SEDAR 88 and the SSC's recommendations of a substantial increase to the OFL and ABC, relative to current harvest limits. **Preferred Alternative 3** reflects a cautious approach to increasing the catch limits for red grouper, as it gradually increases catch limits each year. This could provide additional social benefits in the future to both sectors, by ensuring the sustainability of the red grouper stock and reducing the need for future management actions to limit or reduce landings.

Status quo catch limits have resulted in recent closures of the red grouper recreational season during the summer months from 2021-2024. Based on the proposed catch limit increases, Action 2, **Preferred Alternative 2** is projected to result in an early recreational fishing season closure in 2026. However, this closure is not expected to occur until late December when there are few remaining days in the fishing season. If it occurs, the temporary closure may also increase the

[1] Should the recreational fixed closed seasons for gag, black grouper, scamp, yellowmouth grouper, and yellowfin grouper be subsequently modified, the elimination of the recreational closed season for SWG in federal waters seaward of the 20-fathom boundary would affect those species.

social benefits to recreational fishing communities by contributing to the longer-term health of the red grouper stock.

The combination of Actions 1 and 2 would likely produce social benefits and increased opportunities for fishing for both the commercial and recreational sectors, as both sectors would see an increase in their ACL/ACT relative to current levels. **Preferred Alternative 2** is expected to produce greater benefits for the commercial sector by providing a larger increase to the quota (with greater landings and potentially more crew days), while providing comparatively more limited increases to the recreational sector. The revised commercial allocation, accompanied by the expected decrease in share price might benefit those who own few or no IFQ red grouper shares. Based on the most recent data available, 62% of shareholders are considered small shareholders and approximately 30% of IFQ accounts buy red grouper allocation without owning shares.

In Action 3, the social effects would likely be difficult to assess, but are limited to the recreational sector. **Preferred Alternative 2** would create additional fishing opportunities for recreational fishers during the closure that had previously been in place from February 1 through March 31. However, depending on fishery dynamics, fisher behaviors, and catch rates of red grouper, the increased access to the deep-water locations may necessitate the early closure of the recreational red grouper fishery. This would limit access to recreational fishers, if the ACT is reached and could have a negative social effect on the opportunities for the recreational sector that could be felt in Florida and coastal communities highly engaged in recreational red grouper fishing. However, as the recreational red grouper fishery has experienced summer closures from 2021-2024, a possible early closure of the fishery would likely have a limited negative social impact. Additionally, the social impacts of this alternative are difficult to fully determine, for there are no data on the extent to which current for-hire and private anglers comply with the existing time-area closure regulations.

Effects on Participants in the Fisheries Conducted in Adjacent Areas Under the Authority of another Fishery Management Council

The Gulf red grouper stock occurs only in the Gulf. Therefore, the actions of this amendment are not expected to impact fishery participants in areas adjacent to the Gulf, such as fisheries managed under the Caribbean and South Atlantic Fishery Management Councils' jurisdiction.

Effects on Safety at Sea

Preferred alternatives selected in each of the actions are not expected to provide incentives to alter commercial fishing behavior relative to safety. Gulf red grouper is managed under an IFQ program, under which fishermen are allotted a percentage of the quota each year that may be harvested at any time during the year. With increased harvest available, vessel operators are not expected to accept greater risk by fishing under adverse weather or ocean conditions to harvest the quota. Recreational fishing opportunities are expected to increase under Amendment 62, and thus recreational anglers are not expected to have additional incentives to fish under adverse weather or ocean conditions. Therefore, safety-at-sea issues are not expected to result for the recreational sector from this action.

CHAPTER 1. INTRODUCTION

1.1 Background

Amendment 62 to the Fishery Management Plan for the Reef Fish Resources of the Gulf (Reef Fish FMP) is being developed by the Gulf Council (Council) to address the results of the Southeast Data, Assessment, and Review (SEDAR) 88 (2025) stock assessment for Gulf of America (Gulf) red grouper and subsequent overfishing limit (OFL) and acceptable biological catch (ABC) recommendations from the Council's Scientific and Statistical Committee (SSC). Amendment 62 considers revising the red grouper allocation between the commercial and recreational sectors, the OFL, ABC, the total and sector annual catch limits (ACL), and sector annual catch targets (ACT). In addition, Amendment 62 considers eliminating the shallow-water grouper (SWG) February-March recreational closure in federal waters seaward of the 20-fathom boundary.

Recent Gulf Red Grouper Stock Assessments

SEDAR 61 was completed in September 2019 and concluded that red grouper in the Gulf was not overfished or undergoing overfishing, but the stock remained below the target spawning stock biomass (SSB). The assessment used updated recreational catch and effort data from the Marine Recreational Information Program (MRIP) Fishing Effort Survey (FES), which produced estimates of fishing effort that were higher than estimates from the previous survey, the Coastal Household Telephone Survey (CHTS).[2] Based on the results of SEDAR 61, the SSC recommended a reduction in the total allowable harvest. The Council developed Amendment 53 to the Reef Fish FMP to address the SSC's recommendations and to adjust the allocation between the commercial and recreational sectors based on the change in the recreational data used in the assessment.

In 2025, a new stock assessment was completed for red grouper (SEDAR 88) and reviewed by the SSC. As explained in more detail below, this assessment used updated recreational catch and effort data produced by the Florida State Reef Fish Survey (SRFS). To obtain complete estimates of recreational catch for stock assessment, SRFS private recreational landings and discard estimates have to be combined with charter for-hire catch informed by MRIP-FES, as well as headboat catch informed by the Southeast Region Headboat Survey (SRHS). Thus, when "SRFS" is referred to further in this document with respect to management of the red grouper stock and SEDAR 88, it encompasses all sources of data combined.

Based on its review of that assessment, the SSC determined that the stock was not overfished or undergoing overfishing and recommended increases to the OFL and ABC relative to the current

[2] More information on the history of recreational data collection and the transition from CHTS to FES can be found in Amendment 53 to the Reef Fish FMP (https://gulf-council-media.s3.amazonaws.com/uploads/2025/03/RF-AM-53-Red-Grouper_9_24_2021_Final.pdf)

harvest limits. The stock assessment results indicated an increase in the red grouper stock size relative to the previous assessment. The primary driver of this outcome was the increase in the estimated natural mortality of red grouper relative to the previous stock assessment. In SEDAR 88, the estimate for natural mortality (M) was updated using Hamel and Cope (2022)[3] and increased (from 0.14 to 0.186) based on the estimated maximum age of 29 years. The modification of M resulted in an estimated increase in spawning output (both historically and in the future), fraction of the unfished population estimate, and age-0 recruits relative to SEDAR 61 (2019). Management changes implemented in 2022 (GMFMC 2021), which lowered catch levels and favorable recruitment in recent years, likely also contributed to increased harvest recommendations in the current stock assessment. At its February 2025 meeting, the SSC concluded that the SEDAR 88 stock assessment base model, using an F_{MSY} proxy of $F_{40\%SPR}$, was consistent with the best scientific information available (BSIA) and suitable for informing fisheries management. The SSC acknowledged that red grouper exhibits a variety of biological considerations that need to be accounted for when recommending catch advice. For example, it undergoes ontogenetic spatial shifts from nearshore shallow habitats to offshore deep-water habitats; large females transition to male based on environmental and social cues that are not completely understood; and its propensity to create unique habitats in the benthic substrate and territorial behavior may generate a carrying capacity issue that limits available space for other red grouper. It is also unclear if this density-dependent compensatory recruitment response is released during red tide events, which may explain the stock's overall resilience to these episodic mortality events. Ultimately, the SSC determined that accounting for the complex life history of red grouper was most imperative when recommending the OFL. The SSC discussed catch advice recommendations and focused on whether the proposed increases in certain scenarios would be sustainable long-term, with focus on the life history characterization of red grouper. The SSC expressed concern that the model may be overcompensating for some model adjustment or combination of inputs, but also considered that output as a realized reflection of stock resilience to episodic mortality. The SSC recalled its past history of using the MSY proxy of $F_{40\%SPR}$ for hermaphroditic groupers like gag, scamp and yellowmouth grouper, and yellowedge grouper. Given that history of decision-making, the SSC concluded that an $F_{40\%SPR}$ as the proxy for F_{MSY} was appropriate. The SSC recommended that the Gulf red grouper OFL and ABC be set using $F_{40\%SPR}$ based on the SEDAR 88 base model projections and a constant catch scenario for the fishing years 2027 – 2029. This resulted in a recommended OFL of 11.28 million pounds gutted weight (mp gw) and ABC of 8.78 mp gw. A summary of the SRFS Run estimates relative to status determination criteria is shown in Table 1.1.1.

At its April 2025 meeting, the Council requested emergency action (on social and economic grounds) be initiated by the National Marine Fisheries Service (NMFS) to increase red grouper catch limits, based on the results of the SEDAR 88 stock assessment, beginning in the 2025 fishing season. In the catch projections reviewed by the SSC in February 2025, the 2025 and 2026 fishing years were modeled as interim years and informed by estimates of landings from previous years. To meet the needs of this request, the SSC met in May 2025 to review updated projections, which now begin in 2025 instead of 2027. The SSC reviewed revised projections

[3] https://www.sciencedirect.com/science/article/abs/pii/S0165783622002545

and recommended a revised OFL equal to 10.64 mp gw and an ABC equal to 8.28 mp gw. This OFL and ABC are the basis for the action alternatives in this amendment.

Table 1.1.1. Summary of stock status determination benchmarks and reference points for the Gulf red grouper stock assessment using an F_{MSY} proxy of $F_{40\%SPR}$ and recreational landings in SRFS. Spawning stock biomass (SSB) is in relative number of eggs.

Criteria	Definition	Value
Base M	Target M for fully selected ages in the Lorenzen (2000) scaling	0.186
Steepness	Steepness of the Beverton-Holt stock-recruit relationship	0.661
Unfished Recruitment (R0)	Unfished recruitment (1,000s)	44,927
Generation Time	Fecundity-weighted mean age	9.78
Unfished SSB (SSB_0)	Unfished spawning stock biomass (Relative number of eggs)	1,618,300
	Mortality Rate Criteria	
$F_{MSYproxy}$	Equilibrium F that achieves SPR40%	0.156
MFMT	$F_{MSYproxy}$	0.156
$F_{Current}$	Geometric mean of the last 3 years of the assessment (F2020-2022)	0.073
$F_{Current}$/MFMT	Current stock status based on MFMT	**0.473**
	Biomass Criteria	
$SSB_{MSYproxy}$	Equilibrium SSB at $F_{SPR40\%}$	504,435
MSST	0.5 * $SSB_{SPR40\%}$	252,218
$SSB_{Current}$	SSB in 2022	660,063
$SSB_{Current}/SSB_{FMSY\ proxy}$	Current stock status based on $SSB_{SPR40\%}$ (Equilibrium)	**1.31**
$SSB_{Current}$/MSST	Current stock status based on MSST	2.62
$SSB_{Current}$/SSB0	SSB ratio in 2022	0.41

Current Management and Landings

Recent landings of red grouper are shown in Table 1.1.2. Landings are shown by sector, with recreational landings shown in MRIP-FES units,[4] and SRFS units. Both MRIP-FES units and SRFS units are provided because the current sector allocations are based, in part, on historical landings in MRIP-FES units, and the Council is currently considering modifying sector allocations based, in part, on historical landings in SRFS units. The SEDAR 88 stock assessment used SRFS recreational data for private recreational vessels in the stock assessment and is the basis of catch limit recommendations in this document.

[4] Although MRIP-CHTS, MRIP-FES, and Florida SRFS generate estimates measured in pounds of fish, these estimates are not directly comparable, as described above. The references to "MRIP-CHTS units," "MRIP-FES units," and "SRFS units" signify that the estimates use different scales.

The SRFS and MRIP-FES informed catch estimates differ in how landings data in southwest Florida (i.e., Area D in the Western Keys [Figure 1.1.1.]) are attributed. Under the MRIP-FES program, this area is combined with Area E (Figure 1.1.1) and these landings have historically been attributed to the South Atlantic Fishery Management Council's (South Atlantic Council) jurisdiction. Under the SRFS program, Areas D and E are split to provide additional geographic resolution and the landings in Area D are now attributed to the Gulf. Headboat landings in Area D have historically been attributed to the Gulf and this practice continues. Likewise, the federal charter for-hire landings in this area will continue to be combined with Area E and attributed to the South Atlantic Council's jurisdiction. Recreational shore landings are not included in the SEDAR 88 stock assessment, as red grouper is rarely ever caught from shore. A summary of this information is provided in Table 1.1.3.

Commercial red grouper landings have ranged from about 2.04 (2019) to 7.27 (1989) mp gw between 1986 and 2021. Commercial landings since implementation of the individual fishing quota (IFQ) program peaked at 5.6 mp gw in 2014, and landings have decreased since. Recreational landings (in SRFS) peaked at nearly 5.3 mp gw in 2004 and have been in the range of 0.9 to 2.6 mp gw since 2014. Importantly, no recreational shore mode landings are included for red grouper in either the SEDAR 88 stock assessment or the landings in Table 1.1.2, because red grouper are rarely landed from shore.

Table 1.1.2. Commercial and recreational landings (in SRFS and MRIP-FES) for red grouper in pounds gutted weight (gw). Note: SRFS estimates prior to 2015 were calibrated to MRIP-FES.

Year	Commercial	Commercial ACT	MRIP-FES (units corresponding to ACL in parentheses*)	Recreational ACL*	SRFS
1986	6,285,679		3,348,897		2,315,259
1987	6,623,879		2,495,130		1,718,827
1988	4,608,010		4,652,818		3,094,220
1989	7,448,163		7,632,792		4,995,344
1990	4,761,530		3,565,320		2,480,918
1991	5,053,153		3,755,576		2,513,832
1992	4,441,443		6,046,978		4,098,128
1993	6,303,122		4,057,934		2,670,678
1994	4,865,022		3,827,267		2,576,400
1995	4,641,651		3,496,544		2,459,489
1996	4,324,410		910,313		673,218
1997	4,665,224		1,142,958		792,785
1998	3,702,575		1,513,890		1,046,353
1999	5,796,389		3,428,553		2,294,324
2000	5,684,097		4,242,231		3,019,957
2001	5,717,869		2,435,456		1,687,590
2002	5,759,433		3,172,348		2,131,719
2003	4,816,186		2,201,496		1,517,625
2004	5,634,787		7,983,239		5,310,661
2005	5,376,768		3,081,979		2,181,098
2006	4,980,916		2,655,065		1,799,940
2007	3,582,409		2,031,867		1,359,322
2008	4,710,801		1,604,398		1,144,493
2009	3,691,124		1,600,063		1,102,783
2010	2,910,970	5,750,000	1,963,762 (635,680)	1,850,000	1,381,781
2011	4,783,668	5,230,000	1,534,113 (643,745)	1,850,000	1,081,370
2012	5,219,133	5,370,000	4,131,722 (1,752,930)	1,900,000	2,877,227
2013	4,599,001	5,530,000	4,990,302 (2,377,111)	1,900,000	3,503,521
2014	5,601,144	5,630,000	5,368,575 (1,600,475)	1,900,000	3,657,396
2015	4,797,159	5,720,000	3,790,614 (1,847,573)	1,900,000	2,620,244
2016	4,497,582	7,780,000	2,632,907 (1,403,236)	2,580,000	1,420,229
2017	3,328,271	7,780,000	1,692,513 (807,085)	2,580,000	946,297
2018	2,363,280	7,780,000	2,053,526 (872,045)	2,580,000	1,211,311
2019	2,037,046	3,000,000	1,638,076 (764,985)	1,000,000	1,108,513
2020	2,368,322	3,000,000	2,078,904 (775,929)	1,000,000	1,731,927
2021	2,950,691	3,000,000	2,293,964 (1,717,615)	1,000,000	2,471,683
2022	2,428,938	3,000,000	2,719,962	2,020,000	1,494,375
2023	2,498,024	2,790,000	2,525,327	2,020,000	1,480,511
2024	2,527,545	2,790,000	2,266,650	2,020,000	1,115,588

Source: Commercial landings from SEFSC Commercial ACL Data (March 2025) and SERO Catch Share Database (March 2025); recreational landings from SEFSC Recreational MRIP-FES ACL File, FWC SRFS (September 2025) and SEDAR 88 WP-17, SRFS Calibrated Time Series. *The recreational ACL is in Marine Recreational Fisheries Statistics Survey (MRFSS) units from 2010-2015, is in MRIP units from 2016-2021, and is in MRIP-FES units from 2022-2024. Landings in the same units as the corresponding catch limit are shown in parenthesis.

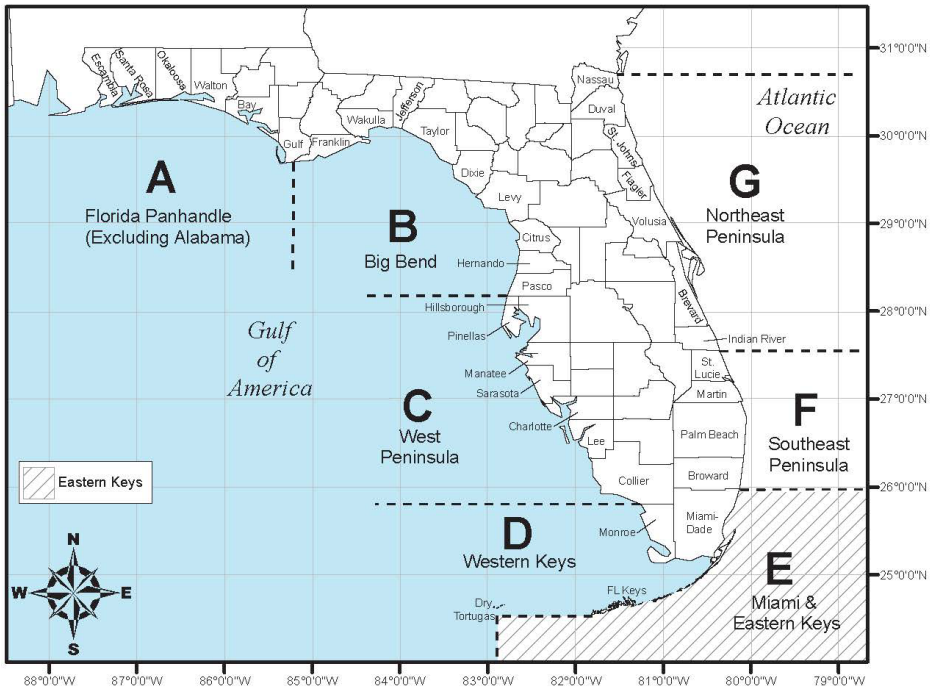


Figure 1.1.1. Map of survey areas used by Florida's SRFS program used to survey the offshore private recreational component of red grouper catch and effort.

Table 1.1.3. A description of how the recreational landings from southwest Florida (i.e., Area D) are attributed to the Gulf and South Atlantic Councils.

Mode	Survey	Council
Offshore private vessel	SRFS	Gulf
Federal charter for-hire	MRIP	South Atlantic
Headboat	SRHS	Gulf

Red Grouper Sector Allocations

The current allocation between the commercial and recreational sector of 59.3% and 40.7% was set in Amendment 53 to the Reef Fish FMP (GMFMC 2021) that was implemented in 2022. For grouper species in aggregate, an initial allocation between the commercial and recreational sectors was established in 1990 through Amendment 1 to the Reef Fish FMP (GMFMC 1989). The amendment specified a framework procedure for setting the total allowable catch (TAC) to allow for annual management changes. A part of that specification was to establish species' allocations, which were based on the percentage of total landings during the reference period of 1979-1987. For grouper in aggregate, the commercial sector landed 65% and the recreational sector landed 35% over the reference period.

Noting that allocation procedures should be regularly reviewed, the Council examined the red grouper allocation in 2007. Because grouper was not identified to the species level in commercial landings until 1986, the new red grouper allocation was based on the percentage of average red grouper landings from 1986 through 2005. This resulted in a 76% commercial: 24% recreational allocation, which was set in Amendment 30B to the Reef Fish FMP (GMFMC 2008a). This was considered an interim allocation that would be in effect until the Council could implement a separate amendment to allocate grouper resources between recreational and commercial sectors. The Council established the Ad Hoc Allocation Committee composed of Council members to assist in drafting an allocation policy that would streamline future allocation decisions. The Council's allocation policy was adopted in early 2009 and provided principles, guidelines, and suggested methods for allocating fisheries resources between or within sectors.[5] In February 2012, NMFS released a technical memorandum on the principles and practice of allocating fishery harvests, which provides additional guidance to the Council (Plummer et al. 2012). Additionally, NMFS and the Council Coordination Committee released further guidance through an Allocation Review Policy (01-119)[6] and two procedural directives (01-119-01 and 01-119-02[7]) in 2016. These documents were developed to provide relevant information for allocation decision-making, as well as what factors should be considered. In April 2019, the Council selected time-based criteria as its primary allocation review trigger bolstered by general monitoring of indicators for reallocation justification through the Council's general deliberative process including public input channels as a secondary trigger.[8] In addition, the policy notes that the Council may initiate supplementary allocation reviews at any time; for example, when new information, e.g., data recalibration, is made available.

The review of the recreational and commercial allocations of red grouper has a time interval of seven years and was originally scheduled for April 2026. However, in response to a change in recreational data used in SEDAR 61, the Council conducted an allocation review through the development of Amendment 53 to the Reef Fish FMP (GMFMC 2021), which allocated 59.3% of the stock ACL to the commercial sector, and 40.7% of the stock ACL to the recreational sector. This allocation was based on the same years used to specify the allocation in Amendment 30B to the Reef Fish FMP (GMFMC 2008a) but with the updated recreational landings estimates in MRIP-FES units.

In 2024, the Council revised its allocation review time triggers, setting the red grouper review for 2029.[9] However, the results of a new stock assessment, SEDAR 88, are now available. As previously explained above, SEDAR 88 uses new recreational data. Therefore, the Council has

[5] The Council's allocation policy is located at https://gulfcouncil.org/uploads/2025/02/GMFMC-SOPPs-Fishery-Allocation-Policy.pdf.
[6] Allocation Review Policy 01-119 is located at https://media.fisheries.noaa.gov/dam-migration/01-119.pdf
[7] Procedural Directive 01-119-01 is located at https://gulfcouncil.org/uploads/2025/02/Allocation-Trigger-01-119-01.pdf; Procedural Directive 01-119-02 is located at https://gulfcouncil.org/uploads/2025/02/Allocation-Factors-01-119-02.pdf.
[8] Initial letter is located at https://gulfcouncil.org/uploads/2025/02/Allocation-Review-Policy.pdf.
[9] This updated schedule is located at https://gulfcouncil.org/uploads/2025/02/7178-Updated-Allocation-Review-Schedule.pdf

determined that it is appropriate to conduct another allocation review through the development of this amendment.

Commercial Sector

Commercial harvest of red grouper has been managed under an IFQ program since 2010 (GMFMC 2008a). Anyone commercially fishing for red grouper must possess a commercial reef fish permit and red grouper allocation under the IFQ program. IFQ allocation is determined at the beginning of each calendar year by multiplying a shareholder's IFQ red grouper share (represented as a percentage of the total commercial quota) multiplied by the commercial quota for red grouper. IFQ allocation may be transferred among eligible IFQ participants. The IFQ allocation may be increased during a calendar year but may not be decreased as allocation is initially distributed. The commercial ACT, or quota, is set at 5% below the ACL. The difference between the commercial ACL and quota allows for multi-use allocation, as described below. The IFQ program acts as the accountability measure (AM) for the commercial red grouper portion of the reef fish fishery.

Red grouper Multi-use Allocation

At the time the commercial quota for red grouper is distributed to IFQ shareholders, a percentage of each shareholder's initial red grouper allocation is converted to red grouper multi-use allocation. This percentage is determined by a formula based on the red grouper and gag ACLs and quotas each year (See Section 2.1). Red grouper multi-use allocation may be used to possess, land, or sell either red grouper or gag under certain conditions. Red grouper multi-use allocation can only be used to possess, land, or sell red grouper after an IFQ account holder's (shareholder or associated vessel accounts) red grouper allocation has been landed and sold, or transferred; and to possess, land, or sell gag, only after both gag and gag multi-use allocation have been landed and sold, or transferred from all the IFQ account holder's accounts. However, if gag is under a rebuilding plan, the percentage of red grouper multi-use allocation is equal to zero. Gag is currently under a rebuilding plan, and thus red grouper multi-use allocation is currently set to zero.

Gag Multi-use Allocation

At the time the commercial quota for gag is distributed to IFQ shareholders, a percentage of each shareholder's initial gag allocation is converted to gag multi-use allocation. This percentage is determined by a formula based on the gag and red grouper ACLs and quotas in a given year (See Section 2.1). Gag multi-use allocation may be used to possess, land, or sell either gag or red grouper under certain conditions. Gag multi-use allocation can only be used to possess, land, or sell gag after an IFQ account holder's (shareholder or associated vessel accounts) gag allocation has been landed and sold, or transferred; and to possess, land, or sell red grouper, only after both red grouper and red grouper multi-use allocation have been landed and sold, or transferred from all the IFQ account holder's accounts. However, if red grouper is under a rebuilding plan, the percentage of gag multi-use allocation is equal to zero. Based on the results of the SEDAR 88 stock assessment, landing red grouper would be permissible in the gag multi-use allocation share category.

Recreational Sector

Both in-season and post-season AMs apply to harvest by the recreational sector. The in-season AM for red grouper requires NMFS to close the recreational sector when red grouper landings reach, or are projected to reach, the recreational ACL. If landings exceed the red grouper ACL in a fishing year, the post-season AM requires NMFS to shorten the duration of the following fishing year by the amount necessary to ensure landings do not exceed the ACT, unless NMFS determines that managing to the ACT in the following year is unnecessary. If red grouper is overfished and landings exceed the sector ACL, the ACL and ACT must be reduced in the following year by the amount of the previous year's overage.

Since 2010, the recreational sector season triggered the in-season closure AM due to a NMFS projection that the recreational ACL was reached or was projected to be reached (2014, 2015, 2021, 2022, 2023, and 2024). In four of those years, the recreational ACL was still exceeded, resulting in implementation of the post-season AM in the following year (2021, 2022, 2023, and 2024[10]) to shorten the red grouper season as required.

In addition, recreational harvest of red grouper is prohibited seaward of the 20-fathom depth contour in the Gulf from February 1 through March 31 each year[11]. This time-area closure was developed in Amendment 30B (GMFMC 2008a) and implemented in 2009 as a conservation measure for SWG species (gag, red, black, scamp, yellowfin, and yellowmouth groupers) during the spring spawning season. However, after 2025 and due to other regulatory changes for grouper species, only red grouper is expected to remain open to recreational harvest during this period. Recreational harvest of gag is already restricted until September 1 and closes when the recreational catch limit has been met. The remaining species are managed under the Other SWG complex. The Council recently transmitted a framework action (GFMC 2025) to modify management measures for the Other SWG complex, including the establishment of a recreational fixed closed season that prohibits recreational harvest from January 1 through June 30. The Council has received public input that the 20-fathom closure has limited conservation benefit and imposes a burden on recreational anglers. As a result, the Council is considering eliminating this time-area closure in this document.

Florida Gulf Reef Fish Survey (GRFS)/State Reef Fish Survey (SRFS)

In 2015, the State of Florida formally created GRFS to monitor private angling landings and discards of red snapper, red grouper, and several other species harvested in state and federal waters in the Gulf. In 2020, that survey was expanded statewide and renamed SRFS, and additional species were added.[12] SRFS was created to be compatible with MRIP-CHTS; however, calibrated historical landings for SRFS are somewhat larger for private recreational

[10] Although a closure was triggered for the 2025 fishing year due to an overage of the recreational ACL in 2024, NMFS implemented an emergency rule (90 FR 37804) that obviated the need for this closure.
[11] This closure occurs in the portion of the Gulf EEZ seaward of coordinates defined in the federal regulations at paragraph (d) of § 622.34, Seasonal and area closures designed to protect Gulf reef fish.
[12] https://myfwc.com/research/saltwater/fishstats/srfs/program/

anglers than that estimated by MRIP-CHTS, but lower than estimated by MRIP-FES. SRFS reports landings and discards monthly in numbers, with a conversion to weight based on that used by MRIP. SRFS uses a combination of dockside intercepts from SRFS and the Access Point Angler Intercept Survey to estimate catch-per-unit-effort from private recreational vessels. SRFS/GRFS has only been running since 2015, so the time series of private recreational landings/discards used in SEDAR 88 and in this report are MRIP-FES landings/discards converted to SRFS currency based on a ratio calculated using overlapping years of the two surveys (2015-2019) (Cross et al. 2020).

Litigation Challenging Amendment 53 to the Reef Fish FMP

On May 6, 2022, three commercial fishing organizations filed suit in federal court in the District of Columbia, challenging the final rule that implemented Amendment 53 to the Reef Fish FMP. The complaint included claims that the change in the commercial-recreational allocation violated several of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) National Standards (NS), including NS 4 and NS 9, and that NMFS violated the Administrative Procedure Act by relying on an economic analysis that NMFS previously indicated was inappropriate. The district court rejected all of these claims and granted summary judgment to NMFS. *See A.P. Bell Fish Co., et al. v. Raimondo et al.*, No22-cv-1260, 2023 WL 6159985 (D.D.C. Sept. 21, 2023). However, on March 1, 2024, the United States Court of Appeals for the District of Columbia Circuit affirmed in part and reversed in part the district court's decision and remanded to NMFS without vacating the Amendment 53 final rule. *A.P. Bell Fish Co., et al. v. Raimondo et al.,* 94 F.4th 60 (D.C. Cir. 2024). Of relevance, the court reversed the lower court's grant of summary judgment to NMFS on the claims related to the economic analysis and compliance with Magnuson-Stevens Act NS 4 and NS 9 and remanded to the agency to provide further explanation. *Id.* at 67. In response to the remand order, Appendix F provides further information on the economic analyses included in Amendment 53, as well NMFS's determinations on NS 4 and NS 9.

1.2 Purpose and Need

The purpose of this action is to modify the catch limits and sector allocations of Gulf red grouper based on the SEDAR 88 stock assessment and through use of private recreational landings data from SRFS, and to consider eliminating the recreational closed season for shallow-water grouper in federal waters seaward of the 20-fathom boundary.

The need for this action is to consider new stock assessment advice and SRFS landings data that allow increases in catch limits and fair and equitable modifications in allocations, thereby providing economic benefits to the commercial Gulf red grouper sector and additional fishing opportunities to the recreational Gulf red grouper sector. Due to the healthy state of the red grouper stock and other ongoing management changes to SWG species, the seasonal closure for the recreational sector has limited conservation value and can be eliminated to alleviate overly burdensome restrictions on recreational anglers.

1.3 History of Management

The following summary describes management actions that affect the management of red grouper in the Reef Fish FMP. More information on the Reef Fish FMP can be obtained from the Council.[13] A history of red grouper management through 2019 is presented in Amendment 53 to the Reef Fish FMP.[14]

Amendment 1, implemented in January 1990, set a 20-inch total length (TL) minimum size limit on red grouper; set a five-grouper recreational daily bag limit; set an 11.0 mp whole weight (ww) commercial quota for grouper, with the commercial quota divided into a 9.2 mp ww SWG quota and a 1.8 mp ww deep-water grouper quota; and defined SWG as black grouper, gag, red grouper, Nassau grouper, yellowfin grouper, yellowmouth grouper, rock hind, red hind, speckled hind, and scamp; and defined deep-water grouper as misty grouper, snowy grouper, warsaw grouper, and yellowedge grouper. The amendment also allowed a two-day possession limit for charter vessels and headboats on trips that extended beyond 24 hours, provided the vessel has two licensed operators aboard as required by the United States Coast Guard, and each passenger can provide a receipt to verify the length of the trip. In addition, the amendment limited fishermen fishing under a bag limit to a single day limit; established a longline and buoy gear boundary at the 50-fathom depth contour west of Cape San Blas, Florida, and the 20-fathom depth contour east of Cape San Blas, inshore of which the directed harvest of reef fish with longlines and buoy gear was prohibited, and limited the retention of reef fish captured incidentally in other longline operations (e.g., shark) to the recreational daily bag limit; limited trawl vessels to the recreational size and daily bag limits of reef fish; established fish trap permits, allowing a maximum of 100 fish traps per permit holder; prohibited the use of entangling nets for directed harvest of reef fish; limited retention of reef fish caught in entangling nets for other fisheries to the recreational daily bag limit; established the fishing year to be January 1 through December 31; and established a commercial reef fish vessel permit (GMFMC 1989).

Amendment 30B, implemented in May 2009, set an interim allocation of red grouper between the recreational and commercial sectors; made adjustments to the red grouper TAC; established ACLs and AMs for the commercial and recreational red grouper sectors and the commercial aggregate SWG fishery; adjusted recreational grouper bag limits and seasons, including a recreational closed season for SWG from February 1 through March 31; adjusted commercial grouper quotas; reduced the red grouper commercial minimum size limit; replaced the one-month commercial grouper closed season with a four-month seasonal area closure at the Edges; eliminated the end date for Madison-Swanson and Steamboat Lumps marine protected areas; and required that vessels with a federal charter vessel/headboat permit for Gulf reef fish must comply with the more restrictive of state or federal reef fish regulations when fishing in state waters (GMFMC 2008a).

[13] http://www.gulfcouncil.org/fishery_management_plans/index.php.
[14] https://gulfcouncil.org/wp-content/uploads/B-5d-RF-AM-53-Red-Grouper_6_16_2021.pdf

Amendment 29, implemented in January 2010, established an IFQ program for the commercial harvest of grouper and tilefish species in the reef fish fishery (GMFMC 2008b).

Generic ACL/AM Amendment, largely implemented in January 2012 with other elements implemented later in the same year, established in-season and post-season AMs for all stocks that did not already have such measures defined. The AM states that if an ACL is exceeded, in subsequent years an in-season AM will be implemented that will close all shallow-water grouper fishing when the ACL is reached or projected to be reached (GMFMC 2011a).

Amendment 32, implemented in March 2012, set the red grouper commercial ACL at 6.03 mp gw and the recreational ACL at 1.90 mp gw; modified grouper IFQ multi-use allocations; added an overage adjustment and in-season measures to the red grouper recreational AMs to avoid exceeding the ACL; and added an AM for the red grouper bag limit that would reduce the four red grouper bag limit in the future to three red grouper, and then to two red grouper, if the red grouper recreational ACL is exceeded (GMFMC 2011b).

A **December 2012 framework action**, implemented in 2013, modified the February 1 through March 31 recreational closed season on shallow-water grouper in federal waters to eliminate the closure in federal waters shoreward of the 20-fathom boundary.

An **emergency rule**, implemented in May 2019, reduced the red grouper commercial and recreational ACLs and ACTs consistent with a stock ACL of 4.16 mp gw, to provide a temporary reduction in harvest levels while a framework action was developed to reduce catch limits on a long-term basis. The commercial ACL is 3.16 mp gw; the commercial quota is 3.00 mp gw. The recreational ACL is 1.00 mp gw; the recreational ACT is 0.92 mp gw (NMFS 2019).

An **April 2019 framework action**, implemented in October 2019, reduced the catch limits for red grouper consistent with the May 2019 emergency rule (GMFMC 2019).

Amendment 53, implemented in June 2022, modified the commercial and recreational sector allocations of red grouper to 59.3% and 40.7%, respectively, based on landings from 1986-2005 in MRIP-FES units. It set the OFL at 4.66 mp gw, the ABC at 4.26 mp gw, and the total ACL at 4.26 mp gw. The commercial ACL is 2.53 mp gw; the recreational ACL is 1.73 mp gw. The commercial ACL/ACT buffer was retained at 5%; the recreational ACL/ACT buffer increased from 8% to 9%. The commercial ACT is 2.40 mp gw; the recreational ACT is 1.57 mp gw (GMFMC 2021).

A **November 2021 framework action**, implemented in August 2022, increased red grouper catch limits based on a new mean weight adjustment methodology for recreationally caught grouper. The new OFL was set at 5.99 mp gw, the ABC at 4.96 mp gw, the stock ACL at 4.96 mp gw, the commercial ACL/ACT at 2.94/2.79 mp gw, and the recreational ACL/ACT at 2.02/1.84 mp gw.

An **emergency rule**, implemented in August 2025, increased the red grouper OFL to 10.64 mp gw, ABC to 8.28 mp gw, and the stock ACL to 7.45 mp gw, which is 90% of the ABC. The

commercial ACL and quota are 4.42 mp gw and 4.20 mp gw, respectively, and the commercial ACL and ACT are 3.03 mp gw and 2.76 mp gw, respectively (NOAA 2025).

CHAPTER 2. MANAGEMENT ALTERNATIVES

2.1 Action 1: Modification of Gulf of America (Gulf) Red Grouper Maximum Sustainable Yield (MSY) Proxy, Overfishing Limit (OFL), Acceptable Biological Catch (ABC), and Total Annual Catch Limit (ACL)

Alternative 1: No Action. Maintain the current MSY proxy, OFL, ABC, and total ACL for red grouper. The MSY proxy for red grouper is the yield when fishing at a 30% spawning potential ratio ($F_{30\%SPR}$). The total ACL is set equal to the ABC. The OFL, ABC, and total ACL in millions of pounds (mp) gutted weight (gw) are calculated using, in part, recreational landings data from the Marine Recreational Information Program's Fishing Effort Survey (MRIP-FES), and are as follows:

OFL	5.99 mp gw
ABC	4.96 mp gw
Total ACL	4.96 mp gw

Alternative 2: Revise the MSY proxy and catch limits for red grouper based on the results of Southeast Data, Assessment, and Review (SEDAR) 88, and recommendations of the Gulf Council's (Council) Scientific and Statistical Committee (SSC) using a three-year constant-catch scenario. The OFL and ABC for red grouper would be set based on an MSY proxy of the yield when fishing at $F_{40\%SPR}$, and the yield when fishing at 75% of the F_{MSY} proxy, respectively. The OFL and ABC are derived, in part, using the State of Florida's State Reef Fish Survey (SRFS) data for private recreational vessels. The total ACL is set equal to the ABC. The OFL, ABC, and total ACL in mp gw are as follows:

OFL	10.64 mp gw
ABC	8.28 mp gw
Total ACL	8.28 mp gw

Preferred Alternative 3: Revise the MSY proxy and catch limits for red grouper based on the results of SEDAR 88, and recommendations of the Council's SSC using a three-year constant-catch scenario. The OFL and ABC for red grouper would be set based on an MSY proxy of the yield when fishing at $F_{40\%SPR}$, and the yield when fishing at 75% of the F_{MSY} proxy, respectively. The OFL and ABC are derived, in part, using SRFS data for private recreational vessels. The total ACL is set at 80% of the ABC in 2026, 90% of the ABC in 2027, and 100% of the ABC in 2028 and subsequent years. The OFL, ABC, and total ACL in mp gw are as follows:

OFL	10.64 mp gw
ABC	8.28 mp gw
Total ACL (in 2026)	6.62 mp gw
Total ACL (in 2027)	7.45 mp gw
Total ACL (in 2028+)	8.28 mp gw

Note: *Alternative 1 is not a viable alternative because the catch limits were set using Marine Recreational Information Program-Fishing Effort Survey (MRIP-FES) recreational data, and SRFS recreational data are recognized as consistent with the best scientific information available for red grouper.*

Discussion:

Gulf red grouper was assessed in SEDAR 88 (2025), using data through 2022, and was estimated to be healthy as of that terminal year of data after review by the SSC. The SSC evaluated the red grouper stock assessment and found the analyses to be consistent with the best scientific information available at its February 2025 meeting. At its May 2025 meeting, the SSC recommended that the OFL and ABC for red grouper for 2025 – 2027 and subsequent years be 10.64 mp gw and 8.28 mp gw, respectively. As part of its discussions, the SSC evaluated the MSY proxy for red grouper, considerate of its life history characteristics. Red grouper is a protogynous hermaphrodite, in that it is born female and can change sex to male later in life. Consistent with the guidance provided by Harford et al. (2019), especially for species which change sex, and considerate of red grouper's historically demonstrated vulnerability to red tide mortality (SEDAR 88 2025), the SSC recommended a revision to the MSY proxy for red grouper. The current proxy value is the yield when fishing at $F_{30\%SPR}$, which, based on the aforementioned guidance, the SSC thought could result in too high a likelihood of overharvest when combined with other factors like hermaphroditism and episodic red tide mortality. To better ensure the continued biological health of the fishery, the SSC recommended increasing the proxy used to the yield when fishing at $F_{40\%SPR}$, which would be expected to result in a more robust spawning stock biomass over time.

Alternative 1 (No Action) would maintain the current MSY proxy of $F_{30\%SPR}$, which corresponds to the current OFL of 5.99 mp gw and ABC of 4.96 mp gw as established in the November 2021 Framework Action under the Fishery Management Plan for the Reef Fish Resources of the Gulf (Reef Fish FMP; GMFMC 2022). These current catch limits were informed by the 2021 Interim Analysis for red grouper and used MRIP-FES data for private recreational vessel landings. The Council is responsible for determining the MSY proxy to be used in calculating catch limits; however, **Alternative 1** is not a viable alternative because it is no longer consistent with the best scientific information available.

Alternative 2 would modify the MSY proxy to be the yield when fishing at $F_{40\%SPR}$ and increases the OFL and ABC to 10.64 and 8.28 mp gw, respectively, for 2026 and subsequent years. Like **Alternative 1**, **Alternative 2** sets the total ACL equal to the ABC as approved by the SSC at its May 2025 meeting, which is consistent with Council practice for healthy fish stocks. Further, catch limits under **Alternative 2** are inclusive of SRFS data for private recreational vessels, as opposed to MRIP-FES data in **Alternative 1**. SRFS data were found to be more precise and a better representation of catch and effort for this recreational fleet for red grouper during the SSC's review of SEDAR 88.

Preferred Alternative 3 would also modify the MSY proxy to be the yield when fishing at $F_{40\%SPR}$ and increase the OFL and ABC to 10.64 mp gw and 8.28 mp gw relative to **Alternative 1**. However, **Preferred Alternative 3** provides a more conservative approach to management

compared to **Alternative 2**, as the total ACL would be set at a percentage of the ABC which would start at 80% in 2026 and increase by 10% of the ABC each year until it reaches 100% of the ABC in 2028. **Preferred Alternative 3** was proposed to provide a more conservative option given the large increase in catch limits that were indicated as sustainable under SEDAR 88 compared to **Alternative 1**, especially given concern voiced from some Council members and members of the public at the April 2025 Council meeting about the sustainability of the SEDAR 88 indicated harvest limits. Substantial increases to allowable and realized catch are expected for red grouper under **Alternative 2** and **Preferred Alternative 3**, compared to **Alternative 1**.

Alternative 2 would result in the highest increase in catch limits in 2026 and 2027, as the "phased-in" approach used in **Preferred Alternative 3** would start with a lower total ACL, and gradually increase that until it equals the total ACL in **Alternative 2** and the ABC in 2028. Because red grouper is managed by sector, the sector-specific effects of **Alternative 2** and **Preferred Alternative 3** are more appropriately addressed with sector allocations and sector ACLs and allowable catch targets (ACT) in Section 2.2.

Council Conclusions:

The Council recognized the recommendations of the SSC on the MSY proxy and catch advice following its review of SEDAR 88. The resulting OFL and ABC values are identical in **Alternative 2** and **Preferred Alternative 3**. However, the Council expressed caution with such a large increase in total ACL in one year (**Alternative 2**) and determined a conservative phase-in approach to increasing the total ACL (**Preferred Alternative 3**) would be appropriate, as the SSC receives an annual interim analysis for red grouper and could notify the Council if the increases to the total ACL were no longer warranted.

2.2 Action 2: Modification of Gulf Red Grouper Sector Allocations and Sector ACLs

Alternative 1: No Action. As established in Amendment 53 to the Reef Fish FMP (GMFMC 2021), the commercial sector would be allocated 59.3% of the total ACL; the recreational sector would be allocated 40.7% of the total ACL. These sector allocations of the total ACL are based on the average landings using FES-adjusted MRIP-FES data during the years 1986 through 2005, based on the Southeast Fisheries Science Center (SEFSC) ACL monitoring datasets. The commercial buffer between the ACL and ACT (quota) is 5%; the recreational buffer is 9%.

Preferred Alternative 2: Revise the sector allocations of the total ACL between the recreational and commercial sectors as the average landings using SRFS data during the years 1986 through 2005. The allocations for red grouper are 68.2% commercial and 31.8% recreational. The commercial buffer between the ACL and ACT is 5%; the recreational buffer is 9%.

Alternative 3: Revise the sector allocations of the total ACL between the recreational and commercial sectors as the average landings using SRFS data during the years 1986 through 2009. The allocations for red grouper are 69.2% commercial and 30.8% recreational. The commercial buffer between the ACL and ACT is 5%; the recreational buffer is 9%.

Alternative 4: Revise the sector allocations of the total ACL between the recreational and commercial sectors as the average landings using SRFS data during the years 1986 through 2024, excluding 2020. The allocations for red grouper are 68.1% commercial and 31.9% recreational. The commercial buffer between the ACL and ACT is 5%; the recreational buffer is 9%.

Discussion:

Alternative 1 (No Action) would maintain the sector allocations established in Amendment 53 (GMFMC 2021), with commercial and recreational allocation of the red grouper total ACL divided 59.3% and 40.7%, respectively, as apportioned using MRIP-FES data from the reference period. **Alternative 1** maintains the same reference period of landings (1986 – 2005) as in the initial interim allocation established in Amendment 30B to the Reef Fish FMP (GMFMC 2008a) and Amendment 53 (GMFMC 2021). Amendment 53 modified the interim allocation based on the use of MRIP-FES informed recreational data that increased estimates of historical recreational landings and thus increased the 24% recreational interim allocation to 40.7% in Amendment 53 (GMFMC 2021). The use of MRIP-FES also increased the estimates of future recreational catch and effort. The intent of the Amendment 53 allocation change was to maintain historical fishing practices, while recognizing that maintaining the 76% commercial and 24% recreational allocation with the use of a new recreational dataset would result in a *de facto* reallocation to the commercial sector (GMFMC 2021). The change from MRIP-FES to SRFS informed recreational data in this action would result in a similar pattern, albeit in the opposite direction. Red grouper recreational landings and effort estimates from SRFS are lower than those produced by MRIP-FES. Thus, continuing with the current allocation without accounting for the decrease in estimated catch and effort associated with the change to SRFS from MRIP-

FES would result in a *de facto* reallocation to the recreational sector. The action alternatives consider increases to the commercial allocation and a reduction in the recreational allocation to balance the changes with differing catch estimates between SRFS and MRIP-FES. Consistent with previous allocation considerations by the Council, alternatives also consider various reference periods to inform landings and the resulting allocations.

All four alternatives include a 9% buffer between the recreational ACL and ACT which was calculated using the Council's ACL/ACT Control Rule following SEDAR 61 in 2019; the 5% buffer between the commercial ACL and ACT was set to account for the gag multi-use allocation of the individual fishing quota (IFQ) program. The Council is not considering changes to the 9% buffer because recent recreational overages are expected to be mitigated by the use of more precise SRFS data to monitor recreational landings and a substantial increase in the recreational ACL.

Preferred Alternative 2 and **Alternatives 3** and **4** reflect recreational landings estimated using SRFS landings data. **Preferred Alternative 2** would base the commercial and recreational sector allocations of red grouper on landings from the same timeframe as used in setting previous allocations through Amendment 30B (GMFMC 2008a) and current allocations through Amendment 53 (GMFMC 2021) but would replace MRIP-FES-informed recreational data with SRFS-informed recreational landings data. The resulting allocations are 68.2% commercial and 31.8% recreational.

Alternative 3 would base the commercial and recreational sector allocations on landings from 1986 through 2009 (Table 1.1.2), ending the time series upon implementation of the commercial grouper-tilefish IFQ program in 2010, which includes management of red grouper (GMFMC 2008b). The resulting allocations are 69.2% commercial and 30.8% recreational. The commercial IFQ program was implemented and limited commercial harvest to the commercial quota. The recreational sector is more variable both in the estimation of the landings and the effectiveness of the various seasons, size, and bag limits used to constrain harvest. **Alternative 3** does not include post-IFQ implementation years, as a result of these potential biases. However, by not including these post-IFQ implementation years, **Alternative 3** may not capture more recent dynamics of the reef fish fishery such as increased participation by the recreational sector over time. As a result, **Alternative 3** results in the smallest proportional allocation to the recreational sector of all the alternatives considered.

Alternative 4 would base the commercial and recreational allocations on landings from 1986 through 2024, excluding 2020. The resulting allocations are 68.1% commercial and 31.9% recreational. **Alternative 4** incorporates the longest time period of landings currently available (Table 1.1.2) while omitting 2020 from consideration as the fishery dynamics for both sectors were likely affected by the COVID-19 pandemic. **Alternative 4** may better capture the recent dynamics of the fishery than **Preferred Alternative 2** and **Alternatives 1** and **3**. While recreational harvest exceeding its ACL four times since 2010 coupled with commercial harvest being constrained to the commercial ACL could potentially affect the resulting sector allocation calculations in **Alternative 4**, both sectors' landings trended fairly similarly from 2010, and the four years of recreational landings overages were offset by recreational landings underages in other years. As a result, the various time series under consideration in **Preferred Alternative 2**

and **Alternatives 3** and **4** result in relatively small differences in sector allocations (at most, 1.1%).

The resulting sector ACLs, commercial quotas, and recreational ACTs for the alternatives in Action 2, when paired with Action 1 Alternative 2, are shown in Table 2.2.1. The resulting total ACLs, sector ACLs, commercial quotas, and recreational ACTs, when paired with Action 1 Preferred Alternative 3, are shown in Table 2.2.2.

Table 2.2.1. Total ACL, sector ACLs, commercial quotas and recreational ACTs resulting from Action 1 Alternative 2.

Action 2 Alternative	Total ACL (mp gw)	Commercial ACL/Quota (mp gw)	Rec ACL/ACT (mp gw)
Alt 1	8.28	4.91/4.66	3.37/3.07
Preferred Alt 2	8.28	5.65/5.37	2.63/2.39
Alt 3	8.28	5.73/5.44	2.55/2.32
Alt 4	8.28	5.64/5.36	2.64/2.40

Table 2.2.2. Total ACLs, sector ACLs, commercial quotas, and recreational ACTs resulting from Action 1 Preferred Alternative 3.

Action 2 Alternative	Total ACL (mp gw)	Commercial ACL/Quota (mp gw)	Rec ACL/ACT (mp gw)
2026 (80% of ABC)			
Alt 1	6.62	3.93/3.73	2.69/2.45
Preferred Alt 2	6.62	4.51/4.28	2.11/1.92
Alt 3	6.62	4.58/4.35	2.04/1.86
Alt 4	6.62	4.51/4.28	2.11/1.92
2027 (90% of ABC)			
Alt 1	7.45	4.42/4.20	3.03/2.76
Preferred Alt 2	7.45	5.08/4.83	2.37/2.16
Alt 3	7.45	5.16/4.90	2.29/2.08
Alt 4	7.45	5.07/4.82	2.38/2.17
2028 (ABC = ACL)			
Alt 1	8.28	4.91/4.66	3.37/3.07
Preferred Alt 2	8.28	5.65/5.37	2.63/2.39
Alt 3	8.28	5.73/5.44	2.55/2.32
Alt 4	8.28	5.64/5.36	2.64/2.40

The recreational accountability measure (AM) for red grouper requires the National Marine Fisheries Service (NMFS) to project the recreational harvest for each year. If the recreational harvest is expected to reach the recreational ACL before the end of the year, NMFS will close the recreational sector when the recreational ACL is met. If landings exceed the recreational ACL in a year, NMFS must shorten the season the following year by the amount necessary to ensure landings do not exceed the recreational ACT. NMFS developed an analysis of the projected season duration based on the recreational ACL for each combination of alternatives in

Actions 1 and 2. Overall, the lower the recreational ACL, the more likely an early season closure would be required. An early recreational season closure could result either from the total ACL selected in Action 1 and/or the allocation selected in Action 2. The results for each combination of viable alternatives are presented in Table 2.2.3, and additional information is available in Appendix A. Alternative 1 in Action 1 is not viable and thus, not considered part of the analysis. Alternative 2 in Action 1 would set the total ACL equal to 8.28 mp gw and is not anticipated to require early season closure for any of the allocation alternatives in Action 2. Preferred Alternative 3 in Action 1 would increase the total ACL by 10% of the ABC each year from 2026 through 2028 and is anticipated to require early season closures for **Preferred Alternative 2** and **Alternatives 3** and **4** in Action 2, but only in 2026.

Table 2.2.3. Projected Gulf recreational (rec) closure dates based on resulting recreational ACLs (mp gw) from combinations of Action 1 and Action 2 alternatives.

Action 1 Alt	Action 2 Alt	Rec ACL (mp gw)	Projected Closure
Action 1 Alt 2	**Alt 1**	3.37	No Closure
	Preferred Alt 2	2.63	No Closure
	Alt 3	2.55	No Closure
	Alt 4	2.64	No Closure
Action 1 Preferred Alt 3	**2026 (80% of ABC)**		
	Alt 1	2.69	No Closure
	Preferred Alt 2	2.11	Dec 28
	Alt 3	2.04	Dec 8
	Alt 4	2.11	Dec 28
	2027 (90% of ABC)		
	Alt 1	3.03	No Closure
	Preferred Alt 2	2.37	No Closure
	Alt 3	2.29	No Closure
	Alt 4	2.38	No Closure
	2028 (ABC = ACL)		
	Alt 1	3.37	No Closure
	Preferred Alt 2	2.63	No Closure
	Alt 3	2.55	No Closure
	Alt 4	2.64	No Closure

Council Conclusions:

The Council recognized that SEDAR 88 incorporated SRFS data for private angler landings data of red grouper. **Alternative 1** does not incorporate SRFS data in determining sector allocations. **Preferred Alternative 2** and **Alternatives 3** and **4** incorporate SRFS data in determining sector allocations, and the Council took note that the different years of landings used in **Preferred Alternative 2** and **Alternatives 3** and **4** only vary by 1.1%, at most, in sector allocations. The Council selected **Preferred Alternative 2**, as it maintains the years used for sector allocations in Amendment 30B (GMFMC 2008a) and 53 (GMFMC 2021). The Council recognized that all of the action alternatives are reasonably calculated to promote conservation of the red grouper stock

because they are all based on a total allowable harvest that is consistent with the result of SEDAR 88 and the SSC's recommendations. The Council determined that **Preferred Alternative 2** would result in a fair and equitable allocation because it addresses the change to the recreational data used in the assessment in the same manner as Amendment 53 addressed the inclusion on MRIP-FES data in SEDAR 61, while maintaining the historic split between the sectors.

2.3 Action 3: Modification of the February-March Recreational Shallow-Water Grouper (SWG) Closure

Alternative 1: No Action. Retain the February 1 through March 31 recreational closed season for SWG in federal waters seaward of the 20-fathom boundary.

Preferred Alternative 2: Eliminate the February 1 through March 31 recreational closed season for SWG in federal waters seaward of the 20-fathom boundary.

Discussion:

Alternative 1 would retain the February 1 through March 31 recreational closed season in federal waters seaward of the 20-fathom boundary for all six SWG species (black grouper, red grouper, gag, yellowfin grouper, scamp, and yellowmouth grouper). The recreational closed season was initially established in all federal waters in Amendment 30B to the Reef Fish FMP (GMFMC 2008) and then modified in a framework action that eliminated the recreational closed season in federal waters shoreward of the 20-fathom boundary (GMFMC 2013).

Preferred Alternative 2 would eliminate the February 1 through March 31 recreational closed season for SWG in federal waters seaward of the 20-fathom boundary. The Council's Reef Fish Advisory Panel recommended the removal of this recreational time-area closure during its April 2024 meeting. The 20-fathom closure is intended to provide additional protection during the spawning season for SWG species by limiting harvest in deeper waters. However, the current closure may be redirecting fishing effort into waters shoreward of the 20-fathom boundary, where the average size of fish is smaller and more interactions with undersize fish occur. This possibility assumes consistent knowledge of and adherence to the current closure and commensurate levels of enforcement to ensure compliance. This could lead to additional fishing effort (and discards) necessary to harvest the bag limit, thereby potentially reducing, or eliminating the conservation benefit of this seasonal area closure.

The recreational season for gag would currently be unaffected by **Preferred Alternative 2** as Amendment 56 to the Reef Fish FMP (GMFMC 2023) modified the start date for the gag recreational season to open September 1. The recreational season for black grouper, scamp, yellowmouth grouper, and yellowfin grouper would also be unaffected in the future as a recent framework action (GFMC 2025) proposes establishing a recreational fixed closed season for the Other SWG complex of January 1 through June 30 each year (season open July 1 through December 31). However, should the recreational fixed closed seasons for gag, black grouper, scamp, yellowmouth grouper, and yellowfin grouper be subsequently modified, the elimination of the recreational closed season for SWG in federal waters seaward of the 20-fathom boundary would affect those species. The recreational season for red grouper would be affected by **Preferred Alternative 2**, as red grouper has no other recreational fixed closed season.

During the June 2024 Council meeting, some Council members noted that removal of the 20-fathom recreational closed season could increase landings of red grouper such that the season may be shortened at the end of the year. Potential impacts regarding a seasonal closure based on the removal of the 20-fathom closure are difficult to estimate as depth related information for

recreational harvest is not available or is imprecise. For **Preferred Alternative 2**, a reasonable assumption is that catch rates are unlikely to substantially change for red grouper relative to **Alternative 1** and that the other SWG species are expected to be unaffected.

Council Conclusions:

The Council recognized that red grouper is currently the only SWG species affected by the February-March recreational SWG closure seaward of the 20-fathom boundary under **Alternative 1**. Based on the healthy state of the red grouper stock, the Council selected **Preferred Alternative 2**.

CHAPTER 3. AFFECTED ENVIRONMENT

3.1 Description of the Physical Environment

General Description of the Physical Environment

The physical environment for Gulf of America (Gulf) reef fish is detailed in the Environmental Impact Statement (EIS) for the Generic Essential Fish Habitat (EFH) Amendment (GMFMC 2004a), Generic EFH Amendment 3 (GMFMC 2005), and the Generic Annual Catch Limit/Accountability Measure (ACL/AM) Amendment (GMFMC 2011), which are incorporated by reference and summarized below.

The Gulf has a total area of approximately 600,000 square miles (1.5 million km^2), including state waters (Gore 1992). It is a semi-enclosed, oceanic basin connected to the Atlantic Ocean by the Straits of Florida and to the Caribbean Sea by the Yucatan Channel (Figure 3.1.1).

Oceanographic conditions are affected by the Loop Current, discharge of freshwater into the northern Gulf, and a semi-permanent, anti-cyclonic gyre in the western Gulf. The Gulf includes both temperate and tropical waters (McEachran and Fechhelm 2005). Gulf water temperatures range from 54º F to 84º F (12º C to 29º C) depending on time of year and depth of water. Mean annual sea surface temperatures ranged from 73º F through 83º F (23-28º C), including bays and bayous (Figure 3.1.1), between 1982 and 2009, according to satellite-derived measurements (NODC 2011).[15] In general, mean sea surface temperature increases from north to south with large seasonal variations in shallow waters.

[15] http://accession.nodc.noaa.gov/0072888

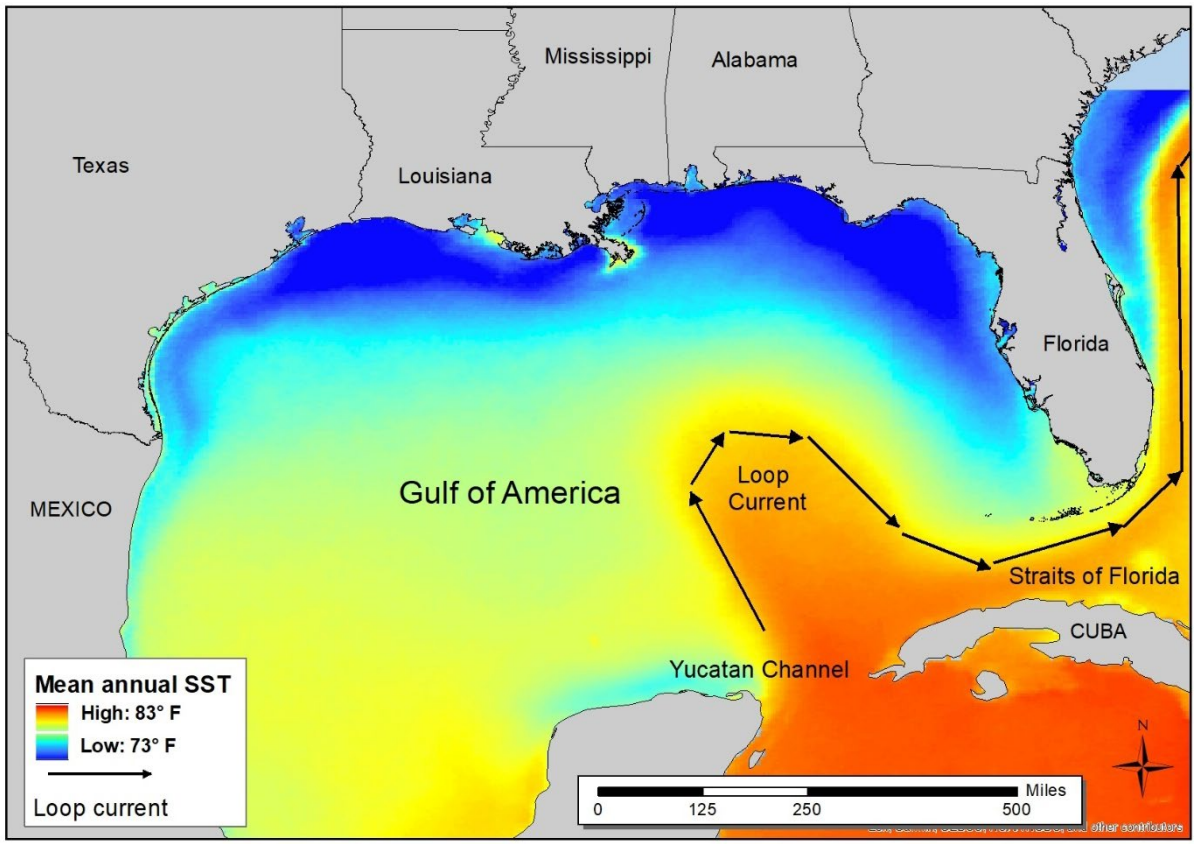


Figure 3.1.1. Mean annual sea surface temperature derived from the Advanced Very High-Resolution Radiometer Pathfinder Version 5 sea surface temperature data set.[16]

General Description of the Reef Fish Physical Environment

In general, reef fish are widely distributed in the Gulf, occupying both pelagic and benthic habitats during their life cycle. They generally have a planktonic larval stage that lives in the water column and feeds on zooplankton and phytoplankton (GMFMC 2004a). Juvenile and adult reef fish are typically demersal and usually associated with bottom topographies on the continental shelf (less than 100 m) which have high relief, i.e., coral reefs, artificial reefs, rocky hard-bottom substrates, ledges and caves, sloping soft-bottom areas, and limestone outcroppings. However, several species are found over sand and soft-bottom substrates. For example, some juvenile snapper (e.g., mutton, gray, red, dog, lane, and yellowtail snappers) and grouper (e.g., goliath, red, gag, and yellowfin groupers) are associated with inshore seagrass beds, mangrove estuaries, lagoons, and larger bay systems.

[16] http://pathfinder.nodc.noaa.gov

Habitat Areas of Particular Concern (HAPC) and Environmental Sites of Special Interest

Detailed information pertaining to HAPCs is provided in Generic Amendment 3 (GMFMC 2005) and Amendment 9 to the Fishery Management Plan for the Coral and Coral Reefs of the Gulf, U.S. Waters (GMFMC 2018). Detailed information pertaining to the Gulf area closures and marine reserves is provided in Amendment 32 to the Fishery Management Plan for the Reef Fish Resources in the Gulf (Reef Fish FMP; GMFMC 2011b). There are environmental sites of special interest that are discussed in the Generic EFH Amendment (GMFMC 2004a) that are relevant to reef fish management. These documents are hereby incorporated by reference.

Northern Gulf Hypoxic Zone

A large hypoxic zone forms every summer in the northern Gulf. It is the result of allochthonous materials and runoff from agricultural lands resulting in increasing nutrient inputs to multiple rivers. These tributaries feed into the Mississippi River, which disperses to the Gulf, and creates a temperature and salinity dependent layering of waters. The nutrient rich fresh waters from the Mississippi create seasonal, large algal blooms at the surface that eventually die, sink to the bottom, and decompose. This creates the oxygen-poor, hypoxic, bottom water layer unless front or storm events occur, which allow for mixing of the layers (Rabalais and Turner 2019). Mapping of the hypoxic zone began in 1985. For 2021, the extent of the hypoxic area was 6,334 square miles, almost triple what it was in 2020 (2,116 square miles), but still less than the extent of the 2017 hypoxic area (8,776 square miles). The changes in hypoxic area can be attributed to changing amounts of river discharge and its associated nutrient load and storm events. The major factor for the reduced size in 2020 was the active storm season with Hurricane Hanna passing right over the zone, allowing for mixing of the waters. The 2021 hypoxic area was higher than the 5-year hypoxic area average (5,408 square miles) and much larger than the 1,930 square mile goal set by the Interagency Mississippi River and Gulf of America Hypoxia Task Force to be reached by 2035.[17] The hypoxic conditions in the northern Gulf directly impact less mobile benthic macroinvertebrates (e.g., polychaetes) by influencing density, species richness, and community composition (Baustian and Rabalais 2009; Breitburg et al. 2018). More mobile macroinvertebrates and demersal fishes are able to detect lower dissolved oxygen levels and move away from hypoxic conditions. Thus, these organisms are indirectly affected by limited prey availability and constrained available habitat (Baustian and Rabalais 2009; Craig 2012).

Environmental Variability

Projections predict increases in sea-surface temperature and sea level; decreases in sea-ice cover; and changes in salinity, wave climate, and ocean circulation (Intergovernmental Panel on Climate Change). These changes are likely to affect plankton biomass and fish larvae abundance that could adversely impact fish, marine mammals, seabirds, and ocean biodiversity. Kennedy et al. (2002) and Osgood (2008) have suggested global climate variation could affect temperature changes in coastal and marine ecosystems that can influence organism metabolism and alter ecological processes such as productivity and species interactions; change precipitation patterns

[17] http://gulfhypoxia.net

and cause a rise in sea level which could change the water balance of coastal ecosystems; altering patterns of wind and water circulation in the ocean environment; and influence the productivity of critical coastal ecosystems such as wetlands, estuaries, and coral reefs. The National Oceanic and Atmospheric Association (NOAA) Climate Web Portal predicts the average sea surface temperature in the Gulf will increase by approximately 2ºC for 2006-2100 compared to the average sea surface temperature from 1956-2005.

3.2 Description of the Biological/Ecological Environment

The biological environment of the Gulf, including for red grouper, is described in detail in the Generic EFH Amendment (GMFMC 2004a), Generic ACL/AM Amendment (GMFMC 2011a), Amendments 30B (GMFMC 2008), 32 (GMFMC 2011b), and 53 to the Reef Fish FMP (GMFMC 2021), and are incorporated here by reference and summarized below.

Red Grouper Biology

Larval red grouper is found in the plankton across the west-Florida shelf (Southeast Data, Assessment, and Review [SEDAR] 42 2015). Red grouper juveniles are generally found in shallow waters around structures and patch reefs. When juveniles reach approximately 16 inches (40 cm) total length (TL), and after they become sexually mature, they move offshore (Moe 1969). Red grouper can reach a maximum length and weight of 43 inches (110 cm TL) and 50.7 pounds (lb) (23 kg) (Robins et al. 1986). Maximum age of red grouper in the Gulf has been estimated at 29 years (SEDAR 61 2019). Clear determinations of size and age at maturity have been difficult for red grouper (Fitzhugh et al. 2006 and references cited therein). Fitzhugh et al. (2006) estimated the size and age at which 50% of females were sexually mature at 11 inches (279 mm) fork length (FL) and approximately age 2. For SEDAR 42, the values were approximated at 11.5 inches (292 mm) FL and 2.8 years following the addition of samples collected from the West Florida Shelf by the Florida Fish and Wildlife Conservation Commission (FWC)/Fish and Wildlife Research Institute (FWRI) (Lowerre-Barbieri et al. 2014); however, the inclusion of 2014-2017 data led to a slightly younger age of 2.2 years in SEDAR 61. These values were retained in SEDAR 88 (2024).

Red grouper spawns from February until mid-July, with peak spawning occurring in the eastern Gulf during March through May (Fitzhugh et al. 2006). Red grouper is a protogynous hermaphrodite, transitioning from female to male at older ages (7-14 years), and forms harems for spawning (Domeier and Colin 1997). Age and size at sexual transition is approximately 10.5 years and 30 inches (76.5 cm) TL (Fitzhugh et al. 2006). Size and age at sexual transition was re-estimated for both SEDAR 42 and SEDAR 61 at 11.2 and 11.4 years and 707- and 708-mm (~28 inches) TL, respectively. Over the last 25-30 years, there has been little change in the sex ratio of red grouper (Lowerre-Barbieri et al 2014), likely because they do not aggregate (Coleman et al. 1996). Red grouper is also known as a "habitat engineer" because it creates and maintains excavations in the bottom substrate. These excavations also support other species that use them for food and shelter (Coleman et al 2010).

Red grouper is susceptible to red tide as outlined in Chagaris and Sinnickson (2018) and Coleman and Koenig (2010). Chagaris and Sinnickson (2018) found the percent of total biomass

of red grouper killed by red tides has been relatively low since 2002 with the exception of the severe red tide bloom that occurred in 2005 (note that this manuscript did not include the 2017-2018 red tide event). These studies suggest that in general, severe red tide blooms occur at specific locations, not over the whole area where red grouper is found.

Status of the Stock

See Chapter 1.1: Background, for more information. In summary, the Scientific and Statistical Committee (SSC), based on its review of SEDAR 88, indicated that the stock was not overfished or undergoing overfishing and recommended increases to the overfishing limit and acceptable biological catch (ABC) relative to the current harvest limits. The SEDAR 88 stock assessment results indicated an increase in the red grouper stock size relative to the previous SEDAR 61 assessment; the primary driver of this outcome was the increase in the estimated natural mortality of red grouper relative to the previous stock assessment.

Bycatch

Many of the reef fish species co-occur with each other and can be incidentally caught when fishermen target certain species. In some cases, these fish may be discarded for regulatory reasons and thus are considered bycatch. Bycatch practicability analyses have been completed for red snapper (GMFMC 2004b, GMFMC 2007, GMFMC 2014, GMFMC 2015a), grouper (GMFMC 2008a, GMFMC 2010, GMFMC 2011b, GMFMC 2011c, GMFMC 2012a; and red grouper specifically in GMFMC 2021), vermilion snapper (GMFMC 2004c, GMFMC 2017), greater amberjack (GMFMC 2008c, GMFMC 2012b, GMFMC 2015b), gray triggerfish (GMFMC 2012c), and hogfish (GMFMC 2016). These analyses examined the effects of fishing on these species. In general, these analyses have found that reducing bycatch provides biological benefits to managed species, as well as benefits to the fishery through less waste, higher yields, and less forgone yield. However, in some cases, actions are approved that can increase bycatch through regulatory discards, such as increased minimum sizes and closed seasons. Under these circumstances, there is some biological benefit to the managed species that outweigh any increases in discards from the action. For a full description of the effects of this amendment on bycatch, please see the bycatch practicability analysis in Appendix C of this document.

SEDAR 88 employed the same protocol in estimating discard mortality as the previous stock assessment, SEDAR 61. In SEDAR 61 (2019), the commercial discard mortality in the post-individual fishing quota (IFQ) bottom longline fishery was estimated at 44.1% (+0.5% from SEDAR 42 2015), while the pre-IFQ estimate remained at 41.4%. In the commercial vertical line fishery, estimated discard mortality remained the same as in SEDAR 61 and SEDAR 42 (2015) at 19.0%. The discard mortality rate used in SEDAR 88 for recreational discards was 11.6%, which remained unchanged from SEDAR 61 and SEDAR 42. This estimate included all sources of latent discard mortality for fish that were able to re-submerge and those that were alive and floating after release. Dead discards were included in recreational landings estimates, and therefore, no immediate mortality was applied to recreational discards.

Protected Species and Protected Species Bycatch

The National Marine Fisheries Services (NMFS) manages marine protected species in the Southeast region under the Endangered Species Act (ESA) and the Marine Mammal Protection Act (MMPA). A brief summary of these two laws and more information is available on NMFS Office of Protected Resources website.[18] ESA-listed species of marine mammals, sea turtles, fish, and corals occur in the exclusive economic zone (EEZ) of the Gulf. There are numerous stocks of marine mammals managed within the Southeast region. All marine mammals in U.S. waters are protected under the MMPA.

The five whale species that may be present in the Gulf (blue, sperm, sei, fin, and Rice's[19]) are listed as endangered under the ESA. Rice's whales are the only resident baleen whales in the Gulf. Manatees, listed as threatened under the ESA, also occur in the Gulf and are the only marine mammal species in this area managed by the U.S. Fish and Wildlife Service.

Sea turtles, fish, and corals that are listed as threatened or endangered under the ESA occur in the Gulf. These include the following: five species of sea turtles (Kemp's ridley, loggerhead (Northwest Atlantic Ocean distinct population segment (DPS)), green (North Atlantic DPS), leatherback, and hawksbill); five species of fish (Gulf sturgeon, smalltooth sawfish, Nassau grouper, oceanic whitetip shark, and giant manta ray); and six species of coral (elkhorn, staghorn, lobed star, mountainous star, boulder star, and rough cactus). Critical habitat designated under the ESA for smalltooth sawfish, Gulf sturgeon, and the Northwest Atlantic Ocean DPS of loggerhead sea turtles occur in the Gulf, though only loggerhead critical habitat occurs in federal waters. Critical habitat has been proposed in the Gulf for the North Atlantic DPS of green sea turtles and Rice's whale.

The most recent biological opinion (BiOp) for the fishery management plan was completed on September 30, 2011. The BiOp determined the operation of the Gulf reef fish fishery managed under the Reef Fish FMP is not likely to adversely affect ESA-listed marine mammals or coral and was not likely to jeopardize the continued existence of sea turtles (loggerhead, Kemp's ridley, green, hawksbill, and leatherback) or smalltooth sawfish. Since issuing the opinion, in memoranda dated September 16, 2014, and October 7, 2014, NMFS concluded that the activities associated with the Reef Fish FMP are not likely to adversely affect critical habitat for the Northwest Atlantic Ocean loggerhead sea turtle DPS and four species of corals (lobed star, mountainous star, boulder star, and rough cactus).

On April 6, 2016, NMFS and the U.S. Fish and Wildlife Service published a final rule (81 FR 20057) removing the range-wide and breeding population ESA-listings of the green sea turtle and listing eight DPSs as threatened and three DPSs as endangered. The North Atlantic DPS of green sea turtle occurs in the Gulf and is listed as threatened. In addition, on June 29, 2016,

[18] https://www.fisheries.noaa.gov/about/office-protected-resources

[19] The Rice's whale (*Balaenoptera ricei*) was previously classified as the Gulf Bryde's whale but was later identified as morphologically and genetically distinct from other whales under the Bryde's whale complex, warranting classification as a new species of baleen whale living in the Gulf.

NMFS published a final rule (81 FR 42268) listing Nassau grouper as threatened under the ESA. NMFS has reinitiated consultation on the FMP to address these listings. In a memorandum dated September 29, 2016, NMFS determined that fishing under the Reef Fish FMP during the re-initiation period is not likely to jeopardize the continued existence of the North Atlantic DPS of green sea turtles or Nassau grouper.[20]

On January 22, 2018, NMFS published a final rule (83 FR 2916) listing the giant manta ray as threatened under the ESA. On January 30, 2018, NMFS published a final rule (83 FR 4153) listing the oceanic whitetip shark as threatened under the ESA. In a memorandum dated March 6, 2018, NMFS revised the request for re-initiation of consultation on the Reef Fish FMP to address the listings of the giant manta and oceanic whitetip. In that memorandum, NMFS also determined that fishing under the Reef Fish FMP during the extended re-initiation period will not jeopardize the continued existence of the giant manta ray, oceanic whitetip shark, Nassau grouper, or the North Atlantic and South Atlantic DPSs of green sea turtles.

NMFS published a final rule on April 15, 2019, listing the Gulf Bryde's whale (now Rice's whale, see footnote 19 above) as endangered. In a memorandum dated June 20, 2019, NMFS revised the re-initiation request to include the Gulf Bryde's whale (Rice's whale) and determined that fishing under the Reef Fish FMP during the re-initiation period will not jeopardize the continued existence of any of the newly listed species discussed above.[21]

There is no information to indicate marine mammals and birds rely on red grouper for food, and they are not generally caught by fishermen harvesting red grouper. The primary gear in the Gulf reef fish fishery used to harvest red grouper is hook-and-line and bottom longlines. These gear types are classified in the proposed 2025 Marine Mammal Protection Act List of Fisheries as a Category III fishery (89 FR 77789; September 24, 2024), meaning the annual mortality and serious injury of a marine mammal resulting from the fishery is less than or equal to 1% of the maximum number of animals, not including natural mortalities, that may be removed from a marine mammal stock while allowing that stock to reach or maintain its optimum sustainable population. Additionally, there is no evidence that the red grouper portion of the reef fish fishery as a whole is adversely affecting seabirds. Dolphins are the only species documented as interacting with the reef fish fishery. Bottlenose dolphin prey upon bait, catch, and/or discarded fish from the reef fish fishery.

[20] The memo also addressed the South Atlantic DPS of green sea turtle because at that time, NMFS thought that individuals from that DPS would be found in the Gulf based on a study that found that approximately 5% of the turtles sampled off the Atlantic coast of Florida came from the South Atlantic DPS. However, with additional research, NMFS has determined that South Atlantic juveniles are not likely to be occurring in U.S. mainland coastal waters in anything more than negligible numbers.

[21] The official change to the name has no effect on NMFS's conclusion that the activities associated with the Reef Fish FMP will not jeopardize the continued existence of the species during the revised reinitiation period.

3.3 Description of the Economic Environment

3.3.1 Commercial Sector

Any fishing vessel that harvests and sells any of the reef fish species managed under the Reef Fish FMP from the Gulf EEZ must have a valid Gulf reef fish permit. As of July 8, 2021, there were 825 limited access valid or renewable reef fish permits (SERO Permits Database, May 2022). Note more recent permit information is currently unavailable. To harvest red grouper, a vessel permit must also be linked to an IFQ account and possess sufficient allocation for this species. IFQ accounts can be opened, and valid permits can be linked to IFQ accounts at any time during the year. Eligible vessels can receive red grouper allocation from other IFQ participants. On average from 2020 through 2024, there were 671 IFQ accounts that held red grouper allocation and 68% of those held red grouper shares (NMFS 2025).

Although many fishing businesses only own one permitted vessel, some hold or own multiple permits and vessels. Detailed discussions on the business composition of IFQ participants are provided in the description of the economic environment sections of the 2019 Red Grouper Framework Action to modify ACLs and ACTs (GMFMC 2019), as well as Amendment 53 (GMFMC 2021) and are incorporated herein by reference.

Commercial harvest of reef fish in the EEZ may only be sold to dealers with a federal dealer permit. As of December 21, 2021, there were 341 entities with a federal Gulf and South Atlantic Dealers permit (J. Dudley, NMFS SERO, pers. comm. 2022). To purchase IFQ species, including red grouper, dealers are also required to have a Gulf IFQ dealer endorsement. As of July 22, 2022, there were 166 eligible IFQ dealers; however, the total number of dealers can vary over the course of the year and from year to year.

Vessels, Landings, and Dockside Revenue

The information in Table 3.3.1.1 describes the landings and revenue for vessels that harvested red grouper each year from 2020 through 2024, including their revenue from other IFQ species, Gulf non-IFQ fisheries, and South Atlantic fisheries. From 2020 to 2024, the number of Gulf red grouper vessels fluctuated but showed an overall decline. Vessel participation decreased by 8% from 2020 to 2021 and continued to decline by about 5% in 2022. While there was an increase of around 5% in 2023, vessel participation in the commercial Gulf red grouper fishery declined again by 1% in 2024.

Revenue from landings of Gulf red grouper increased by 15% from 2020 to 2021 but declined by 7% in 2022. Revenue from landings of Gulf red grouper increased 11% in 2023 and recently decreased by less than 1% in 2024. Revenue from landings of other IFQ species by Gulf red grouper vessels increased by 16% in 2021 declined by 17% in 2023, and further by 18% in 2024, indicating a steady decline in recent years of revenue from landings of other IFQ species. Revenue from Gulf non-IFQ species decreased by 4% in 2021 and slightly further in 2022. Revenue from Gulf non-IFQ species increased by 18% in 2023, followed by a decline of over 16% in 2024. Thus, revenue from Gulf non-IFQ species fluctuated overall on average during this timeframe. Revenue from South Atlantic species showed large fluctuations from year-to-

year changes. Revenue from South Atlantic species landings increased by 136% from 2020 to 2021 and further by 74% in 2022. However, revenue from South Atlantic species declined by over 50% in 2023 then increased by 68% in 2024. Average total ex-vessel revenue per vessel increased by 23% from 2020 to 2021, and by 2% again in 2022. However, average total ex-vessel revenue per vessel has declined since, with consecutive declines of approximately 9% in 2023 and 10% in 2024. Although not shown in the table, the maximum annual value of all landings by a single Gulf red grouper vessel from 2020 through 2023 was approximately $1.24 million (2024 dollars[22]) in 2022.

[22] Dollar values have been adjusted for inflation using the U.S. Bureau of Economic Analysis Gross domestic product implicit price deflator series (A191RD3A086NBEA). Accessed 07/15/2025.

Table 3.3.1.1. Landings, in pounds gutted weight (lb gw), and revenue statistics for vessels harvesting red grouper species (2024 dollars).

Year	# of Vessels	Red grouper landings lb gw	Red grouper ex-vessel revenue	Other IFQ species ex-vessel revenue	Gulf Non-IFQ species ex-vessel revenue	South Atlantic all species ex-vessel revenue	Average ex-vessel revenue per vessel
2020	351	2,259,579	$13,571,298	$23,367,265	$5,525,958	$206,040	$121,569
2021	323	2,640,318	$15,535,713	$27,092,660	$5,323,849	$486,164	$149,964
2022	306	2,270,991	$14,479,587	$26,326,506	$5,297,679	$843,496	$153,422
2023	320	2,497,118	$16,012,728	$21,835,892	$6,248,546	$416,004	$139,104
2024	318	2,527,088	$15,893,495	$17,883,189	$5,225,094	$696,518	$124,837
Average	**324**	**2,439,019**	**$15,098,564**	**$23,301,102**	**$5,524,225**	**$529,644**	**$137,779**

Source: NMFS SERO IFQ database (accessed 5/1/2024) and Southeast Fisheries Science Center (SEFSC) Socioeconomic Panel (January 2025 version).

IFQ Share Transfer, IFQ Allocation Transfer, and Ex-vessel Prices

Price information is important for evaluating the performance of a catch share program. Theoretically, allocation prices should reflect the expected annual profit from harvesting one unit of quota; whereas share prices should reflect the net present value of the expected profit from harvesting one unit of quota in the long run. Dockside or ex-vessel price is the price the vessel receives at the first sale of harvest. Average share transfer[23] prices increased from 2021 through 2023, with a notable increase from 2021 to 2022. Allocation transfer prices generally increased as well, but ex-vessel prices fluctuated from year to year (Table 3.3.1.2). Ex-vessel price increased on average by less than a percent each year over this period; the average allocation transfer price increased on average by 41%; and the average share price increased by 38% in each year.

[23] Share transfer price refers to the price paid to purchase a share percentage that equates to one pound of red grouper allocation at the time the transfer occurs (NMFS 2025).

Table 3.3.1.2. Average red grouper share transfer, allocation transfer, and ex-vessel prices per pound-gutted weight in 2024 dollars.

Year	Share Transfer	Allocation Transfer	Ex-Vessel
2020	$7.33	$0.56	$6.04
2021	$7.28	$0.74	$5.95
2022	$19.83	$1.71	$6.37
2023	$18.72	$1.82	$6.44
2024	$15.94	$1.71	$6.30
Average	**$13.82**	**$1.31**	**$6.22**

Source: NMFS (2025)

Liese (2023) provides estimates of economic returns, such as annual vessel-level estimates of costs (as a percentage of revenue) and net revenue from operations for vessels that harvested red grouper during 2020-2024[24]. Estimates of producer surplus (PS) can be calculated from the cost information contained in Liese (2023) in conjunction with estimates of annual revenue from the Southeast Regional Office (SERO) IFQ database and the Southeast Fisheries Science Center (SEFSC) Social Science Research Group Socioeconomic Panel. PS is total annual revenue minus variable costs, including the costs for fuel, other supplies, and hired crew, as well as the opportunity cost of an owner's time as captain. Net revenue from operations, which most closely represents economic profits to the owner(s), is total annual revenue minus variable and fixed costs, including the costs for fuel, other supplies, hired crew, vessel repair and maintenance, insurance, and overhead, as well as the opportunity cost of an owner's time as captain and the vessel's depreciation. According to Liese (2023), PS for commercial vessels that harvested Gulf red grouper was approximately 47.6% of their annual gross revenue, on average, from 2014 through 2018. Net revenue from operations was 28.1% of their annual gross revenue, on average, during this period. Applying these percentages to the results provided in Table 3.3.1.1 would result in an estimated per vessel average annual PS of $ $65,583 (2024 dollars) and an average annual net revenue from operations of $38,716 per year. Liese (2023) also provides annual trip-level estimates of costs (as a percentage of trip revenue) and trip net revenue for vessels that harvested snappers and groupers in the South Atlantic. According to Liese (2023), labor, including both hired and owner's time, consumed 37.1% of trip revenue, fuel, and supplies consumed 19.5%, leaving a trip net revenue margin of 43.4%, on average, from 2014 through 2018.

Dealers

The information in Table 3.3.1.3 illustrates the purchasing activities of dealers that bought red grouper landed from vessels during 2019 through 2023. Data on Gulf dealer's purchasing activity for the year 2024 is currently unavailable at the time of this amendment. Like vessels, dealer participation in the red grouper IFQ program is fluid, and not all dealers purchased red

[24] This report is available at: https://repository.library.noaa.gov/view/noaa/56480.

grouper in each year during this time. On average, from 2019 through 2023, IFQ purchases comprised 41% of all purchases made by these dealers, with red grouper species, in particular, accounting for 13% of total purchases. The average annual value of total purchases by these dealers trended upwards during the period (Table 3.3.1.3). Although not shown in the table, the maximum annual value of all purchases made by a single dealer from 2019 through 2023 was approximately $16.1 million (2024 dollars) in 2022.

Table 3.3.1.3. Purchase statistics for dealers that bought red grouper (2024 dollars).

Year	Number of Dealers	Red Grouper Purchases	Other IFQ Purchases	Gulf Non-IFQ Purchases	South Atlantic Purchases	Average total purchases per dealer
2019	112	$12,635,315	$38,923,714	$51,132,385	$29,573,859	$1,180,940
2020	109	$14,479,333	$37,329,463	$45,098,954	$26,329,719	$1,130,619
2021	112	$17,665,781	$38,240,120	$54,536,090	$29,905,762	$1,253,105
2022	104	$15,489,319	$39,298,028	$58,039,095	$31,007,318	$1,383,017
2023	99	$16,080,594	$38,540,746	$51,615,135	$27,185,135	$1,347,693
Average	**107**	**$16,497,062**	**$34,408,182**	**$46,704,766**	**$25,762,119**	**$1,130,739**

Source: SEFSC Fishing Communities Web Query Tool (Version Feb 11, 2025, Years: 2014-2023).

Imports

Imports of foreign seafood products compete within the domestic seafood market, and in the U.S., imports dominate many segments of that market. Imports also tend to be price setters (products that are able to set prices in a market, due to the influence of having a majority of market share). Seafood imports can have downstream effects on the local fish market. At the harvest level, imports can affect ex-vessel prices fishermen receive for landings. As substitutes to domestic production, imports tend to cushion the adverse economic effects on consumers resulting from a reduction in domestic landings. Imports that directly compete with domestic reef fish, including red grouper, are described in this section.

Groupers

According to NMFS' foreign trade data,[25] grouper are not exported. Imports of fresh and frozen grouper products, which also directly compete with domestic harvest of Gulf reef fish species, are described in this section. As shown in Table 3.3.1.4, imports of fresh grouper products peaked in 2023. Total value of fresh grouper imports has been increasing in recent years and averaged $63.0 million (2024 dollars) annually. The average price per pound (lb) product weight (pw) for fresh grouper products was $5.32 from 2020-2024. Although not shown in the table, these products primarily originated from Mexico, Brazil, and Panama from 2020-2024.

[25] https://www.fisheries.noaa.gov/foss/

Table 3.3.1.4. Annual pounds and value of fresh grouper imports 2020-2024.

Year	Total Pounds (lbs.)	Total Value	Price per Pound ($/lbs.)
2020	10,449,994	$46,394,887	$4.43
2021	12,246,904	$65,449,667	$5.34
2022	11,700,388	$66,946,463	$5.72
2023	12,628,176	$68,236,890	$5.41
2024	11,995,196	$68,346,048	$5.70
Average	**11,804,132**	**$63,074,791**	**$5.32**

Source: NOAA Foreign Trade Query Tool, accessed 10/20/24.

As shown in Table 3.3.1.5, imports of frozen grouper products peaked at 2.2 million lb pw in 2021 and have been declining since. Total revenue from frozen grouper increased sharply from $1.7 to $5.8 million from 2020 to 2021, but also declined nearly as sharply in 2022 to $2.9 million. The average price per lb pw for frozen grouper products was $2.30 from 2020-2024. Although not shown in the table, imports of frozen grouper products primarily originated in Brazil, Suriname, and Indonesia from 2020-2024.

Table 3.3.1.5. Annual pounds and value of frozen grouper imports and share of imports by country, 2020-2024.

Year	Total Pounds (lbs.)	Total Value	Price per Pound ($/lbs.)
2020	814,426	$1,718,333	$2.10
2021	2,190,003	$5,818,759	$2.66
2022	1,339,501	$2,942,717	$2.20
2023	1,154,097	$2,676,394	$2.31
2024	1,097,656	$2,459,846	$2.24
Average	**1,319,137**	**$3,123,210**	**$2.30**

Source: NOAA Foreign Trade Query Tool, accessed 08/18/24.

Snappers

Imports of fresh and frozen snapper products, which directly compete with domestic harvest of Gulf reef fish species are described in this section. As shown in Table 3.3.1.6, imports of fresh snapper products were 32.4 million lb pw in 2020. They peaked at 36.0 million lb pw in 2021. Total revenue from snapper imports increased to a five-year high of $169 million in 2021 (2024 dollars). The average price per pound for fresh snapper products was $4.48 from 2020-2024 and prices varied over this period. Although not shown in the table, imports of fresh snapper products primarily originated in Mexico, Nicaragua, or Panama from 2020-2024.

Table 3.3.1.6. Annual pounds and value of fresh snapper imports, 2020-2024. All monetary estimates are in 2024$.

Year	Total Pounds (lbs.)	Total Value	Price per Pound ($/lbs.)
2020	32,394,316	$129,401,869	$3.99
2021	35,969,857	$169,002,918	$4.70
2022	32,180,318	$150,937,686	$4.69
2023	32,108,363	$142,592,355	$4.44
2024	30,474,645	$139,494,605	$4.58
Average	**32,625,500**	**$146,285,887**	**$4.48**

Source: NOAA Foreign Trade Query Tool, accessed 10/20/24.

As shown in Table 3.3.1.7, total revenue from imports of frozen snapper increased from $55.2 million (2024 dollars) in 2020 to a five-year high of $75.7 million in 2021 (2024 dollars) followed by a 40% decrease through 2023. The average price per pound for frozen snapper products was $3.86, with a notable decrease from 2022 to 2023. Although not shown in the table, imports of frozen snapper product primarily originated in Brazil or Suriname, from 2020-2024.

Table 3.3.1.7. Annual pounds and value of frozen snapper imports, 2020-2024.

Year	Total Pounds (lbs.)	Total Value	Price per Pound ($/lbs.)
2020	15,873,809	$55,208,728	$3.48
2021	18,224,848	$75,715,262	$4.15
2022	16,941,442	$70,812,484	$4.18
2023	11,701,409	$42,501,474	$3.64
2024	14,836,601	$57,206,691	$3.86
Average	**15,515,622**	**$60,288,928**	**$3.86**

Source: NOAA Foreign Trade Query Tool, accessed 10/20/24.

Business Activity

The commercial harvest and subsequent sales and consumption of fish generates business activity as fishermen expend funds to harvest the fish and consumers spend money on goods and services, such as grouper purchased at a local fish market and served during restaurant visits. These expenditures spur additional business activity in the region(s) where the harvest and purchases are made, such as jobs in local fish markets, grocers, restaurants, and fishing supply establishments. In the absence of the availability of a given species for purchase, consumers would spend their money on substitute goods, such as other finfish or seafood products, and

services, such as visits to different food service establishments. As a result, the analysis presented below represents a distributional analysis that only shows how economic impacts may be distributed through regional markets. It should not be interpreted to represent the impacts if these species are not available for harvest or purchase.

Economic impact models can be used to determine the sources of the impacts. Each impact can be broken down into direct, indirect, and induced economic impacts. "Direct" economic impacts are the results of the money initially spent in the study area (e.g., country, region, state, or community) by the fishery or industry being studied. This includes money spent to pay for labor, supplies, raw materials, and operating expenses. The direct economic impacts from the initial spending create additional activity in the local economy, i.e., "indirect" economic impacts. Indirect economic impacts are the results of business-to-business transactions indirectly caused by the direct impacts. For example, businesses initially benefiting from the direct impacts will subsequently increase spending at other local businesses. The indirect economic impact is a measure of this increase in business-to-business activity, excluding the initial round of spending which is included in the estimate of direct impacts. "Induced" economic impacts are the results of increased personal income caused by the direct and indirect economic impacts. For example, businesses experiencing increased revenue from the direct and indirect impacts will subsequently increase spending on labor by hiring more employees, increasing work hours, raising salaries/wage rates, etc. In turn, households will increase spending at local businesses. The induced impact is a measure of this increase in household-to-business activity.

Estimates of the U.S. average annual business activity associated with the commercial harvest of all Gulf reef fish species were derived using the model developed for and applied in NMFS (2024a)[26] and are provided in Table 3.3.1.8. Specifically, these impact estimates reflect the expected impacts from average annual gross revenues generated by landings of red grouper IFQ species from 2020 through 2024. This business activity is characterized as jobs (full- and part-time equivalents), income impacts (wages, salaries, and self-employed income), value-added impacts (the difference between the value of goods or services and the cost of materials, supplies, and labor across the supply chain), and output impacts (gross business sales). Income impacts should not be added to output (sales) impacts because this would result in double counting.

The results provided here should be interpreted with caution. The results are based on average relationships developed through the analysis of many fishing operations that harvest many different species.

[26] A detailed description of the input/output model is provided in NMFS (2011).

Table 3.3.1.8. Average annual business activity (2020 through 2024) associated with the commercial harvest of red grouper in the Gulf. All monetary estimates are in thousands of 2024 dollars.

Harvesters	Direct	Indirect	Induced	Total
Employment impacts	284	44	58	387
Income impacts	$8,152	$1,513	$3,660	$13,325
Total value-added impacts	$8,689	$5,449	$6,262	$20,400
Output Impacts	$15,099	$12,284	$12,156	$39,539
Primary dealers/processors	Direct	Indirect	Induced	Total
Employment impacts	59	24	41	124
Income impacts	$2,660	$2,451	$2,318	$7,429
Total value-added impacts	$2,835	$3,128	$4,365	$10,328
Output impacts	$8,561	$6,448	$8,532	$23,541
Secondary wholesalers/ distributors	Direct	Indirect	Induced	Total
Employment impacts	27	6	27	60
Income impacts	$1,585	$471	$1,667	$3,722
Total value-added impacts	$1,689	$790	$2,847	$5,326
Output impacts	$4,244	$1,547	$5,536	$11,328
Grocers	Direct	Indirect	Induced	Total
Employment impacts	118	13	26	157
Income impacts	$3,260	$1,083	$1,636	$5,979
Total value-added impacts	$3,474	$1,745	$2,770	$7,989
Output impacts	$5,571	$2,834	$5,438	$13,843
Restaurants	Direct	Indirect	Induced	Total
Employment impacts	733	49	120	901
Income impacts	$13,075	$3,966	$7,490	$24,530
Total value-added impacts	$13,938	$7,088	$12,619	$33,645
Output impacts	$25,485	$11,092	$24,901	$61,479
Harvesters and seafood industry	Direct	Indirect	Induced	Total
Employment impacts	1,221	136	272	1,629
Income impacts	$28,731	$9,485	$16,770	$54,986
Total value-added impacts	$30,626	$18,201	$28,862	$77,689
Output impacts	$58,960	$34,207	$56,563	$149,730

3.3.2 Recreational Sector

The recreational sector is composed of the private and for-hire modes. The private mode includes anglers fishing from shore (all land-based structures) and private/rental boats. The for-hire mode is composed of charter vessels and headboats (also called party boats). Charter vessels generally carry fewer passengers and charge a fee on an entire vessel basis, whereas headboats carry more passengers and payment is per person. The type of service, from a vessel- or passenger-size perspective, affects the flexibility to search different fishing locations during the course of a trip and target different species because larger concentrations of fish are required to satisfy larger groups of anglers.

Angler Effort

Recreational effort derived from the MRIP database can be characterized in terms of the number of angler trips as follows:

- Target effort - The number of individual angler trips, regardless of duration, where the intercepted angler indicated that the species or a species in the species group was targeted as either the first or the second primary target for the trip. The species did not have to be caught.

- Catch effort - The number of individual angler trips, regardless of duration and target intent, where the individual species or a species in the species group was caught. The fish did not have to be harvested, such as catch and release trips for gamefish and other species.

- Total recreational trips - The total estimated number of recreational trips in the Gulf, regardless of target intent or catch success.

Other measures of effort are possible, such as directed trips (the number of individual angler trips that either targeted or caught a particular species). Estimates of target or catch effort for individual species and additional years, as well as other measures of directed effort, are available via NMFS' MRIP query tool.[27]

For the purposes of this regulatory action, two distinct recreational fishing datasets are incorporated for analyses, utilizing each for their respective strengths in different areas. State Reef Fish Survey (SRFS) data are employed for estimating recreational landings and stock removals because it was incorporated into the most recent Southeast Data Assessment and Review (SEDAR) stock assessment for Gulf red grouper. However, the SRFS survey instrument employs a broad effort estimation question, asking anglers if they "tried to catch or caught one of the following species" from certain predetermined groupings, which does not allow for the identification of a primary or secondary target species. Conversely, MRIP-FES does collect information on primary and secondary target species. Identifying target trips is considered the

[27] https://www.fisheries.noaa.gov/data-tools/recreational-fisheries-statistics-queries

most reliable method for isolating recreational trips for a specific species such as Gulf red grouper and calculating the associated economic contributions and demand for those trips. Therefore, while the inclusion of SRFS data is appropriate for estimating catch levels and stock removals, the use of MRIP-FES effort data is still required to describe the demand for red grouper trips, economic contributions, and associated business activity of Gulf red grouper recreational trips across all Gulf States. Gulf MRIP-FES recreational effort estimates are post-stratified to exclude effort originating from Monroe County. Post-stratification is necessary because MRIP-FES data does not contain the same geographic resolution available in the SRFS data. SRFS captures finer geographic resolution data in each observation, which allows SRFS to accurately distinguish between Gulf and South Atlantic recreational catch trips originating within the boundaries of Monroe County. The MRIP program is designed to produce statistically precise and accurate estimates of total recreational fishing effort across multiple coastal regions. Producing reliable estimates for finer geographic domains (like a sub-county domain) would require a significantly more expensive sample size than the current MRIP-FES survey is designed to support.

Tables 3.3.2.1 and 3.3.2.2 describe the recreational target and catch trips for Gulf red grouper from 2020 through 2024. There was no recorded target or catch trips in Texas for red grouper and Louisiana's recreational effort data are currently unavailable. Private vessels represent 80% of this target effort and the vast majority of it occurred in Florida (Table 3.3.2.1). The number of recreational target trips for Gulf red grouper species fluctuated from 2020 through 2024. The majority of catch effort for Gulf red grouper was also attributed to private vessels in Florida and fluctuated from year to year, but on average increase by 18% during this timeframe (Table 3.3.2.2). It should be noted that, although Table 3.3.2.1 and 3.3.2.2 show trips occurring in the shore mode, these estimates have associated percent standard errors (PSE) greater than 50 occurring in each year from 2020-2024.[28] Further, stock removals of Gulf red grouper occurring from the shore mode were not considered in the most recent SEDAR stock assessment for Gulf red grouper.

[28] MRIP does not support the use of estimates with a percent standard error above 50 and in those instances, recommends considering higher levels of aggregation (e.g., across states, geographic regions, or fishing modes).

Table 3.3.2.1. Gulf red grouper recreational target trips, by mode and state, 2020-2024.

	Alabama	Florida	Total
	Shore Mode		
2020	0	0	0
2021	0	4,343	4,343
2022	0	17,332	17,332
2023	0	6,218	6,218
2024	0	8,211	8,211
Average	0	7,221	7,221
	Charter Mode		
2020	0	20,765	20,765
2021	0	61,282	61,282
2022	0	51,125	51,125
2023	0	55,298	55,298
2024	0	42,803	42,803
Average	0	46,255	46,255
	Private/Rental Mode		
2020	1,144	242,547	243,691
2021	0	116,429	116,429
2022	0	252,190	252190
2023	0	208,218	208218
2024	7,023	226,860	233,883
Average	1,633	209,249	210,882
	All Modes		
2020	1,144	263,312	264,456
2021	0	182,054	182,054
2022	0	320,647	320,647
2023	0	269,734	269,734
2024	7,023	277,874	284,897
Average	1,633	262,724	264,358

Source: MRIP database, SERO, NMFS (May 2025).
Note: Shore mode PSE values are greater than 50 on average in each year. Interpret with caution. Louisiana, Texas, and headboat information is currently unavailable. No reported target trips for red grouper in the state of Mississippi during this timeframe.

Table 3.3.2.2. Gulf red grouper recreational catch trips, by mode and state, 2020-2024.

	Alabama	Florida	Total
	Shore Mode		
2020	0	5,558	5,558
2021	0	47,471	47,471
2022	0	12,843	12,843
2023	0	39,426	39,426
2024	0	68,123	68,123
Average	**0**	**34,684**	**34,684**
	Charter Mode		
2020	40	173,522	173,562
2021	32	176,330	176,362
2022	299	188,634	188,933
2023	30	193,344	193,374
2024	3	177,900	177,903
Average	**81**	**181,946**	**182,027**
	Private/Rental Mode		
2020	1,960	619,204	621,164
2021	0	451,360	451,360
2022	759	673,344	674103
2023	0	791,612	791612
2024	1,158	1,061,350	1,062,508
Average	**775**	**719,374**	**720,149**
	All Modes		
2020	2,000	798,284	800,284
2021	32	675,161	675,193
2022	1,058	874,821	875,879
2023	30	1,024,382	1,024,412
2024	1,161	1,307,373	1,308,534
Average	**856**	**936,004**	**936,860**

Source: MRIP database, SERO, NMFS (May 2025).
Note: Shore mode PSE values are greater than 50 on average in each year. Interpret with caution. Louisiana, Texas, and headboat information is currently unavailable. No reported target trips for red grouper in the state of Mississippi during this timeframe.

Tables 3.3.2.3 and 3.3.2.4 show Gulf red grouper target and catch trips by wave trips from 2020 through 2024, which help describe the seasonal patterns of these recreational target and catch

trips. During this period, both recreational target and catch trips for these species were concentrated most heavily during MRIP waves 3 and 4 (May through August), on average.

Table 3.3.2.3. Gulf red grouper recreational target trips, by MRIP wave, 2020-2024.

	Wave 1	Wave 2	Wave 3	Wave 4	Wave 5	Wave 6
2020	10,804	54,124	64,848	27,172	67,661	39,847
2021	23,113	31,801	73,574	44,372	9,195	0
2022	71,721	57,860	53,164	134,663	3,238	0
2023	49,488	36,198	73,375	99,628	0	11,045
2024	113,675	72,864	80,394	6,716	11,247	0
Average	53,760	50,569	69,071	62,510	18,268	10,178

Source: MRIP database, SERO, NMFS (Aug 2025).

Table 3.3.2.4. Gulf red grouper recreational catch trips, by MRIP wave, 2020-2024.

	Wave 1	Wave 2	Wave 3	Wave 4	Wave 5	Wave 6
2020	117,932	79,405	156,311	183,657	146,796	116,182
2021	115,795	65,705	321,287	128,061	44,345	0
2022	88,179	63,717	246,061	316,598	52,605	108,719
2023	165,667	98,260	157,462	288,411	135,272	179,339
2024	276,218	234,953	302,880	267,917	184,984	41,582
Average	152,758	108,408	236,800	236,929	112,800	89,164

Source: MRIP database, SERO, NMFS (Aug 2025).

Similar analysis of recreational effort is not possible for the headboat mode in the Gulf because headboat data are not collected at the angler level. Estimates of effort by the headboat mode are provided in terms of angler days, or the number of standardized full-day angler trips. [29] The stationary "fishing for demersal (bottom-dwelling) species" nature of headboat fishing, as opposed to trolling, suggests that most, if not all, headboat trips and, hence, angler days, are demersal or reef fish trips by intent.

Headboat angler days have been variable across the Gulf States from 2020 through 2024, but there were no well-defined trends (Table 3.3.2.5). On average (2020 through 2024), Florida accounted for the majority of headboat angler days reported, followed by Texas and Alabama; Mississippi and Louisiana combined accounted for only a small percentage (Table 3.3.2.5). Headboat effort in terms of angler days for the entire Gulf tended to be concentrated most heavily during the summer months of June through August (Figure 3.3.2.1).

[29] Headboat trip categories include half-, three-quarter-, full-, and 2-day trips. A full-day trip equals one angler day, a half-day trip equals 0.5 angler days, etc. Angler days are not standardized to an hourly measure of effort and actual trip durations may vary within each category.

Table 3.3.2.5. Gulf headboat angler days and percent distribution by state (2020 through 2024).

	Angler Days				Percent Distribution			
	FL	AL	MS-LA*	TX	FL	AL	MS-LA	TX
2020	126,794	13,091	1,728	51,498	65.66%	6.78%	0.89%	26.67%
2021	181,632	13,844	3,197	71,344	67.27%	5.13%	1.18%	26.42%
2022	149,368	14,588	3,675	62,705	64.85%	6.33%	1.60%	27.22%
2023	149,735	12,513	3,244	58,279	66.91%	5.59%	1.45%	26.04%
2024	146,544	10,761	2,113	57,074	67.69%	4.97%	0.98%	26.36%
Average	150,815	12,959	2,791	60,180	66.48%	5.76%	1.22%	26.54%

Source: NMFS Southeast Region Headboat Survey (SRHS) (2023).
*Headboat data from Mississippi and Louisiana are combined for confidentiality purposes.

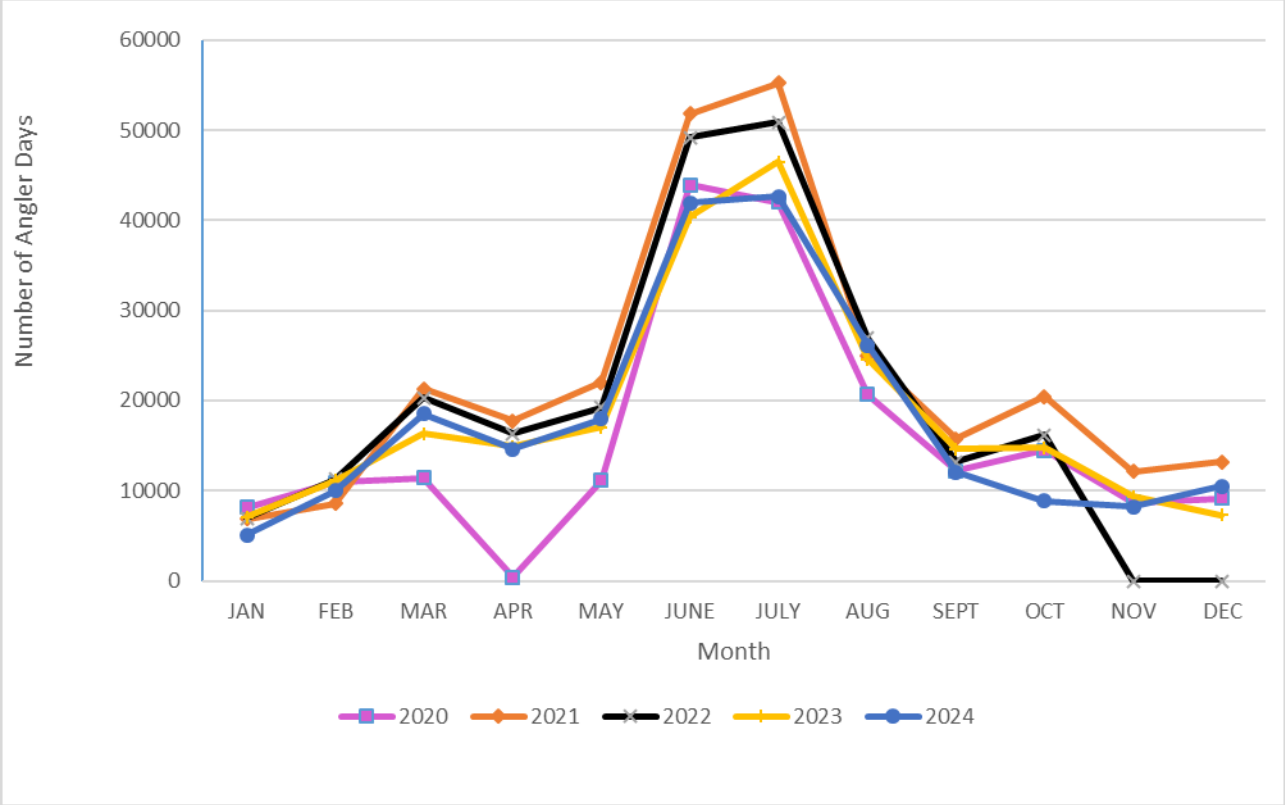


Figure 3.3.2.1. Gulf headboat angler days by year and month (2020 - 2024).
Source: NMFS SRHS (2024).

Permits

There are no specific federal permitting requirements for private recreational anglers to fish for or harvest shallow-water grouper species, such as red grouper. The same is true for private recreational vessel owners. Instead, private anglers are required either to possess a state recreational fishing permit that authorizes saltwater fishing in general, or to be registered in the federal National Saltwater Angler Registry system, subject to appropriate exemptions. As a

result, it is not possible to identify with available data how many individual private anglers or private recreational vessels would be expected to be affected by the actions in this amendment.

For anglers to fish for or possess reef fish species in or from the Gulf EEZ on for-hire vessels, those vessels are required to have a Gulf charter/headboat permit for reef fish (Gulf reef fish for-hire permit). As of August 26, 2021, there were 1,273 valid or renewable[30] Gulf reef fish for-hire permits. The total number of valid or renewable Gulf reef fish for-hire permits has been relatively stable with less than a 1% change from year to year during 2016 through 2020 (Table 3.3.2.6). Note more recent permit information is currently unavailable.

Although the permit application collects information on the primary method of operation, the permit itself does not identify the permitted vessel as either a headboat or a charter vessel and vessels may operate in both capacities. However, if a vessel meets the selection criteria used by the Southeast Region Headboat Survey (SRHS) and is selected to report by the Science Research Director of the SEFSC, it is determined to operate primarily as a headboat and is required to submit harvest and effort information to the SRHS. As of July 31, 2024, 68 Gulf headboats were registered in the SRHS (R. Cheshire, NMFS SEFSC, pers. comm. 2024).

Table 3.3.2.6. Number of valid or renewable Gulf reef fish for-hire permits, 2016-2020.

Year	Number of Permits
2016	1,282
2017	1,280
2018	1,279
2019	1,277
2020	1,289

Source: NMFS SERO Sustainable Fisheries (SF) Access permits database (accessed 05/17/22).

Economic Value

Participation, effort, and harvest are indicators of the value of saltwater recreational fishing. However, a more specific indicator of value is consumer surplus (CS), which is the difference between the maximum amount an angler would be willing to pay for a fish and the amount they actually do pay.[31] Consumer surplus represents a savings of one's income that can be spent later on other goods and services, leading to an overall increase in utility or satisfaction for the angler and a benefit to the economy. All else equal, the amount anglers are willing to pay and the costs of fishing can vary depending on expected catch rates, harvest rates, and existing regulations. The economic value of changes in expected catch rates, harvest rates, or existing regulations can be measured by any associated changes in CS. However, because recreationally-caught fish are non-market goods and there are no transaction data available, CS cannot be measured directly. Instead, using survey elicitation methods and stated or revealed preference models, it is possible

[30] A renewable permit is an expired permit that may not be actively fished, but is renewable for up to one year after expiration.
[31] Holding income and the prices of other goods constant.

to estimate willingness to pay (WTP) values[32] that are a close approximation to the individual CS an angler would derive from an additional fish that is caught and kept. Direct estimates of the WTP for red grouper are not currently available. There are, however, estimates for grouper species in general. Haab et al. (2012) estimated the WTP for one additional grouper caught and kept in the Southeastern U.S. using four separate econometric modeling techniques. The finite mixture model, which takes into account variation in the preferences of fishermen, had the best prediction rates of the four models and, as such, was selected for presentation here. The mean WTP for an additional grouper was estimated to be $168.76 (2024 dollars). Another study estimated the mean WTP for catching and keeping a second grouper on an angler trip at approximately $131 (2024 dollars) and lower thereafter (approximately $87 for a third grouper, $64 for a fourth grouper, and $51 for a fifth grouper) (Carter and Liese 2012). For the purposes of this amendment, the $131 per fish estimate is assumed to be the best value to use for estimating the CS associated with catching and keeping a Gulf red grouper. The higher value provided by Haab et al. (2012) is likely less reasonable for this particular species.

Economic value for the for-hire component of the recreational sector can be measured in many ways. According to Savolainen et al. (2012), the average charter vessel operating in the Gulf is estimated to receive approximately $107,000 (2024 dollars) in gross revenue and $32,000 (2024 dollars) in net income (gross revenue minus variable and fixed costs) annually. The average headboat is estimated to receive approximately $325,000 (2024 dollars) in gross revenue and $95,000 (2024 dollars) in net income annually. More recent estimates of average annual gross revenue for Gulf headboats are provided in Abbott and Willard (2017) and D. Carter, SEFSC, pers. comm. 2018. Abbott and Willard (2017) suggest that Savolainen, et al.'s estimate of average annual gross revenue for headboats may be an underestimate, as data in the former suggest that average gross revenue in 2009 for the vessels in their sample was about $575,000 (2024 dollars). Further, their data suggest average annual gross revenue per vessel had increased to about $694,000 (2024 dollars) by 2014. However, Abbott and Willard's estimates are based on a sample of 17 headboats that chose to participate in the headboat collaborative program in 2014, while the Savolainen, et al. estimates are based on a random sample of 20 headboats. The headboats that participated in the collaborative program may be economic highliners, in which case Abbott and Willard's estimates would overestimate average annual gross revenue for Gulf headboats. D. Carter, SEFSC, pers. comm. 2018 recently estimated that average annual gross revenue for Gulf headboats was approximately $514,000 (2024 dollars) in 2017. This estimate is likely the best current estimate of annual gross revenue for Gulf headboats, as it is based on a relatively large sample of 63 boats, or more than 90% of the active fleet, and is more recent.

However, gross revenues overstate the annual economic value and profits generated by for-hire vessels. Economic value for for-hire vessels can be measured by PS per passenger trip (the amount of money that a vessel owner earns in excess of the cost of providing the trip). Estimates of revenue, costs, and trip net revenue (TNR) for trips taken by headboats and charter vessels in 2017 are available from Souza and Liese (2019). After accounting for transactions fees, supply costs, and labor costs, net revenue per trip was 42% of revenue for Gulf charter vessels and 54%

[32] These are measures of compensating surplus, or the amount of money that an angler would be willing to pay in order to harvest the additional fish, while maintaining the same level of utility.

of revenue for Southeast headboats,[33] or $938 and $2,179 (2024 dollars), respectively (Table 3.3.2.7). When TNR is divided by the number of anglers on a trip, it represents cash flow per angler (CFpA), which is an approximation of PS per angler trip. The estimated CFpA value for an average Gulf charter angler trip is $171 (2024 dollars) and the estimated CFpA value for an average Gulf headboat angler trip is $77 (2024$; Souza and Liese 2019). Estimates of CFpA for individual Reef Fish species or species group target trips, in particular, are not available.

Table 3.3.2.7. Trip economics for offshore trips by Gulf charter vessels and Southeast headboats in 2017 (2024 dollars).

	Gulf Charter Vessels	Southeast Headboats
Revenue	100%	100%
Transaction Fees (% of revenue)	3%	6%
Supply Costs (% of revenue)	27%	19%
Labor Costs (% of revenue)	27%	22%
Net Revenue per trip including Labor costs (% of revenue)	42%	54%
Net Revenue per Trip	$938	$2,179
Average # of Anglers per Trip	5.5	28.2
Trip Net Cash Flow per Angler Trip	$171	$77

Source: Souza and Liese (2019).

Business Activity

The desire for recreational fishing generates economic activity as consumers spend their income on various goods and services needed for recreational fishing. This spurs economic activity in the region where recreational fishing occurs. Note, in the absence of the opportunity to fish, the income would presumably be spent on other goods and services and these expenditures would similarly generate economic activity in the region where the expenditure occurs. As such, the analysis below represents a distributional analysis only.

Estimates of the business activity (economic impacts) associated with recreational angling for Gulf red grouper species were calculated using average trip-level impact coefficients derived from the 2022 Fisheries Economics of the U.S. report (NMFS 2024a) and underlying data provided by the National Oceanic and Atmospheric Administration (NOAA) Office of Science and Technology. Economic impact estimates in 2022 dollars were adjusted to 2024 dollars using the annual, not seasonally adjusted, gross domestic product (GDP) implicit price deflator provided by the U.S. Bureau of Economic Analysis.

[33] Southeast headboats include headboats operating either the Gulf or South Atlantic. Souza and Liese (2019) state "the sample size available for headboats is limited (n=30) and, hence, the results are presented at an overall SE aggregation."

Business activity (economic impacts) for the recreational sector is characterized in the form of jobs (full- and part-time), income impacts (wages, salaries, and self-employed income), output impacts (gross business sales), and value-added impacts (contribution to the GDP in a state or region). Estimates of the average annual economic impacts (2020-2024) resulting from Gulf red grouper charter, private vessel, and shore target trips are provided in Table 3.3.2.8. These impacts should not be added together because this would result in double counting. The average impact coefficients, or multipliers, used in the model are invariant to the "type" of effort (e.g., target or catch) and can therefore be directly used to measure the impact of other effort measures such as Gulf red grouper catch trips. To calculate the multipliers from Table 3.3.2.8, simply divide the desired impact measure (value-added impact, sales impact, income impact, or employment) associated with a given state and mode by the number of target trips for that state and mode.

The estimates provided in Table 3.3.2.8 only apply at the state-level. Addition of the state-level estimates to produce a regional (or national) total may underestimate the actual amount of total business activity, because state-level impact multipliers do not account for interstate and interregional trading. It is also important to note that these economic impacts estimates are based on trip expenditures only and do not account for durable expenditures. Durable expenditures cannot be reasonably apportioned to individual species or species groups. As such, the estimates provided in Table 3.3.2.8 may be considered a lower bound on the economic activity associated with those trips that targeted Gulf red grouper.

Estimates of the business activity associated with headboat effort are not available. Headboat vessels are not covered by MRIP in the Southeast, so, in addition to the absence of estimates of target effort, estimation of the appropriate business activity coefficients for headboat effort has not been conducted.

Table 3.3.2.8. Estimated average annual economic impacts (2020-2024) from Gulf charter, private vessel, and shore red grouper target trips, by state,* using state-level multipliers. All monetary estimates are in 2024 dollars in thousands.

	FL	AL
	Charter Mode	
Target Trips	46,255	0
Value Added Impacts	$31,166	$0
Sales Impacts	$49,362	$0
Income Impacts	$21,245	$0
Employment (Jobs)	441	0
	Private/Rental Mode	
Target Trips	209,249	1,633
Value Added Impacts	$7,484	$64
Sales Impacts	$12,502	$137
Income Impacts	$3,670	$27
Employment (Jobs)	71	1
	Shore	
Target Trips	7,221	0
Value Added Impacts	$416	$0
Sales Impacts	$688	$0
Income Impacts	$222	$0
Employment (Jobs)	4	0
	All Modes	
Target Trips	262,724	1,633
Value Added Impacts	$39,066	$64
Sales Impacts	$62,552	$137
Income Impacts	$25,137	$27
Employment (Jobs)	516	1

*There was no recorded target effort for red grouper in Texas or Mississippi and Louisiana data are currently unavailable.

National-level multipliers must be used to account for interstate and interregional trading when calculating a national total of economic impacts. Between 2020 and 2024, and using national-level multipliers, Gulf red grouper target effort generated employment, income, value-added, and output (sales) impacts of 613 jobs, $33.2 million, $54 million, and $96.1 million per year, respectively, on average.

3.4 Description of the Social Environment

This amendment affects the commercial and recreational management of red grouper in the Gulf. The following description presents baseline information on fishing participants and fishing communities. This description includes the current status of the fishery in order to present the

communities that are expected to be primarily affected by the actions in this amendment because they are the most engaged in, and/or reliant on, the fishery and is used to inform the social effects. Community level data are presented whenever possible in order to meet the requirements of National Standard 8 of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), which requires the consideration of the importance of fishery resources to human communities when changes to fishing regulations are considered.

The following description includes permits related to the commercial and recreational reef fish fishing by state and in order to provide a geographic distribution of fishing involvement. Top communities based on the number of permits are presented. Commercial and recreational landings by state are included to provide information on the geographic distribution of fishing involvement. Descriptions of red grouper IFQ accounts with shares, red grouper IFQ accounts with allocation but without shares, and red grouper IFQ species dealers are included at the state and community level. The top communities in the Gulf by commercial landings are identified, the contribution of red grouper species compared to the total landings for the community are depicted, and their commercial engagement and reliance are described. Descriptions of the top communities based on recreational engagement and top communities by headboat survey landings are also included. Lastly, social vulnerability data are presented for all top-ranking communities.

The most recent data available have been utilized in the following section; however, the year range or date presented may not match what is included elsewhere because some sources of data are not available at the community or state level.

3.4.1 Commercial Sector

Description of the IFQ Program

Commercial fishing for red grouper is part of a multi-species reef fish fishery with species commonly co-occurring and co-caught and is conducted through the Grouper-Tilefish (GT) IFQ program. The GT IFQ program includes five share categories including a red grouper IFQ share category. There is a high degree of overlap in participation between share categories within the GT IFQ program, with the majority of shareholders holding shares in three or more share categories since the start of the program (NMFS 2024b). There is also great overlap between vessels that land GT IFQ and those that land Red Snapper IFQ, a separate, but related IFQ program (94% of GT IFQ vessels landed Red Snapper IFQ in 2023, NMFS 2024b).

Participants in the IFQ program include shareholders (those who hold shares and receive annual allocation from those shares), allocation only holders (those who purchase or use annual allocation from other shareholders; however, these accounts may be related to shareholder accounts), vessel owners, permit owners, hired captains, crew, and fish dealers. Shareholders can include such categories of participants as commercial and for-hire fishermen, fish dealers, brokers (those who own shares and sell their allocation to others), and restaurant owners. Shareholders can be involved in the program in multiple ways and through a variety of business arrangements; for example, a shareholder can include an individual or company that owns a vessel and permit, owns shares, fishes their allocation, and purchases additional allocation from

others. Another example of a shareholder is a business that owns a vessel, owns a permit, owns shares, and acts as a fish dealer. Some fish dealers acquire shares and allocation for use by the vessels that supply fish for their fish house, with in some cases, a fleet of vessels reliant on the allocation that they procure. Dealers must have an IFQ account and an IFQ dealer endorsement in order to receive landings of IFQ species.

Interactions between participants within the IFQ program are critical to the way that fishermen operate within the system and comply with the rules and regulations. Anecdotally, it has been reported that fishermen frequently rely on their social networks, the people they know, to find shares and allocation for sale. In particular, it has been described that fishermen frequently rely on their fish dealers for allocation. Some fishermen also rely on their dealer or more technically inclined connections to help them to fill out paperwork required for permit applications or IFQ requirements.

Red grouper allocation is distributed annually to shareholders. The amount of allocation received by each shareholder is based on a proportion of the quota for the year, with the initial issuance of share amounts based on past participation. Shares and allocation can be bought and sold, and the number of shares held by particular shareholders and number of people holding shares has changed over the years, with a steady reduction in the number of accounts with red grouper IFQ shares over time (692 shareholders at the beginning of the program compared to 454 in 2023, NMFS 2024b). The greatest proportion of red grouper IFQ shares are held by medium shareholders (56% of shares in 2023, medium is categorized as holding between 0.05-1.4999% of shares), followed by large shareholders (41%, large is categorized as holding greater than or equal to 1.5% of shares), and small (3%, small is categorized as holding less than 0.05% of shares, NMFS 2024b). Conversely, the greatest number of red grouper IFQ shareholders are small (62% of shareholders in 2023), followed by medium shareholders (35%), and large shareholders (3%). New shareholders are able to participate through the purchase of shares from other shareholders and those without shares are able to participate and land red grouper species through the purchase or use of another shareholder's allocation through a transfer.

Annual allocation can be transferred resulting from the purchase of allocation (commonly referred to as leasing quota) or through other arrangements, for example the transfer of allocation to a related account (such as another account held by the same shareholder) or, a transfer to a vessel that is delivering fish to the shareholder's fish house. A sizable proportion of participants (33% of red grouper allocation holders in 2023, NMFS 2024b) acquire red grouper allocation via transfer and do not hold red grouper shares; however, some may receive allocation from a related account that holds shares. In addition, those without shares land the majority of landings of red grouper (65% in 2023, NMFS 2024b). Allocation is transferred more than the total amount of the quota and may often be transferred multiple times before being used to account for landings. For example, in 2023, 294% of the red grouper quota was transferred through 3,839 allocation transfers (NMFS 2024b).

Permits

Gulf reef fish permits are limited access, but transferrable. The name listed on the permit must match the name listed on the IFQ account in order to harvest IFQ species. Gulf reef fish permits

are issued to entities, such as individuals and/or businesses in Florida (81.4% of Gulf reef fish vessels), Texas (7.8%), Alabama (4.5%), Louisiana (3.8%), and Mississippi (0.9%) (SERO permit office, July 8, 2021). Residents of other states (Arkansas, Georgia, Illinois, Maryland, Missouri, North Carolina, New York, Oklahoma, and South Carolina) also hold commercial reef fish permits, but these states represent a smaller percentage of the total number of issued permits.

Gulf reef fish permits are held by those with mailing addresses in 232 communities (SERO permit office, July 8, 2021). Communities with the most commercial reef fish permits are located in Florida and Texas (Table 3.4.1.1). The communities with the most reef fish permits are Panama City, Florida (9.1% of reef fish permits), Key West, Florida (4.8%), and St. Petersburg, Florida (3.3%).

Table 3.4.1.1. Top communities by number of Gulf reef fish permits.

State	Community	Reef Fish Permits (RR)
FL	Panama City	82
FL	Key West	43
FL	St. Petersburg	30
FL	Largo	26
TX	Galveston	22
FL	Destin	22
FL	Cortez	21
FL	Pensacola	21
FL	Seminole	20
FL	Clearwater	16
FL	Tampa	16
FL	Lynn Haven	13
FL	Naples	13
FL	Steinhatchee	13
FL	Apalachicola	11
FL	Tarpon Springs	11

Source: SERO permit office, July 8, 2021.

Landings

Nearly all of the commercial catch of red grouper is landed along the west coast of Florida (average of 99.9% from 2016-2020), with small proportions landed in Louisiana, Alabama, and Texas (NMFS SERO IFQ database accessed 4/2/25).

IFQ Accounts

To land IFQ-managed species, such as red grouper, fishermen need a permitted vessel with an activated vessel monitoring system unit, and sufficient IFQ allocation in the vessel's account to land the fish. Like permits, some accounts are held in the name of an individual, or more than

one individual, while others form business entities and open accounts in the name of the business. This makes it more difficult to talk about the social environment as there may be multiple individuals behind the account, and they may not reside in the same area. In the following analysis, accounts are described at the state and community level based on the mailing address of the self-designated primary entity (e.g., individual, business, or primary entity listed on the permit or IFQ application when held by more than one entity).

An IFQ account, also called shareholder account, is required to hold shares and allocation. The number of accounts is used here as a proxy to represent the number of participants and may represent more than one entity.

Shareholders

As of July 8, 2021, a total of 480 IFQ accounts held shares of red grouper IFQ (IFQ database; includes active and suspended accounts). The majority of accounts with red grouper IFQ shares have a mailing address in Florida (86% of accounts with red grouper IFQ shares, Table 3.4.1.2), followed by Alabama (4.2%), Texas (2.7%), Louisiana (2.5%), and Mississippi (0.8%). Accounts with mailing addresses in other states (Arkansas, Georgia, Michigan, North Carolina, New York, Ohio, Oregon, South Carolina, Tennessee, Utah, and Wyoming) also hold red grouper IFQ shares, but these states represent a smaller percentage of the total number of accounts with shares.

The majority of red grouper IFQ shares are held in accounts with mailing addresses in Florida, followed by Texas (Table 3.4.1.2). Accounts in Alabama, Louisiana, Mississippi, and other states also hold red grouper IFQ shares, but these states represent a smaller percentage of shares.

Table 3.4.1.2. Number of IFQ accounts with red grouper shares by state, including the percentage of shares by state by share category.

State	Accounts	Red Grouper Shares (%)
AL	20	0.870
FL	413	83.162
LA	12	0.028
MS	4	0.141
TX	13	6.172
Other	18	9.425
Total	480	99.799

Source: NMFS SERO IFQ database accessed 7/8/21.
Note: Includes active and suspended accounts.

Accounts with red grouper IFQ shares are held by people with mailing addresses in a total of 166 communities (IFQ database accessed 7/8/21). Communities with the most accounts with red grouper IFQ shares are located in Florida (Table 3.4.1.3). The community with the most accounts with red grouper IFQ shares is Panama City, Florida (8.3% of accounts with shares), followed by Key West, Florida (4.8%), and Largo, Florida (3.8%).

Table 3.4.1.3. Top communities by number of IFQ accounts with red grouper shares, including the percentage of shares by community.

State	Community	Accounts	Red Grouper Shares (%)
FL	Panama City	40	4.827
FL	Key West	23	0.456
FL	Largo	18	8.416
FL	Cortez	15	6.342
FL	St. Petersburg	15	4.990
FL	Destin	12	0.177
FL	Pensacola	12	0.038
FL	Tarpon Springs	10	2.054
FL	Apalachicola	9	2.284
FL	Steinhatchee	9	2.452
FL	Clearwater	8	6.781
FL	Seminole	8	3.602
FL	Tampa	8	0.327

Source: NMFS SERO IFQ database accessed 7/8/21.

The largest or maximum percent of red grouper IFQ shares held in a community is 8.416% in Largo, Florida (IFQ database accessed 7/8/21). The percentage of shares by community varies widely and a large number of accounts with shares may not necessarily correlate to a large percentage of shares in a particular category (Table 3.4.1.3). Some communities with a relatively smaller number of accounts may have a larger percentage of shares.

Allocation Only Holders

In 2020, a total of 296 IFQ accounts held red grouper IFQ allocation or red grouper multi-use (RGM)-IFQ allocation without red grouper IFQ shares (IFQ database accessed 2/25/22). However, some of these accounts may be related to accounts with red grouper shares. The majority of accounts with red grouper IFQ allocation or RGM-IFQ allocation, but without red grouper IFQ shares have mailing addresses in Florida (90.9% of accounts with red grouper or RGM allocation, but without red grouper shares, Table 3.4.1.4), followed by Alabama and Louisiana (each with 2.4%), and Texas (1.7%). Account holders with red grouper or RGM allocation, but without red grouper shares also have mailing addresses in other states (Georgia, Illinois, Massachusetts, North Carolina, Ohio, and South Carolina), but these states represent a smaller percentage of the total number of accounts with allocation, but without shares.

Table 3.4.1.4. Number of IFQ accounts with red grouper or RGM allocation, but without red grouper shares by state, 2020.

State	Accounts
AL	7
FL	269
LA	7
MS	0
TX	5
Other	8
Total	296

Source: NMFS SERO IFQ database accessed 2/25/22.

IFQ accounts with red grouper IFQ or RGM-IFQ allocation, but without red grouper IFQ shares, have mailing addresses in a total of 92 communities (IFQ database accessed 2/25/22). Communities with the most accounts with allocation, but without shares are located in Florida (Table 3.4.1.5). The community with the most accounts with allocation, but without shares is Panama City, Florida (7.4% of accounts with allocation, but without shares, Table 3.4.1.5), followed by Largo, Florida (6.1%) and St. Petersburg, Florida (5.7%).

Table 3.4.1.5. Top communities by number of IFQ accounts with red grouper or RGM allocation, but without red grouper shares, 2020.

State	Community	Accounts
FL	Panama City	22
FL	Largo	18
FL	St. Petersburg	17
FL	Madeira Beach	13
FL	Key West	10
FL	Seminole	10
FL	Hernando Beach	8
FL	Lecanto	8
FL	Pensacola	7
FL	Cape Coral	6
FL	Clearwater	6
FL	Indian Shores	6
FL	Pinellas Park	5
FL	Redington Shores	5

Source: NMFS SERO IFQ database accessed 2/25/22.

Dealers

The majority of dealer facilities with red grouper IFQ landings are located in Florida (average of 95.1% of Gulf red grouper IFQ species dealer facilities for 2016-2020, Table 3.4.1.6); followed

by Alabama, Louisiana, and Texas combined (4.9%). Alabama, Louisiana, and Texas are combined to protect confidentiality.

Table 3.4.1.6. Number of Gulf red grouper IFQ dealer facilities by state for 2016-2020.

Year	FL	AL/LA/TX
2016	111	8
2017	113	5
2018	110	6
2019	111	6
2020	101	3

Source: NMFS SERO IFQ database accessed 4/2/25.

Gulf red grouper IFQ species dealers are located in a total of 74 communities (IFQ database accessed 4/2/25, includes dealers with landings of red grouper from 2016-2020). Communities with the most Gulf red grouper IFQ dealer facilities are located in Florida (Table 3.4.1.7). The community with the most Gulf red grouper IFQ dealer facilities is Panama City, Florida (7% of Gulf red grouper IFQ dealer facilities, Table 3.4.1.7), followed by Key West, Florida (6.5%); and Madeira Beach, Florida (6%).

Table 3.4.1.7. Top communities by number of dealer facilities with red grouper IFQ landings during 2016-2020.

State	Community	*Dealer Facilities
FL	Panama City	15
FL	Key West	14
FL	Madeira Beach	13
FL	Steinhatchee	8
FL	Bokeelia	7
FL	St. James City	7
FL	St. Petersburg	7
FL	Venice	7
FL	Panacea	6
FL	Crystal River	5
FL	Fort Myers	5
FL	Pensacola	5

Source: NMFS SERO IFQ database accessed 4/2/25.
*Multiple dealers can use the same facility and a dealer can operate at multiple facilities.

Regional Quotient

Regional Quotient (RQ) is the proportion of red grouper IFQ landed within a community out of the total amount of red grouper IFQ landed within the Southeast region. It is an indicator of the percent contribution in pounds or value of red grouper IFQ landed within that community relative to the regional fishery. The RQ is reported individually only for the top 10 communities by total landings for the years of 2016 through 2020. All other communities that landed red

grouper IFQ are grouped as "Other." Figure 3.4.1.1 shows the RQ in percentage of pounds from 2016 to 2020. The dominant communities for red grouper IFQ pounds landed include the communities of Madeira Beach, Cortez, and Redington Shores, Florida (Figure 3.4.1.1). The top community of Madeira Beach, Florida is frequently referred to as the "Grouper Capital of the World," and includes an average of 43.7% of landings of red grouper IFQ species over the time series. Several of the top 10 communities are located in Pinellas County (Madeira Beach, Redington Shores, Tarpon Springs, Indian Shores, and St. Petersburg) and are within close proximity to each other. In addition, although Cortez, Florida (ranked second) is located in an adjacent county, Manatee County, it is also located within close proximity to Pinellas County. Two of the top 10 communities are located in the Florida Panhandle (Apalachicola and Panama City).

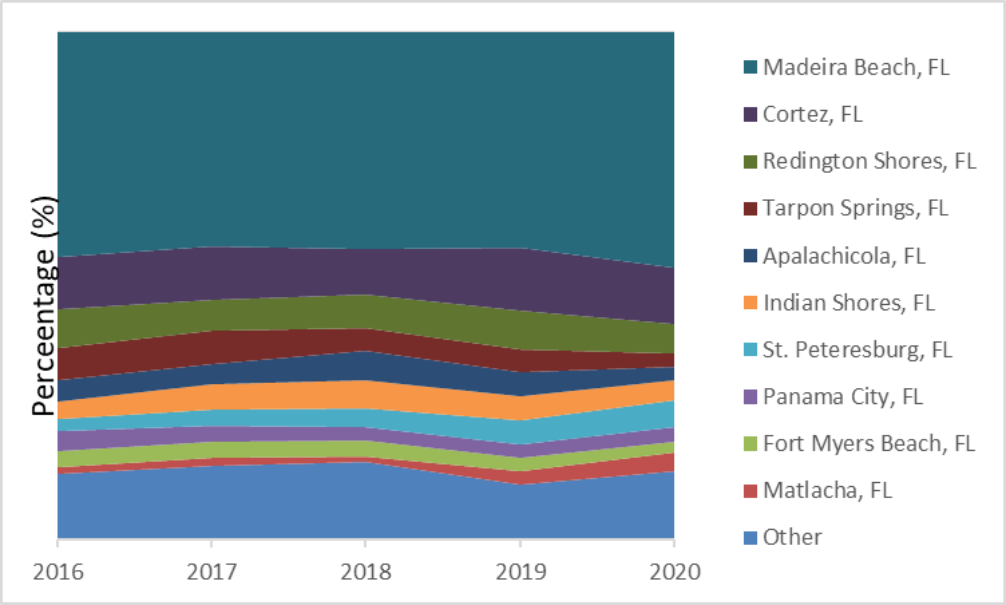


Figure 3.4.1.1. Regional Quotient (pounds) for top communities by landings of Gulf red grouper IFQ from 2016 through 2020.
Source: IFQ database accessed 4/2/25.

Local Quotient

The community Local Quotient (LQ) is the percentage of red grouper landed within that community out of the total of all species landed within that community. It is an indicator of the contribution of the value of red grouper to the overall landings in a community. Figure 3.4.1.2 shows the LQ in percentage of value from 2019 to 2023 for the top communities by landings of red grouper as depicted in Figure 3.4.1.1 and are presented in the order as they appear in Figure 3.4.1.1. The LQ for all included communities fluctuated throughout the time series but remained relatively stable for most communities. The community of Madeira Beach, Florida includes a comparatively high red grouper LQ for all years with ≥ 37% of value in landings and ranging up to a high of over 49% of value. Cortez, St. Petersburg, and Matlacha, Florida also include a comparatively high LQ for all years, with a particularly high year for the community of Matlacha in 2023.

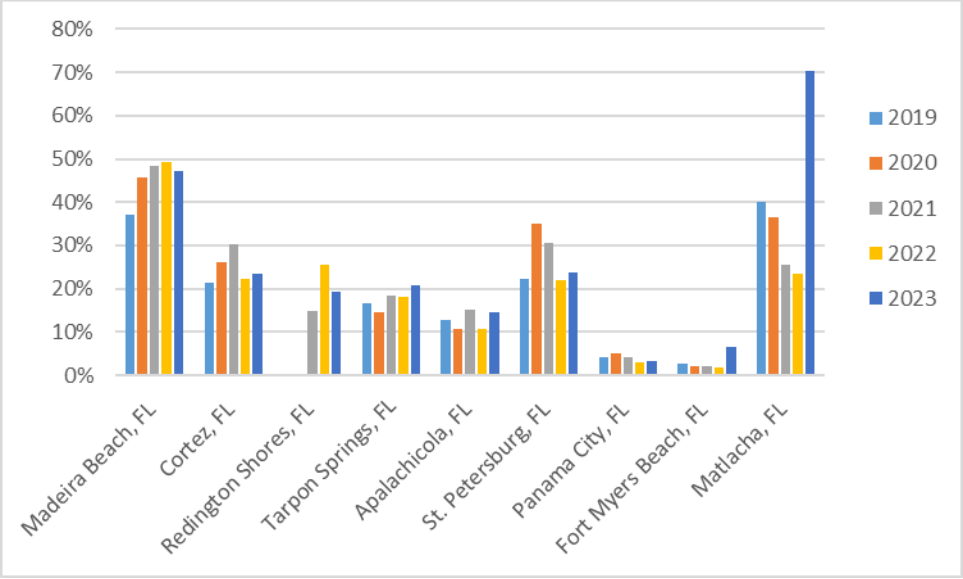


Figure 3.4.1.2. Local Quotient (value) for top communities by landings of Gulf red grouper for 2019 to 2023.
Source: SERO, Community ALS.

Engagement and Reliance

In addition to examining the RQs and LQs to understand how Gulf communities are engaged and reliant on fishing, indices were created using secondary data from permit and landings information for the commercial sector (Jepson and Colburn 2013, Jacob et al. 2013). Fishing engagement is primarily based on the absolute numbers of permits, landings, and value. The analysis used the number of vessels designated commercial by homeport and owner address, value of landings, and total number of commercial permits for each community. Fishing reliance includes the same variables as fishing engagement divided by population to give an indication of the per capita influence of this activity.

Taking the communities with the highest RQs, factor scores of both engagement and reliance for commercial fishing were plotted. Two thresholds of one and one-half standard deviation above the mean are plotted onto the graphs to help determine a threshold for significance. The factor scores are standardized; therefore, a score above one is also above one standard deviation. A score above one-half standard deviation is considered engaged or reliant, with anything above one standard deviation to be very engaged or reliant.

Figure 3.4.1.2 is an overall measure of a community's commercial fishing engagement and reliance and includes the communities with the strongest relationship to the commercial sector for red grouper as depicted in Figure 3.4.1.1. Most communities in Figure 3.4.1.3 would be considered to be highly engaged in commercial fishing, as many are at or above one standard deviation of the mean factor score. Redington Shores, Indian Shores, and Matlacha, Florida show the least amount of engagement in commercial fishing overall. Madeira Beach, Cortez, Apalachicola, Fort Myers Beach, and Matlacha, Florida demonstrate a moderate to high level of commercial reliance.

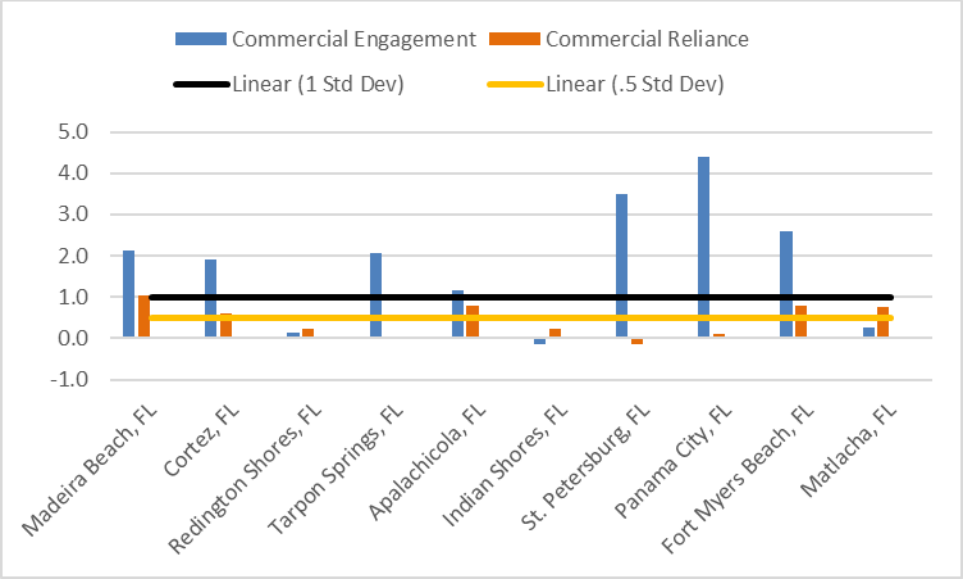


Figure 3.4.1.3. Commercial fishing engagement and reliance for top red grouper communities.
Source: SERO Community Social Vulnerability Indicators Database 2021.

3.4.2 Recreational Sector

Permits

Charter/headboat for reef fish permits are issued to entities, such as individuals and businesses in Florida (60% of charter/headboat for reef fish vessels), Texas (15.7%), Alabama (10.6%), Louisiana (7.4%), and Mississippi (2.6%, SERO permit office, July 8, 2021). Residents of other states (Arkansas, Arizona, California, Colorado, Georgia, Illinois, Michigan, Missouri, Montana, North Carolina, New Jersey, New York, Ohio, Oklahoma, Tennessee, Virginia, and Wisconsin) also hold charter/headboat permits, but these states represent a smaller percentage of the total number of issued permits.

Charter/headboat for reef fish permits are held by those with mailing addresses in 355 communities (SERO permit office, July 8, 2021). Communities with the most charter/headboat for reef fish permits are located in Florida, Alabama, and Texas (Table 3.4.2.1). The communities with the most charter/headboat permits are Panama City, Florida (4.6% of charter/headboat permits), Destin, Florida (4.4%), and Orange Beach, Alabama (4.1%).

Table 3.4.2.1. Top Gulf communities by number of charter/headboat for reef fish permits.

State	Community	Charter/Headboat for Reef Fish Permits (RCG)
FL	Panama City	65
FL	Destin	62
AL	Orange Beach	57
FL	Naples	45
FL	Key West	43
FL	Pensacola	30
FL	Sarasota	27
FL	St. Petersburg	23
TX	Galveston	21
FL	Panama City Beach	19
TX	Corpus Christi	19
FL	Cape Coral	18
FL	Clearwater	18
FL	Fort Myers	18
FL	Crystal River	16
FL	Tampa	16
FL	Gulf Breeze	14

Source: SERO permit office, July 8, 2021.

Landings

From 2020-2024, 100% of recreational red grouper landings were from the waters adjacent to the west of Florida (SEFSC Recreational MRIP-FES ACL and LA Creel). In terms of mode of landings, the private anglers dominated, accounting for 61-77% of annual landings from 2020-2024, with remaining percent of annual landings from charters (22-49%) and headboats (1-2%).

Headboat Regional Quotient

Figure 3.4.2.1 shows the top Gulf communities based on a RQ of recreational headboat landings for red grouper for 2020 through 2024. The RQ is the proportion of landings in the listed homeports for the headboats out of the total SRHS landings for that region and is a relative measure. The RQ is calculated as the homeports' average proportion of the total number of red grouper landings by SRHS vessels during this time period (SEFSC SRHS, 2020-2024) and is presented below in Figure 3.4.2.1, in descending order. The top headboat homeports reporting red grouper landings are concentrated in Florida, off the southwest coast. Headboats with homeports in Alabama and Texas landed a very small proportion of the region's red grouper catch.

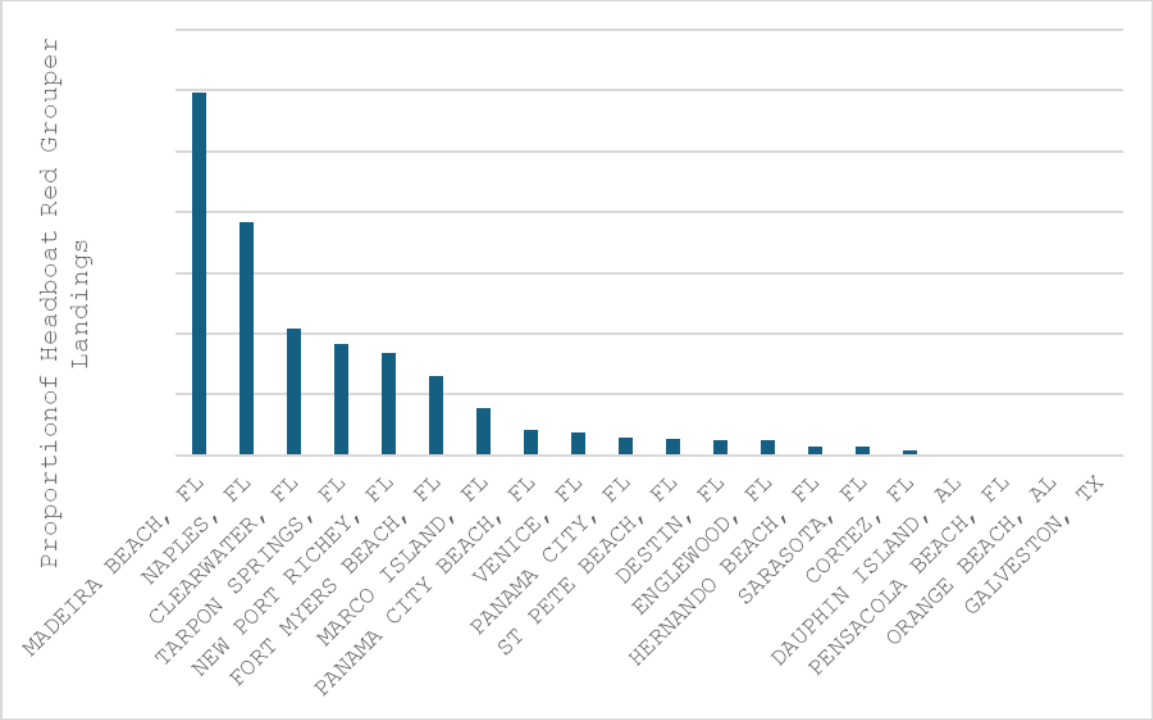


Figure 3.4.2.1. Headboat RQ-average proportion of red grouper landings by community for headboats included in the SRHS.
Source: SEFSC SRHS, 2020-2024.

Engagement and Reliance

Landings for the recreational sector based on fisheries survey data are not an accurate representation of the species caught at the community level, making it difficult to identify communities as dependent on recreational fishing for red grouper. Because limited data are available concerning how communities are engaged and reliant on specific species in the recreational sector, indices were created using secondary data from permit and infrastructure information for the southeast recreational fishing sector at the community level (Jepson and Colburn 2013, Jacob et al. 2013). Recreational fishing engagement is represented by the number of recreational vessels designated as "recreational" by homeport and owner's address and the number of recreational fishing survey sites in a particular community. Fishing reliance includes the same variables as fishing engagement, divided by population. Factor scores of both engagement and reliance were plotted by community.

Figure 3.4.2.2 identifies the Florida communities that are the top communities by engagement upon recreational fishing in general. Two thresholds of one and one-half standard deviation above the mean were plotted to help determine a threshold for significance. Communities are presented in ranked order by fishing engagement and all included communities demonstrate high levels of recreational engagement, although this is not specific to fishing for red grouper. Because the analysis used discrete geo-political boundaries, Panama City and Panama City Beach had separate values for the associated variables. Calculated independently, each still ranked high enough to appear in the top list, suggesting a greater importance for recreational fishing in that area. As all recreational landings occurred in Florida, the table below shows only

the top 20 communities in Florida for recreational fishing engagement and reliance. The communities of Tavernier, Islamorada, Destin, Key West, Marathon, Port St. Joe, and Crystal River, Florida demonstrate the highest reliance on recreational fishing. The communities of Naples, Key Largo, and Fort Myers Beach, Florida demonstrate a moderate to high reliance.

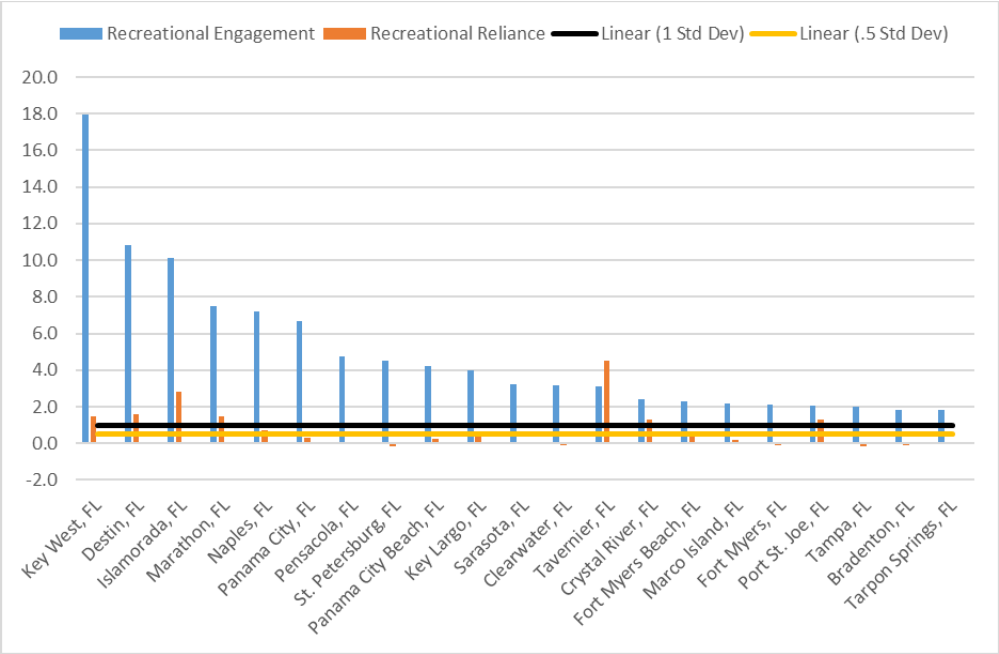


Figure 3.4.2.2. Recreational fishing engagement and reliance for top Florida communities.
Source: SERO, Community Social Vulnerability Indicators Database 2022.

3.4.3 Social Vulnerability

A suite of indices was created using census data to examine the social vulnerability of coastal communities. The three indices are poverty, population composition, and personal disruption. The variables included in each of these indices have been identified through the literature as being important components that contribute to a community's vulnerability. Poverty includes poverty rates for different groups; population composition includes more single female-headed households, households with children under the age of five, minority populations, and those that speak English less than well; and personal disruption includes disruptions such as higher separation rates, higher crime rates, and unemployment. Increased rates in the indicators are signs of populations experiencing vulnerabilities. Again, for those communities that exceed the threshold it would be expected that they would exhibit vulnerabilities to sudden changes or social disruption that might accrue from regulatory change.

Figures 3.4.3.1 and 3.4.3.2 provide social vulnerability rankings for place-based communities identified in Section 3.4 as important to commercial and recreational fishing for red grouper specifically, fishing for reef fish, or marine fishing in general. Several communities in Florida exceed the threshold of one standard deviation above the mean for at least one of the indices (Bokeelia, Panacea, and Steinhatchee). These communities would be the most likely to exhibit vulnerabilities to social or economic disruption resulting from regulatory change.

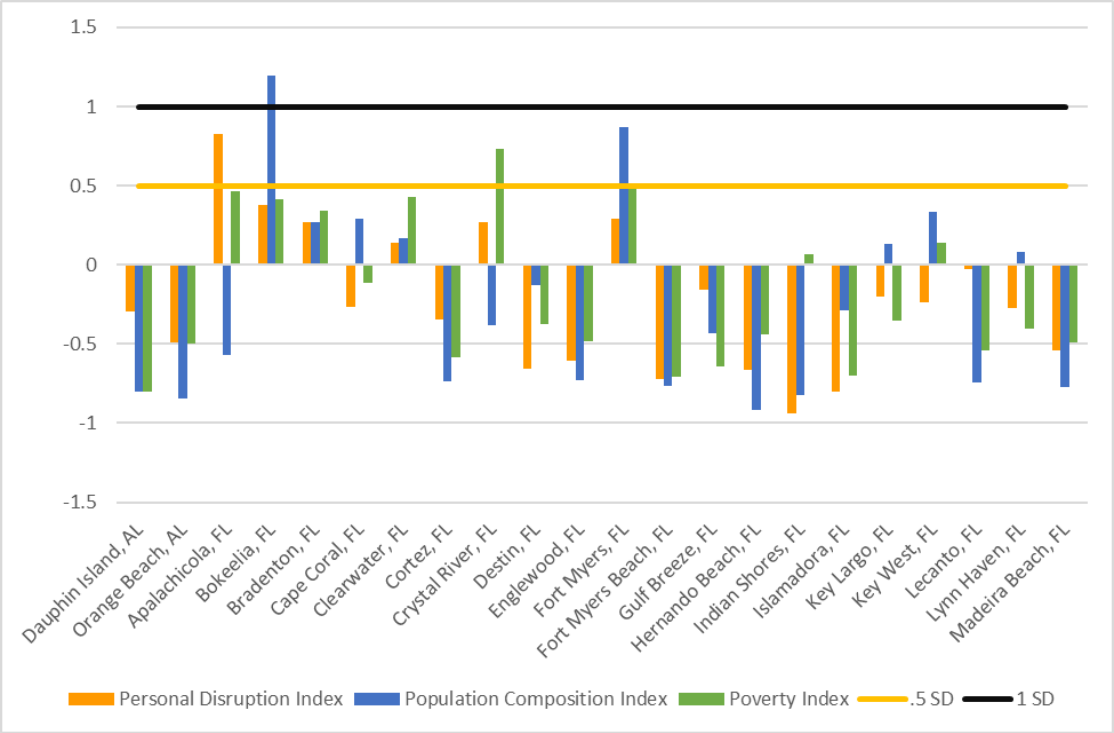


Figure 3.4.3.1. Social vulnerability indices for top commercial and recreational reef fish and red grouper communities.
Source: SERO, Community Social Vulnerability Indicators Database 2022.

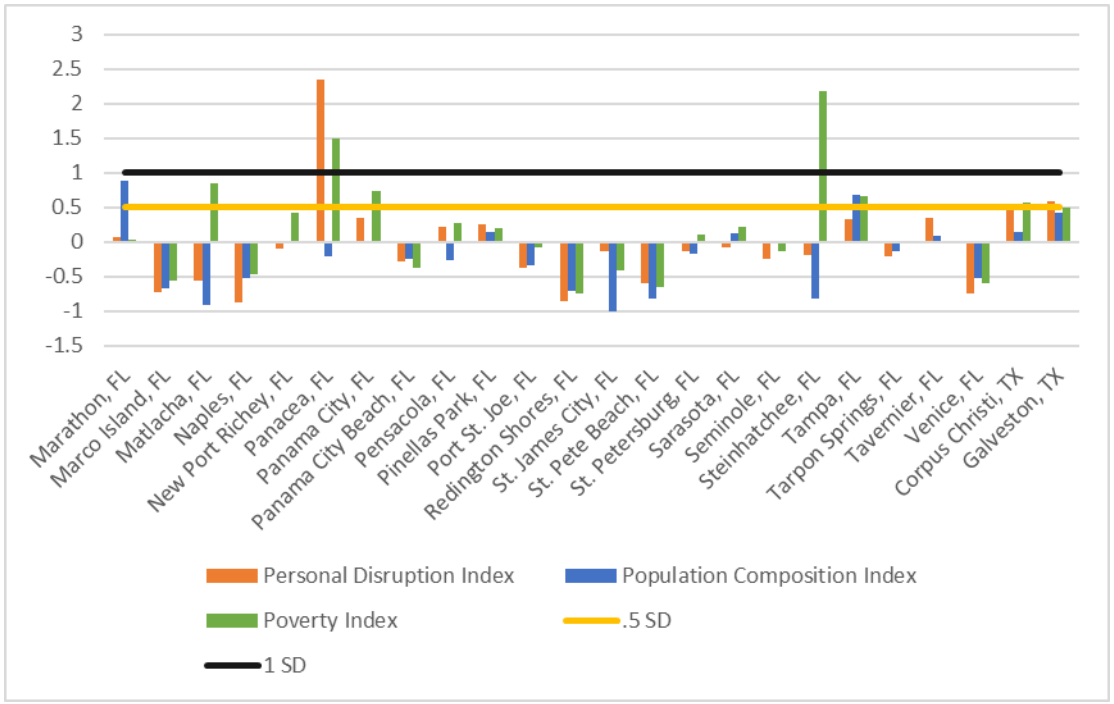


Figure 3.4.3.2. Social vulnerability indices for top commercial and recreational reef fish and red grouper communities continued.
Source: SERO, Community Social Vulnerability Indicators Database 2022.

The description of fishing activities presented here highlights which communities may be most involved in Gulf red grouper fishing. It is expected that the impacts from the regulatory action in this amendment, whether positive or negative, will most likely affect those communities identified above.

3.5 Description of the Administrative Environment

3.5.1 Federal Fishery Management

Federal fishery management is conducted under the authority of the Magnuson-Stevens Act (16 U.S.C. 1801 *et seq*.). It was originally enacted in 1976 as the Fishery Conservation and Management Act. The Magnuson-Stevens Act claims sovereign rights and exclusive fishery management authority over most fishery resources within the EEZ, an area extending 200 nautical miles from the seaward boundary of each of the coastal states, and authority over U.S. anadromous species and continental shelf resources that occur beyond the EEZ.

Responsibility for federal fishery management is vested with the Secretary of Commerce (Secretary) who reviews and implements fishery management plans (FMP) prepared by eight Regional Fishery Management Councils that represent the expertise and interests of constituent states. In most cases, the Secretary has delegated this authority to NMFS.

The Council is responsible for fishery resources in federal waters of the Gulf. These waters extend to 200 nautical miles offshore from the seaward boundaries of the Gulf states of Alabama, Florida, Louisiana, Mississippi, and Texas, as those boundaries have been defined by law. The length of the Gulf coastline is approximately 1,631 miles. Florida has the longest coastline of 770 miles along its Gulf coast, followed by Louisiana (397 miles), Texas (361 miles), Alabama (53 miles), and Mississippi (44 miles).

The Council consists of seventeen voting members: 11 public members appointed by the Secretary; one each from the fishery agencies of Texas, Louisiana, Mississippi, Alabama, and Florida; and one from NMFS. The public is also involved in the fishery management process through participation on advisory panels and through Council meetings that, with few exceptions for discussing personnel matters, are open to the public. The regulatory process is also in accordance with the Administrative Procedures Act, in the form of "notice and comment" rulemaking, which provides extensive opportunity for public scrutiny and comment, and requires consideration of and response to those comments. Regulations contained within FMPs are enforced through actions of NOAA's Office of Law Enforcement, the United States Coast Guard, and various state authorities. To better coordinate enforcement activities, federal and state enforcement agencies have developed cooperative agreements to enforce the Magnuson-Stevens Act. These activities are being coordinated by the Council's Law Enforcement Technical Committee and the Gulf States Marine Fisheries Commission's Law Enforcement

Committee, which have developed joint enforcement agreements and cooperative enforcement programs.[34]

Reef fish stocks are assessed through the SEDAR process. As species are assessed, stock condition and ABC levels are evaluated. As a result, periodic adjustments to stock ACLs and other management measures are deemed necessary to prevent overfishing. Management measures are implemented through plan or regulatory amendments.

3.5.2 State Fishery Management

The purpose of state representation at the Council level is to ensure state participation in federal fishery management decision-making and to promote the development of compatible regulations in state and federal waters. The state governments of Texas, Louisiana, Mississippi, Alabama, and Florida have the authority to manage their respective state fisheries. Each of the five Gulf states exercise legislative and regulatory authority over their respective state's natural resources through discrete administrative units. Although each agency is the primary administrative body with respect to the states' natural resources, all states cooperate with numerous state and federal regulatory agencies when managing marine resources. A more detailed description of each state's primary regulatory agency for marine resources is provided on their respective web pages (Table 3.5.2.1).

Table 3.5.2.1. Gulf state marine resource agencies and web pages.

State marine resource agency	Web page
Alabama Marine Resources Division	http://www.outdooralabama.com/
Florida Fish and Wildlife Conservation Commission	https://myfwc.com/
Louisiana Department of Wildlife and Fisheries	http://www.wlf.louisiana.gov/
Mississippi Department of Marine Resources	http://www.dmr.ms.gov/
Texas Parks and Wildlife Department	http://tpwd.texas.gov/

[34] www.gsmfc.org

CHAPTER 4. ENVIRONMENTAL CONSEQUENCES

4.1 Action 1: Modification of Gulf Red Grouper Overfishing Limit (OFL), Acceptable Biological Catch (ABC), and Total Annual Catch Limit (ACL)

4.1.1 Effects on the Physical Environment

The alternatives to the status quo in this action set new catch limits for Gulf of America (Gulf) red grouper. Increases in catch limits may result in increased fishing effort, which could increase effects on the physical environment from interactions with fishing gear. However, any effects from this action are not expected to be significant because this action is not expected to change how the reef fish fishery, which is a multi-species fishery, is prosecuted as a whole. This action would only affect the portion of the fishery targeting red grouper.

The commercial sector of the reef fish fishery uses vertical line (i.e., electric reel, bandit rig, hook-and-line, and trolling) and longline gear. The recreational sector (headboat, charter for-hire, and private vessels) primarily uses vertical line gear (hook-and-line). For red grouper, there is no recreational shore mode included in the stock assessment (SEDAR 88 2025), as red grouper is typically not harvested from shore. Generally, reef fish are also harvested by spearfishing in both the commercial and recreational sectors; however, the proportion of recreational landings for red grouper attributable to spearfishing is estimated to be low compared to hook-and-line. In the Gulf, a majority of commercial red grouper landings reported indicated that longline and vertical line were the predominant gears used. For the recreational sector, a majority of red grouper landings indicated that hook-and-line fishing was the predominant gear used.

Anchor damage is also associated with vertical line fishing vessels, particularly by the recreational sector, where fishermen may repeatedly visit well marked or known fishing locations. Hamilton (2000) pointed out that "favorite" fishing areas such as reefs are targeted and revisited multiple times, particularly with the advent of GPS technology. The cumulative effects of repeated anchoring could damage the hard bottom areas where reef fish fishing occurs, which may be exacerbated by repeated drops of weighted fishing rigs onto the reef. Recreational and commercial vessels that use vertical line gear are typically known to anchor more frequently over reef sites. Since the mid-2010s, private recreational and charter for-hire vessels have increasingly adopted the use of bow-mounted electric trolling motors with GPS, allowing these vessels to remain at a geographic point without the need of a traditional anchor. The continued adoption of this method of staying on location when fishing would be expected to decrease interactions with the physical environment by these vessels from traditional anchoring practices.

Commercial harvesting for reef fish using longline gear occurs over hard bottom habitats using weights to keep the gear in direct contact with the bottom. The potential for this gear to adversely impact the bottom depends on the type of habitat it is set on, the presence or absence of currents, and the behavior of fish after being hooked. This gear can abrade, snag, and dislodge smaller rocks, corals, and sessile invertebrates (Hamilton 2000; Barnette 2001). Direct underwater observations of longline gear in the Pacific halibut fishery by High (1980) noted that

the gear could sweep across the bottom. A study that directly observed deployed longline gear (Atlantic tilefish portion of the snapper-grouper fishery) found no evidence that the gear shifted significantly, even when set in currents (Grimes et al. 1982). **Alternative 2** and **Preferred Alternative 3** would increase allowable harvest of red grouper, which may increase fishing effort. Because of the multi-species nature of the reef fish fishery for the commercial and recreational sectors, and because fishing effort may shift, increasing catch limits as proposed in **Alternative 2** and **Preferred Alternative 3** is not expected to result in measurable effects to the physical environment compared to each other or compared to **Alternative 1**.

4.1.2 Effects on the Biological Environment

Effects from fishery management actions as they relate to the biological environment of red grouper have been discussed in detail in GMFMC (2011) and GMFMC (2021) and are incorporated here by reference. Management actions that affect the biological and ecological environments primarily relate to the impacts of fishing on a species' population size, life history, and the role of the species within its habitat. Removal of fish from a population through fishing reduces the overall population size. Fishing gear types have different selectivity patterns, which refer to a fishing method's ability to target and capture a species by size (length) and age. Selectivity patterns also include discards, which are mostly comprised of sublegal sized fish or fish caught during seasonal closures, and the mortality associated with releasing these fish. Potential impacts of the 2010 *Deepwater Horizon* MC252 oil spill on the biological/ecological environment are discussed in Section 3.2 and in the *Deepwater Horizon* Programmatic Damage Assessment and Restoration Plan (DWH Trustees 2016) and are also incorporated here by reference. These impacts include potential recruitment failure and reduced fish health.

Fishing can affect life history characteristics of reef fish, such as growth and maturation rates. Grouper reproduction may also be impacted by fishing. As an example, Fitzhugh et al. (2006) reported the size at which 50% of female gag (*Mycteroperca microlepis*) are sexually mature, and the size at which 50% of females transition to males, was smaller in their studies compared to earlier years. In addition, for hermaphroditic species (like red grouper), fishing pressure has been suggested as influential to changes in sex ratios. A decline in the ratio of male to female grouper could be an ongoing source of concern depending on the reproductive strategy of a particular species. However, for species that do not aggregate to spawn like red grouper, there is less vulnerability to sex-specific fishing mortality because fishing pressure on the stock is generally diffuse across its distribution. Of note though, red grouper is vulnerable to mortality from barotrauma when hooked at depth and then reeled to the surface.

The main benefits of reducing grouper bycatch are: 1) less waste and 2) increased yield in the directed fishery. Reducing discards and discard mortality rates would result in less forgone yield. Increasing ACLs in the commercial sector is expected to increase discards due to the greater number of regulatory discards (such as discard of undersized fish) that is expected to occur with the increased fishing effort associated with the higher commercial quota. The effects of increasing the recreational quota on bycatch is less clear. This is because the recreational season is projected to remain open for the entire year due to the increased catch limits, which would eliminate regulatory discards that have occurred in recent years after closure of the recreation fishing season due to harvesting the quota. However, because recreational effort is

expected to increase due to the lack of a closed season, it is also expected that other regulatory discards (such as discards of undersized fish) would increase with the increased catch limits. In any case, although the effects of the increasing catch limits are unclear for the recreational sector, there is expected to be a slight increase in bycatch overall due to increased regulatory discards across both sectors. This is especially true for smaller fish (less than the legal-size limit), since they are more likely to be discarded. Since smaller fish are generally caught in shallower waters and red grouper caught in shallow water have better survival rates, these released fish are expected to have higher survival rates relative to the larger fish caught in deeper water. Legal size fish would be less likely to be discarded under the increased catch limits because there would be no requirement to release them at any time of the year due to a season closure.

Alternative 1 (No Action) would maintain the current maximum sustainable yield (MSY) proxy and catch limits and for red grouper. This alternative would restrict harvest compared to the OFL and ABC recommendations from the Gulf Council's (Council) Scientific and Statistical Committee (SSC) which, compared to the higher allowable catch expected from **Alternative 2** and **Preferred Alternative 3**, would be expected to result in positive biological effects from comparatively lower removals. Because **Alternative 1** would restrict harvest at current levels, it is not consistent with the purpose and need in Section 1.2. Further, the catch limits in **Alternative 1** are inclusive of Marine Recreational Information Program (MRIP) data for private recreational vessels, and these data are no longer considered consistent with the best scientific information available (BSIA). As such, **Alternative 1** is not a viable alternative.

Alternative 2 would revise the MSY proxy and catch limits for red grouper based on the results of the SEDAR 88 (2025) stock assessment, and recommendations of the SSC using a three-year constant-catch scenario. The OFL and ABC for red grouper would be set based on an MSY proxy of the yield when fishing at $F_{40\%SPR}$, and the yield when fishing at 75% of the F_{MSY} proxy, respectively. Modifying the MSY proxy for red grouper from $F_{30\%SPR}$ to $F_{40\%SPR}$ is expected to help ensure that the stock can be continually harvested and remain robust to environmental perturbations like episodic mortality from red tides. The OFL and ABC in **Alternative 2** are inclusive of the Florida's State Reef Fish Survey (SRFS) data for private recreational vessels which, for red grouper, is considered consistent with the BSIA. The total ACL is set equal to the ABC. **Alternative 2** would allow for increased harvest of red grouper compared to **Alternative 1** for both the commercial and recreational sectors, regardless of any sector allocation decisions in Action 2. As long as the catch limits prescribed in **Alternative 2** are not exceeded, no negative biological effects on red grouper are expected because these removals are projected to be sustainable based on the results of the SEDAR 88 stock assessment.

Preferred Alternative 3 would revise the MSY proxy and catch limits for red grouper based on the results of the stock assessment (SEDAR 88 2025), and recommendations of the Council's SSC using a three-year constant-catch scenario. The OFL and ABC for red grouper would be set based on an MSY proxy of the yield when fishing at $F_{40\%SPR}$, and the yield when fishing at 75% of the F_{MSY} proxy, respectively. The OFL and ABC are inclusive of SRFS data for private recreational vessels. In contrast to **Alternative 2**, **Preferred Alternative 3** sets the total ACL at 80% of the ABC in 2026, 90% of the ABC in 2027, and 100% of the ABC in 2028 and subsequent years. This stepped method of increasing the total ACL relative to the ABC over a

period of years is meant to phase-in the catch limit increases for both fishing sectors and allow fishery managers to see how the red grouper stock responds to these increases. As with **Alternative 2**, this alternative would allow for increased harvest of red grouper compared to **Alternative 1** for both the commercial and recreational sectors, regardless of any sector allocation decisions in Action 2. Because of this phase-in approach to catch limit increases, **Preferred Alternative 3** is expected to result in greater positive biological effects compared to **Alternative 2** by way of lower allowable removals in 2026 and 2027. By 2028, no difference in biological effects is expected between **Alternative 2** and **Preferred Alternative 3**.

Expected effects to discards and co-occurring species

Bycatch occurs within the reef fish fishery, and includes fish released due to catch limits, seasons, or other regulatory measures. In general, reducing bycatch provides biological benefits to managed species and the reef fish fishery through less waste, higher yields, and thus, less forgone yield.

With regard to discards of red grouper, **Alternative 1** is expected to have no effect, since it allows fishing to continue at current levels. **Alternative 2** and **Preferred Alternative 3** may result in slightly increased discards in the commercial sector due to the increase in catch limits. Because commercial fishermen would have increased opportunity to fish for red grouper, they are expected to catch a greater number of fish that are required by law to be discarded (regulatory discards) or are discarded for other reason. In the recreational sector, the effect of increasing the catch limit is less clear. Discards associated with catching red grouper out of season is unlikely to occur because the recreational season is projected to remain open for the entire year due to the increased catch limits. This would eliminate regulatory discards that have occurred in recent years under **Alternative 1** when recreational fishing season closures have been required due to harvesting the quota. However, because recreational effort is expected to increase due to the lack of a closed season, other regulatory discards (such as discards of undersized fish) would be expected. Although the effects on bycatch by the recreational sector are unclear under **Alternative 2** and **Preferred Alternative 3**, a slight increase in bycatch across both sectors is expected due to increased regulatory discards. This is especially true for smaller fish (less than the legal-size limit), since they are more likely to require regulatory discarding. However, smaller red grouper are generally captured at shallower depths which are associated with less barotrauma upon capture and greater survival rates after release (Wilson and Burns, 1996). Legal size fish would be less likely to be discarded under the increased catch limits associated with **Alternative 2** and **Preferred Alternative 3** because there would be no requirement to release them at any time of the year due to a season closure. The Bycatch Practicability Analysis found in Appendix C provides a more detailed description of the bycatch impacts of the current management measures and the ways in which bycatch and bycatch mortality are minimized to the extent practicable consistent with National Standard 9.

Expected effects to protected species

The reef fish fishery can affect species other than reef fish. Specifically, sea turtles have been observed to be directly affected by the bottom longline component of the Gulf reef fish fishery. These effects occur when sea turtles interact with fishing gear and result in capture and

incidental injury or mortality (GMFMC 2010). However, the most recent biological opinion (NMFS 2011) for the Reef Fish FMP and re-initiation memos concluded that the operation of the fishery is not likely to jeopardize the continued existence of sea turtles or other species listed under the ESA. This fishery is also not expected to adversely affect marine mammals. The primary gear types used by the commercial sector (longline and hook-and-line) were classified in the 2025 Marine Mammal Protection Act Proposed List of Fisheries as a Category III fishery (89 FR 77789; September 24, 2024) with regard to marine mammal species, indicating the gear has little effect on these populations.

The actions in this amendment would not significantly modify the way in which the reef fish fishery is prosecuted. Therefore, there are no additional impacts on ESA-listed species or designated critical habitats anticipated as a result of this action (see Section 3.2 for a more detailed description of ESA-listed species and critical habitat in the action area).

None of the Action 1 alternatives are expected to have measurable impacts on any other component of the biological environment overall or relative to each other, because of the multi-species nature of the reef fish fishery for the commercial and recreational sectors. Fishing effort may shift to or from other species and away or towards red grouper specifically but is not expected to change the prosecution of the fishery as a whole.

4.1.3 Effects on the Economic Environment

Alternative 1 maintains the current MSY proxy, OFL, ABC, and total ACL for red grouper. The OFL, ABC, and total ACL values, respectively, in SRFS units are 5.40 million pounds (mp) gutted weight (gw), 5.02 mp gw, and 5.02 mp gw.[35] **Alternative 2** increases the OFL, ABC, and total ACL for red grouper. The OFL, ABC, and total ACL values, respectively, in SRFS units are 10.64 mp gw, 8.28 mp gw, and 8.28 mp gw. The total ACL under **Alternative 2** increases by 3.26 mp gw, compared with **Alternative 1**. **Preferred Alternative 3** increases the OFL and ABC, and the total ACL is set at 80% of the ABC in 2026, 90% of the ABC in 2027, and 100% of the ABC in 2028 and subsequent years. The OFL and ABC, respectively, in SRFS units are 10.64 mp gw and 8.28 mp gw. The total ACL, in SRFS units, is 6.62 mp gw in 2026, 7.45 mp gw in 2027, and 8.28 mp gw in 2028 and subsequent years. Therefore, in 2028 and in subsequent years, the effects from **Alternative 2** and **Preferred Alternative 3** would be expected to be the same, as the total ACL would be the same. The total ACL under **Preferred Alternative 3** increases by 1.60 mp gw in 2026, by 2.43 mp gw in 2027, and by 3.26 mp gw in 2028 and subsequent years, compared with **Alternative 1**. To analyze the effects of solely a change in the total ACL without a change in sector allocations, the status quo sector allocations (59.3% commercial, 40.7% recreational) are used to determine the sector ACLs. Should the Council modify the sector allocations in Action 2, the incremental effects of the change to sector allocations will be analyzed in section 4.2. For Action 1's analyses, the status quo commercial

[35] SRFS equivalent values for the MRIP-FES units for Action 1 Alternative 1 are provided in Table 1 of the SEFSC' Projection Scenarios for Gulf Red Grouper (https://gulf-council-media.s3.amazonaws.com/uploads/2025/04/04b-SEDAR88_2025_projections.pdf). The ABC is set equal to the total ACL, as set forth in Action 1. These values allow for comparison of all three alternatives in Action 1.

buffer between the ACL and ACT (quota) of 5% and the status quo recreational buffer of 9% are also applied.

Recreational Sector

Estimated changes in economic value to recreational fishermen are approximated by multiplying the expected change in the number of fish harvested by a consumer surplus (CS) estimate. The most recent proxy for a CS estimate for red grouper is the estimated value of the CS for a 1 fish change in grouper harvest. A value of $130.75 (Carter and Liese 2012; values updated to 2024$) reflects recreational willingness-to-pay (WTP) for 1 additional red grouper harvest.

The second column in Table 4.1.3.1 shows the change in expected landings, in pounds (lb) gw, from the recreational ACL under **Alternative 2** and **Preferred Alternative 3** from the SRFS equivalent recreational ACL under **Alternative 1**, which was derived by applying the status quo sector allocations to the SRFS equivalent total ACL. The SRFS equivalent recreational ACL under **Alternative 1** is used for comparison rather than average historical recreational landings because the recreational ACL changed in 2019 and again in 2022, which affects average recreational landings. As the total ACL and, thereby, the recreational ACL increase from 2026 to 2027 to 2028 with **Preferred Alternative 3**, three rows are associated with **Preferred Alternative 3** to separately capture the effects across years. The next column shows the expected change in recreational landings, expressed as number of fish, as compared to **Alternative 1**. The expected change in landings assumes that the recreational sector lands all of the available pounds of red grouper. This change in the number of fish was determined by multiplying the expected change in recreational landings in lb gw by 1.048 (Table 1, SEDAR 88 2025) to obtain the expected change in recreational landings in lb whole weight (ww) and then dividing by 7.66 (the average weight in ww of a recreationally landed red grouper from 2020 to 2024; A. Gray, SERO, pers. comm. 2025). As shown in the last column, the expected change in the recreational sector's CS is calculated by multiplying the expected change in recreational landings, expressed as number of fish, by the value of $130.75, described previously.

Table 4.1.3.1. Expected change in the recreational sector's CS (2024$) from **Alternative 2** and **Preferred Alternative 3**, in comparison with **Alternative 1**.

	Expected Change in Rec Landings (lb gw)	**Expected Change in Rec Landings, Expressed as Number of Fish**	**Expected Change in Rec Sector CS**
Alt 2 – Alt 1 (SRFS)	1,326,820	181,528	$23,734,835
2026, Preferred Alt 3 – Alt 1 (SRFS)	651,200	89,094	$11,648,999
2027, Preferred Alt 3 – Alt 1 (SRFS)	989,010	135,311	$17,691,917
2028+, Preferred Alt 3 – Alt 1 (SRFS)	1,326,820	181,528	$23,734,835

The producer surplus (PS) of the for-hire component of the recreational sector, composed of charter vessels and headboats, would be impacted by a change in the number of targeted trips. In

the long run, factors of production, such as labor and capital, can be used elsewhere in the economy, and so only short-term changes to PS are expected. In the Gulf, headboat trips take a diverse set of anglers on a single vessel, generally advertising a diverse range of species to be caught. Therefore, an assumption that no headboat trips would be gained or lost due to a change in the recreational ACL would be reasonable. However, charter vessel trips that are targeting red grouper may be added by anglers and are the focus of the recreational sector PS analysis. The recreational red grouper season closed in Gulf waters on July 1 and on July 21, respectively, in 2024 and in 2023. For this analysis, a July 1 recreational red grouper season closure date is assumed for **Alternative 1**, so **Alternative 2** and **Preferred Alternative 3** would each provide for additional trips during the rest of the year (all of waves 4, 5, and 6). The average number of target trips by charter vessels by 2-month wave from 2021 to 2024 is shown in Table 4.1.3.2. For analyzing the effects of wave 4 (July-August) remaining open, the average for only 2021 to 2022 (19,031 charter target trips) is used, as the 2021 closure did not occur in wave 4 and the 2022 closure occurred 2 days prior to the end of wave 4; closures occurred July 31 in 2023 and July 1 in 2024, providing incomplete data for wave 4 for those years. As closures occurred in wave 5 (or earlier) in 2021-2024, data from the Southeast Regional Office's (SERO) MRIP database (accessed May 2025) were used to establish ratios of trips in wave 5 (Sept-Oct) and wave 6 (Nov-Dec) to those in waves 1-3 (Jan-June) using trips from 2010-2013 and 2016-2019, as those years did not have closures during waves 5 and 6. That ratio was then applied to the average number of trips in waves 1-3 from 2021-2024 (13,444) to derive the projected number of trips in waves 5 (6,453) and 6 (8,873). The projected number of trips in waves 5 and 6 were then divided by the number of days in those waves (61 days) to then derive the projected number of trips per day in wave 5 (106 trips per day) and in wave 6 (145 trips per day), assuming trips are evenly distributed among days. These values serve as proxies for the recent average number of historical trips for waves 5 and 6. No season closure is expected under either **Alternative 2** or **Preferred Alternative 3** from Action 1. Therefore, in comparison with **Alternative 1**, **Alternative 2** and **Preferred Alternative 3** are expected to result in an additional 19,031 target trips for wave 4 and an additional 15,326 target trips for waves 5 and 6 combined. These projections assume new trips are taken to target red grouper. However, only some of the projected trips are likely to be entirely new trips, while others are likely existing trips that would now target red grouper. As a result, these projections may result in an overestimate of a year-round season. Multiplying the trip net cash flow per angler trip of $171 (2024$) for charter vessels, as seen in Table 3.3.2.7, by the number of additional target trips produces an expected change in the recreational PS of $5,874,962 from **Alternative 2** and **Preferred Alternative 3**, as seen in Table 4.1.3.3.

Table 4.1.3.2. Gulf* red grouper charter target trips, by 2-month wave, 2021-2024.

	Wave 1	Wave 2	Wave 3	Wave 4	Wave 5	Wave 6
2021	2,583	26,853	11,765	17,272	2,809	0
2022	10,333	6,925	13,079	20,789	0	0
2023	17,131	9,667	20,186	6,857	0	1,456
2024	11,597	15,743	15,463	0	0	0
Average	10,411	14,797	15,123	11,230	702	485

Source: MRIP database, SERO, NMFS (Aug 2025).
*No recorded target trips for MS. LA and TX data unavailable

Table 4.1.3.3. Expected change in the for-hire component's PS, based on the number of expected additional target trips by charter vessels under **Alternative 2** or **Preferred Alternative 3**, in comparison with **Alternative 1**. PS values are in 2024$.

	Expected Additional Target Trips by Charter Vessels	Expected Change in For-Hire Component's PS
Alt 2 – Alt 1	34,359	$5,874,962
Preferred Alt 3 – Alt 1	34,359	$5,874,962

The expected net economic benefits to the recreational sector are a summation of the changes in the recreational sector's CS and PS. The expected net economic benefits to the recreational sector from **Alternative 2** and **Preferred Alternative 3** are shown in Table 4.1.3.4.

Table 4.1.3.4. Total expected change in net economic benefits to the recreational sector (2024$) from **Alternative 2** and **Preferred Alternative 3**, in comparison with **Alternative 1**.

Alternative	Total Expected Change in Net Economic Benefits to the Recreational Sector
Alt 2	$29,609,797
2026, Preferred Alt 3	$17,523,960
2027, Preferred Alt 3	$23,566,879
2028+, Preferred Alt 3	$29,609,797

Commercial Sector

The proposed increases in the total ACL, and subsequent increases to the commercial ACL and ACT (quota) with **Alternative 2** and **Preferred Alternative 3** would increase the availability of the annual individual fishing quota (IFQ) allocation for sale, compared with **Alternative 1**. As the supply of annual IFQ allocation increases, the allocation price would be expected to decrease. This would be a positive economic effect for commercial harvesters who must purchase allocation. Because shares would be associated with more allocation under **Alternative 2** and **Preferred Alternative 3**, and there would be more allocation available to fish or lease, the future expected cash flows associated with shares might increase, which would lead to higher share prices. However, share prices increasing or decreasing is dependent upon the price elasticity of demand for allocation, which reflects whether the increased supply results in an increase in ex-vessel revenue for allocation holders and shareholders.

For the commercial sector, the comparison of effects is based on the resulting quota from **Alternative 2** (4,664,538 lb gw) and **Preferred Alternative 3** (3,729,377 lb gw in 2026; 4,196,958 lb gw in 2027; 4,664,538 in 2028+) relative to the quota from the SRFS equivalent **Alternative 1** (2,828,017 lb gw). To calculate expected changes in commercial CS, own-price flexibility[36] for the Gulf red grouper commercial sector would be required to derive the expected average price change. Keithly and Tabarestani (2018) estimated an uncompensated own-price flexibility for "GOM Red Grouper" of -0.533. The expected changes in commercial CS are displayed in Table 4.1.3.5, as are the expected average price changes, which are based on the calculated percent change in price multiplied by the average ex-vessel price from 2020-2024 from Table 3.3.1.2.

[36] The own-price flexibility is the percentage change in a product's price relative to the percentage change of a product's quantity sold. This shows the responsiveness of a product's price to the quantity being sold.

Table 4.1.3.5. Expected change in the commercial sector's CS, relative to **Alternative 1**. Values are in 2024$.

Alternative	Expected Change in Landings by Commercial Sector (lb gw)	Expected Average Price Change ($/lb)	Expected Change in CS (2024$)
Alt 2	1,836,521	-$2.15	$7,983,654
2026, Preferred Alt 3	901,360	-$1.06	$3,424,286
2027, Preferred Alt 3	1,368,941	-$1.60	$5,575,820
2028+, Preferred Alt 3	1,836,521	-$2.15	$7,983,654

To determine the respective expected change in ex-vessel revenue as a result of the proposed change to the quota and its effect on commercial landings, the quotas from **Alternative 2** and **Preferred Alternative 3** are multiplied by the sum of the respective expected average price change from Table 4.1.3.5 and the average ex-vessel price per lb gw of $6.22 for red grouper from 2020-2024 (2024$) from Table 3.3.1.2. From those values are then subtracted the average ex-vessel price per lb gw multiplied by **Alternative 1's** quota. The expected changes in revenue are displayed in Table 4.1.3.6. The commercial PS for vessels that harvested red grouper in the Gulf is estimated as 47.6% of the ex-vessel value (Section 3.3.1). The expected changes in commercial PS are shown in Table 4.1.3.6.

Table 4.1.3.6. Expected change in the commercial sector revenue and PS, relative to **Alternative 1**. Values are in 2024$.

Alternative	Expected Change in Comm Revenue	Expected Change in Comm PS
Alt 2	$1,380,701	$657,213
2026, Preferred Alt 3	$1,665,788	$792,915
2027, Preferred Alt 3	$1,779,544	$847,063
2028+, Preferred Alt 3	$1,380,701	$657,213

The total expected changes in net economic benefits for the commercial sector from **Alternative 2** and **Preferred Alternative 3** relative to **Alternative 1** are calculated by adding the expected change in commercial CS from Table 4.1.3.5 to the expected change in commercial PS from Table 4.1.3.6. The values are displayed in Table 4.1.3.7.

Table 4.1.3.7. Total expected change in net economic benefits for the commercial sector relative to **Alternative 1**. Values are in 2024$.

Alternative	Total Expected Change in Net Economic Benefits to the Commercial Sector
Alt 2	$8,640,868
2026, Preferred Alt 3	$4,217,201
2027, Preferred Alt 3	$6,422,883
2028+, Preferred Alt 3	$8,640,868

Net Economic Benefits

The total expected change in net economic benefits for both the recreational and commercial sectors can be calculated by summing the expected changes shown in Tables 4.1.3.4 and 4.1.3.7 and is displayed in Table 4.1.3.8.

Table 4.1.3.8. Total expected change in net economic benefits for the both the recreational and commercial sectors relative to **Alternative 1**. Values are in 2024$.

Alternative	Total Expected Change in Net Economic Benefits
Alt 2	$38,250,664
2026, Preferred Alt 3	$21,741,161
2027, Preferred Alt 3	$29,989,762
2028+, Preferred Alt 3	$38,250,664

4.1.4 Effects on the Social Environment

Additional social effects would not be expected from retaining **Alternative 1** (No Action), as the catch limits for red grouper would remain at the current levels and fishing activity would not be affected; however, this is not a viable alternative because it is not consistent with BSIA. **Alternative 2** and **Preferred Alternative 3** would provide positive social benefits, as both alternatives rely on SEDAR 88 and the SSC's recommendations of a substantial increase to the OFL and ABC, relative to current harvest limits. Both **Alternative 2** and **Preferred Alternative 3** raise the OFL, ABC, and total ACL for red grouper. **Alternative 2** offers the largest immediate increase in the total ACL. This would allow more fishing activity to take place and increase the overall landings across both sectors. This action does not consider the distribution of this increase through the setting of sector allocations and sector ACLs; these are discussed in Action 2. To the extent that **Preferred Alternative 3** reflects a more cautious approach to increasing the catch limits for red grouper, it could provide additional social benefits in the future to both sectors, by ensuring the sustainability of the red grouper stock and reducing the need for future management actions to limit or reduce landings.

This action would provide benefits to those communities in the Gulf most engaged in fishing activity, both commercial and recreational. The increase in total ACL, relative to current levels, could provide recreational fishers with a greater number of fishing days, for-hire stakeholders with a greater opportunity for bookings and crew days, and commercial stakeholders with higher landings and additional crew days. **Alternative 2** likely offers the greatest potential for these additional benefits, relative to **Alternative 1** (No action). Communities that may expect to benefit the most are those that are with the highest percentages of commercial red grouper landings, which are concentrated in Pinellas County, Florida (Madeira Beach, Redington Shores, Tarpon Springs, Indian Shores, and St. Petersburg) and nearby Cortez, Florida (Figure 3.4.1.1). This action could also provide benefits to for-hire boat captains, crew, and recreational anglers in communities with high levels of recreational landings of red grouper (Figure 3.4.2.1). As proxied by the headboat survey, these communities are concentrated in Florida and include Madeira Beach, Clearwater, Tarpon Springs, New Port Richey, Naples, Marco Island and Fort Myers Beach.

4.1.5 Effects on the Administrative Environment

Action 1 would set the OFL, ABC, and total ACL for red grouper in the Gulf. Administrative effects from this action would primarily involve mitigating the risk of overfishing and the administrative burden resulting from an overfishing and overfished determination. Because **Alternative 1** is not viable, its effects on the administrative environment will not be discussed. **Alternative 2** and **Preferred Alternative 3** would both set the OFL at 10.64 mp and would set the ABC at 8.28 million pounds. These alternatives would also set the total ACL for Gulf red grouper. However, because harvest would be managed to the sector ACLs set in Action 2 of this document, setting the total ACL in this action is largely administrative in nature, and would not impact the administrative environment. Both the OFL and the ABC in **Alternative 2** and **Preferred Alternative 3** represent a substantial increase from current management and are expected to reduce the probability of overfishing. The buffer between the ABC and OFL is almost 2.4 mp gw, and an overage of catch limits to this extent is extremely unlikely given recent landings from both sectors. The Gulf red grouper OFL has not been exceeded in recent years, but recreational catch has exceeded the recreational ACL by a substantial margin, which caused overall harvest to exceed the ABC and approach the OFL. Thus, increasing these catch limits and the buffer between the OFL and ABC is expected to reduce the likelihood of overfishing, resulting in slight positive impacts to the administrative environment.

Although the total ACLs in **Preferred Alternative 3** for 2026 and 2027 differ from the total ACL in **Alternative 2**, neither of the alternatives are expected to result in exceeding the OFL or in an overfished determination. Thus, the effects on the administrative environment from both **Alternative 2** and **Preferred Alternative 3** are expected to be the same.

4.2 Action 2: Modification of Gulf Red Grouper Sector Allocations and Sector ACLs

4.2.1 Effects on the Physical Environment

General effects on the physical environment from fishing are described in Section 4.1.1. The effects on the physical environment of **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4** are not expected to be measurably different from **Alternative 1** due to the multi-species nature of the reef fish fishery for the commercial and recreational sectors. The catch limits proposed in **Preferred Alternative 2** and in **Alternatives 3** and **4** would result in a likely increase in red grouper harvest, and a substantially greater number of available days to fish recreationally for them. Red grouper is targeted by both sectors and fishing occurs for other reef fish species when recreational fishing for red grouper is closed, or when a commercial vessel does not have sufficient red grouper IFQ allocation available to retain and land gag. This amendment is expected to increase both the recreational and commercial harvest to the extent that harvest does not reach the ACL (except for the recreational fishery in 2026 under the current preferred alternatives for Action 1 and Action 2) and thus allows for red grouper fishing effort that is far greater. Increased effort could lead to increased physical effects, and there could be a slightly negative effect on the physical environment due to the increased number of direct red grouper targeted trips in both sectors. This is especially true for the commercial sector using longline gear, as this gear type is known to have the most interaction with and negative effects to the physical environment. However, these effects are still not expected to be significant. This is especially true because many vessels using vertical line gear in both the commercial and the recreational sector have recently adopted the use of GPS-enabled trolling motors to remain at a fishing spot without physical anchoring. This is expected to mitigate some of the deleterious effects to the physical environment associated with increased effort for red grouper. Any impacts to the physical environment are expected to be minor because modifications to the sector allocation and catch limits would not change the fishing methods used or alter the execution of the reef fish fishery as a whole. It is assumed reef fish fishermen would continue to take trips and harvest other species whether or not red grouper was available for harvest. Therefore, the effects to the physical environment under the alternatives in Action 2 are expected to be similar to **Alternative 1**.

4.2.2 Effects on the Biological Environment

Effects on the biological environment from fishing for red grouper are described in Section 4.1.2. Generally, changes to sector allocations are not expected to result in pronounced changes in biological effects due to the multi-species nature of the reef fish fishery. In Action 2, the percentage of the red grouper ABC allocated to the recreational ACL is expected to decrease relative to the commercial sector under **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4** compared to **Alternative 1**. The percentages of the ABC to be allocated to the recreational ACL between **Preferred Alternative 2**, **Alternative 3**, and **Alternative 4** differ by, at most, 1.2% of the ABC, or 99,360 lb gw. This amount is far less than the typical interannual variation in SRFS-inclusive recreational landings of red grouper. As such, the differences in effects on the biological environment between **Preferred Alternative 2**, **Alternative 3**, and

Alternative 4 are expected to be negligible. However, despite the decrease in sector allocation to the recreational sector under these alternatives compared to **Alternative 1**, the increase in the catch limits under Action 1 would be expected to extend the recreational fishing season duration, thereby impacting regulatory discards of red grouper by removing the need for a closure of the recreational fishing season (except in 2026 under the preferred alternatives in Action 1 and Action 2). This change is expected to have negligible to slight negative effects on bycatch due to the contradictory effects of the increased season duration on mitigating regulatory discards from capturing red grouper during the closed season, while increasing discards related to the minimum size limit by way of extended recreational fishing effort. Related to this change in recreational fishery dynamics, the discard mortality rate is expected to decrease slightly with the increased season duration. This is because while out of season discards encompass all sizes of fish captured, in season discards are usually associated with minimum size limits. For this reason, the average size of discarded red grouper is expected to be smaller. Smaller red grouper are generally captured at shallower depths which are associated with less barotrauma upon capture and greater survival rates after release (Wilson and Burns, 1996). Because the commercial sector operates under the IFQ program, commercial discards are expected to be limited to those commercial reef fish fishermen who do not hold the requisite allocation to land red grouper and to regulatory discards, especially those related to the commercial minimum size limit, which may increase in the commercial fishery due to the expected increase in fishing effort. However, the increase in bycatch associated with increased effort may be partially mitigated by a decrease in discards associated with catching red grouper after a commercial entity's allocation has been landed. However, the extent of any reduction in bycatch depends on whether those who fish for red grouper receive additional allocation, either through shares they own or by purchasing allocation. In addition, commercial fishermen are more likely to fish in deeper areas where they catch fewer small red grouper, which may partially mitigate the expected increase in discards related to the minimum size limit. It should also be noted that although fishing in deeper water for red grouper allows for less catch of undersized red grouper, undersized fish that are captured and released at those depths would experience higher discard mortality due to increased barotrauma.

In summary, the effects of the changes in sector allocations and ACLs are not expected to have significant impacts to the biological environment due to the multi-species nature of the reef fish fishery. **Preferred Alternative 2** and **Alternatives 3** and **4** are expected to have slight negative to negligible impacts on bycatch and negligible impacts on the biological environment compared to each other and compared to **Alternative 1**.

4.2.3 Effects on the Economic Environment

As established in Amendment 53 to the Reef Fish FMP (GMFMC 2022), **Alternative 1** maintains the current sector allocations of the total ACL as 59.3% commercial and 40.7% recreational. **Preferred Alternative 2** would revise the sector allocations of the total ACL as 68.2% commercial and 31.8% recreational, based on average landings using SRFS data during the years 1986 through 2005. **Alternative 3** would revise the sector allocations of the total ACL as 69.2% commercial and 30.8% recreational, based on average landings using SRFS data during 1986 to 2009. **Alternative 4** would revise the sector allocations of the total ACL as 68.1% commercial and 31.9% recreational, based on average landings using SRFS data during 1986

through 2024, excluding 2020. All four alternatives maintain the commercial buffer between the ACL and ACT of 5% and the recreational buffer of 9%. For purposes of these analyses, the values associated with **Alternative 1** from Action 2 when paired with Preferred Alternative 3 from Action 1 are used as the No Action comparison for effects. Therefore, the values listed in Table 2.2.2 are analyzed in this section.

Recreational Sector

Estimated changes in economic value to recreational fishermen are approximated by multiplying the expected change in the number of fish harvested by a CS estimate. The most recent proxy for a CS estimate for red grouper is the estimated value of the CS for a 1 fish change in grouper harvest. A value of $130.75 (Carter and Liese 2012; values updated to 2024$) reflects recreational WTP for 1 additional red grouper harvest.

The second column in Table 4.2.3.1 shows the change in expected landings, in lb gw, from the recreational ACL under Action 2 **Preferred Alternative 2** and **Alternatives 3** and **4** from the recreational ACL under **Alternative 1** when Action 1 Preferred Alternative 3's total ACL is selected. These values are designated by year, as Action 1 Preferred Alternative 3 has an annual increase of the total ACL from 2026 to 2027 and then from 2027 to 2028. Of note for these analyses, Action 2 **Alternative 1**'s total ACL values also increase annually from 2026 to 2028. The values used for the analyses are shown in Table 2.2.2. The next column shows the expected change in recreational landings, expressed as number of fish, as compared to **Alternative 1**. The expected change in landings assumes that the recreational sector landed all the available pounds of red grouper under **Alternative 1**. This change in the number of fish was determined by multiplying the expected change in recreational landings in lb gw by 1.048 (Table 1, SEDAR 88 2025) to obtain the expected change in recreational landings in lb ww and then dividing by 7.66 (the average weight in ww of a recreationally landed red grouper from 2020 to 2024; A. Gray, SERO, pers. comm. 2025). As shown in the last column, the expected change in the recreational sector's CS is calculated by multiplying the expected change in recreational landings, expressed as number of fish, by the value of $130.75, described previously.

Table 4.2.3.1. Expected change in the recreational sector's CS (2024$) from Action 2 **Preferred Alternative 2** and **Alternatives 3** and **4**, in comparison with **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected.

Action 1 Preferred Alt 3 Paired with Action 2 Alts	Year	Expected Change in Rec Landings (lb gw)	Expected Change in Rec Landings, Expressed as Number of Fish	Expected Change in Rec Sector CS
Pref Alt 2 – Alt 1	2026	-580,000	-79,352	-$10,375,337
	2027	-660,000	-90,298	-$11,806,418
	2028+	-740,000	-101,243	-$13,237,499
Alt 3 – Alt 1	2026	-650,000	-88,930	-$11,627,533
	2027	-740,000	-101,243	-$13,237,499
	2028+	-820,000	-112,188	-$14,668,580
Alt 4 – Alt 1	2026	-580,000	-79,352	-$10,375,337
	2027	-650,000	-88,930	-$11,627,533
	2028+	-730,000	-99,875	-$13,058,614

The PS of the for-hire component of the recreational sector, composed of charter vessels and headboats, would be impacted by a change in the number of targeted trips. In the long run, factors of production, such as labor and capital, can be used elsewhere in the economy, and so only short-term changes to PS are expected. In the Gulf, headboat trips take a diverse set of anglers on a single vessel, generally advertising a diverse range of species to be caught. Therefore, an assumption that no headboat trips would be gained or lost due to a change in the recreational ACL would be reasonable. However, charter vessel trips that are targeting red grouper may be added by anglers and are the focus of the recreational sector PS analysis. As discussed in Section 2.2, **Preferred Alternative 2** and **Alternatives 3** and **4** are expected to result in a closed recreational season only in 2026, when paired with the total ACL of Action 1 Preferred Alternative 3. Therefore, only analyses of the PS of the for-hire component of the recreational sector for that pairing in 2026 are required here and are displayed in Table 4.2.3.2.

As detailed in Section 4.1.3, 145 trips per day are projected to occur in wave 6 (Nov-Dec). In comparison with **Alternative 1**, **Preferred Alternative 2**, and **Alternative 3** and **4** are expected to result, respectively, in a reduction of 580 target trips, 3,480 target trips, and 580 target trips for wave 6 in 2026. These projections assume that all trips taken to target red grouper would be cancelled due to the closure dates in Table 4.2.3.3. However, only some of the projected trips are likely to be cancelled, while others are likely to continue but would now target other species. As a result, these projections may overestimate the effects of the closure dates in 2026. The net cash flow per angler trip of $171 (2024 dollars) from Souza and Liese (2019) as seen in Table 3.3.2.7 is used to calculate the short-term change in PS for charter vessels. The net cash flow per

angler trip accounts for the lost revenue, while recognizing that canceled trips do not have certain expenditures such as fuel, trip supplies, and labor. The short-term change in PS is calculated by multiplying the number of closed days (based on the predicted closure dates as seen in Tables 2.2.3 and 4.2.3.2, based on the analyses in Appendix A) by the average number of charter trips per day by $171 and is displayed in Table 4.2.3.2.

Table 4.2.3.2. Expected short-term change in the recreational sector's PS (2024$) in 2026 from Action 2 **Preferred Alternative 2** and **Alternatives 3** and **4**, in comparison with **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected.

Action 1 Preferred Alt 3 Paired with Action 2 Alts	Year	Closure Date	Total Canceled Charter Trips	Expected Short-term Change in Rec Sector PS
Pref Alt 2 – Alt 1	2026	Dec 28	580	-$99,180
Alt 3 – Alt 1	2026	Dec 8	3,480	-$595,080
Alt 4 – Alt 1	2026	Dec 28	580	-$99,180

The expected net economic benefits to the recreational sector are a summation of the changes in the recreational sector's CS and PS. When Action 1 Preferred Alternative 3's total ACL is selected, the recreational sector's change in PS in 2026 (Table 4.2.3.2) is added to the recreational sector's change in CS (Table 4.2.3.1) to calculate the expected net economic benefits to the recreational sector. These values are shown in Table 4.2.3.3.

Table 4.2.3.3. Total expected change in net economic benefits to the recreational sector (2024$) from **Preferred Alternative 2** and **Alternatives 3** and **4**, in comparison with **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected.

Action 1 Preferred Alt 3 Paired with Action 2 Alts	Year	Total Expected Change in Net Economic Benefits to the Recreational Sector
Pref Alt 2 – Alt 1	2026	-$10,474,517
	2027	-$11,806,418
	2028+	-$13,237,499
Alt 3 – Alt 1	2026	-$12,222,613
	2027	-$13,237,499
	2028+	-$14,668,580
Alt 4 – Alt 1	2026	-$10,474,517
	2027	-$11,627,533
	2028+	-$13,058,614

Commercial Sector

The proposed reallocations of the total ACL to the commercial sector and subsequent increases to the commercial ACL and ACT (quota) with **Preferred Alternative 2** and **Alternatives 3-4** would increase the availability of the annual IFQ allocation for sale, compared with **Alternative 1**, with Action 1 Preferred Alternative 3's total ACL selected. As the supply of annual IFQ allocation increases, the allocation price would be expected to decrease. This would be a positive economic effect for commercial harvesters who must purchase allocation. Because shares would be associated with more allocation under **Preferred Alternative 2** and **Alternatives 3-4**, and there would be more allocation available to fish or lease, the future expected cash flows associated with shares might increase, which would lead to higher share prices. However, share prices increasing or decreasing is dependent upon the price elasticity of demand for allocation, which reflects whether the increased supply results in an increase in ex-vessel revenue for allocation holders and shareholders.

For the commercial sector, the comparison of effects is based on the resulting quota from **Preferred Alternative 2** and **Alternatives 3-4** relative to the quota from **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected, as seen in Table 2.2.2. These values are designated by year, as Action 1 Preferred Alternative 3 has an annual increase of the total ACL from 2026 to 2027 and then from 2027 to 2028. To calculate expected changes in commercial

CS, own-price flexibility[37] for the Gulf red grouper commercial sector would be required to derive the expected average price change. Keithly and Tabarestani (2018) estimated an uncompensated own-price flexibility for "GOM Red Grouper" of -0.533. The expected changes in commercial CS are displayed in Table 4.2.3.4, as are the expected average price changes, which are based on the calculated percent change in price multiplied by the sum of the average ex-vessel price from 2020-2024 from Table 3.3.1.2 and the expected average price change from Table 4.1.3.5.

[37] The own-price flexibility is the percentage change in a product's price relative to the percentage change of a product's quantity sold. This shows the responsiveness of a product's price to the quantity being sold.

Table 4.2.3.4. Expected change in the commercial sector's CS, relative to **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected. Values are in 2024$.

Alt	Year	Expected Change in Landings by Commercial Sector (lb gw)	Expected Average Price Change ($/lb)	Expected Change in Comm CS (2024$)
Pref Alt 2	2026	550,000	-$0.41	$1,624,177
	2027	630,000	-$0.37	$1,667,701
	2028+	710,000	-$0.33	$1,657,544
Alt 3	2026	620,000	-$0.46	$1,846,890
	2027	700,000	-$0.41	$1,867,366
	2028+	780,000	-$0.36	$1,833,672
Alt 4	2026	550,000	-$0.41	$1,624,177
	2027	620,000	-$0.36	$1,639,412
	2028+	700,000	-$0.33	$1,632,569

To determine the respective expected change in ex-vessel revenue as a result of the proposed change to the quota and its effect on commercial landings when paired with Action 1 Preferred Alternative 3's total ACL, the quotas from **Preferred Alternative 2** and **Alternatives 3-4** are multiplied by the sum of the respective expected average price change from Table 4.2.3.4 and the expected ex-vessel price per lb gw resulting from Action 1 Preferred Alternative 3 ($5.16 in 2026, $4.62 in 2027, and $4.07 in 2028). From those values are then subtracted the expected ex-vessel price per lb gw resulting from Action 1 Preferred Alternative 3 multiplied by **Alternative 1**'s quota. The expected changes in revenue are displayed in Table 4.2.3.5. The commercial PS for vessels that harvested red grouper in the Gulf is estimated as 47.6% of the ex-vessel value (Section 3.3.1). The expected changes in commercial PS are also shown in Table 4.2.3.5.

Table 4.2.3.5. Expected change in the commercial sector revenue and PS, relative to **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected. Values are in 2024$.

Alt	Year	Expected Change in Comm Revenue	Expected Change in Comm PS
Pref Alt 2	2026	$1,102,301	$524,695
	2027	$1,126,548	$536,237
	2028+	$1,114,823	$530,656
Alt 3	2026	$1,210,593	$576,242
	2027	$1,222,991	$582,144
	2028+	$1,199,318	$570,875
Alt 4	2026	$1,102,301	$524,695
	2027	$1,112,301	$529,455
	2028+	$1,102,380	$524,733

The total annual expected changes in net economic benefits for the commercial sector from **Preferred Alternative 2** and **Alternatives 3-4** relative to **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected, are calculated by adding the expected change in commercial CS from Table 4.2.3.4 to the expected change in commercial PS from Table 4.2.3.5. The values are displayed in Table 4.2.3.6.

Table 4.2.3.6. Total annual expected change in net economic benefits for the commercial sector relative to **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected. Values are in 2024$.

Alt	Year	Total Expected Change in Net Economic Benefits to the Commercial Sector
Pref Alt 2	2026	$2,148,872
	2027	$2,203,938
	2028+	$2,188,199
Alt 3	2026	$2,423,133
	2027	$2,449,509
	2028+	$2,404,547
Alt 4	2026	$2,148,872
	2027	$2,168,867
	2028+	$2,157,301

Net Economic Benefits

The total expected change in net economic benefits for both the recreational and commercial sectors from **Preferred Alternative 2** and **Alternatives 3-4** relative to **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected, can be calculated by summing the expected changes shown in Tables 4.2.3.3 and 4.2.3.6 and is displayed in Table 4.2.3.7.

Table 4.2.3.7. Total annual expected change in net economic benefits for both the recreational and commercial sectors relative to **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected. Values are in 2024$.

Alt	Year	Total Annual Expected Change in Net Economic Benefits
Pref Alt 2	2026	-$8,325,645
	2027	-$9,602,480
	2028+	-$11,049,299
Alt 3	2026	-$9,799,480
	2027	-$10,787,989
	2028+	-$12,264,032
Alt 4	2026	-$8,325,645
	2027	-$9,458,665
	2028+	-$10,901,312

4.2.4 Effects on the Social Environment

Considering the proposed MSY proxy and catch limit (Action 1, Preferred Alternative 3), **Preferred Alternative 2** and **Alternatives 3** and **4** might result in early recreational fishing season closures in 2026 (see Table 2.2.3). These closures are expected to occur in late December (**Preferred Alternative 2, Alternative 4**) or early December (**Alternative 3**) when there are few remaining days in the fishing season. This, however, is preferred over the status quo (Action 1, Alternative 1) which has seen closures in the summer months from 2021-2024 (Appendix A, Table 1), the season in which the bulk of recreational fishing effort occurs. Additionally, such a temporary closure may increase the social benefits to recreational fishing communities by contributing to the longer-term health of the red grouper stock.

The social effects of the combination of Actions 1 and 2 would likely produce social benefits and increase opportunities for fishing for both the commercial and recreational sectors, as both sectors would see an increase in their ACL/ACT relative to current levels. **Preferred Alternative 2**, and **Alternatives 3** and **4**, would likely produce greater benefits for the commercial fishery, by providing a larger increase to their quota (with greater landings and potentially more crew days), while providing comparatively more limited increases to the recreational fishery. The introduction of new allocation to the commercial sector, accompanied by the expected decrease in share price (see section 4.2.3), might benefit those who own few or no IFQ red grouper shares. As 62% of shareholders in 2023 are considered small shareholders

and 296 IFQ accounts in 2020 (approximately 30% of IFQ accounts; Figure 3.4.1.4) buy red grouper allocation without owning shares, this would apply to a large percentage of the red grouper fishery participants. These social benefits should be weighed against likely minimal social impacts of any recreational closures anticipated in 2026, as described above. The alternative selected in Action 2 would determine which sector would receive a larger increase to their ACL/ACT, relative to their current limits. The social impact of the selection of **Preferred Alternative 2** or **Alternatives 3** and **4** over **Alternative 1** could be experienced in communities with high levels of commercial reliance on Gulf fisheries, based on the data described in Section 3.4 and discussed above in Section 4.1.4.

4.2.5 Effects on the Administrative Environment

Under **Alternative 1**, sector allocations would remain the same as in current management (59.6% commercial / 40.3 % recreational), which uses data based on average landings from MRIP-Fishing Effort Survey (FES). Under **Preferred Alternative 2** and **Alternatives 3** and **4**, sector allocations of the total ACL between the recreational and commercial sector would be revised based on average landings using SRFS private recreational data supplemented by MRIP-FES for other necessary recreational data components. All alternatives would set the sector ACLs based on the allocation percentages chosen in Action 2 and the total ACL chosen in Action 1. All alternatives in Action 2 (assuming Alternative 1 in Action 1 is not chosen as it is not viable) would result in an increase in the commercial ACL, with a range from 68.2% commercial/31.8% recreational to 69.2% commercial/30.8% recreational. **Alternative 3** would result in the largest increase for the commercial sector and largest decrease for the recreational sector (9.4%), while **Preferred Alternative 2** would result in the smallest increase for the commercial sector and smallest decrease for the recreational sector (8.4%). Due to the similarity in the action alternatives (within 1% of each other), the effects between the alternatives on the administrative environment are expected to be negligible. The overall potential impacts on the administrative environment depend on the likelihood of needing to implement a recreational closure or take additional action to prevent overfishing. All alternatives would result in an increase in recreational ACL, and **Preferred Alternative 2** and **Alternatives 3** and **4** are only projected to result in a recreational closure in 2026 (see Appendix A). Thus, all of the action alternatives are expected to result in slight positive effects to the administrative environment since they are expected to obviate the need for closures in the recreational sector. However, even if the recreational ACL was to be exceeded in a given year, the recreational ACT would be used to reduce the fishing season duration in the following year, which reduces the likelihood of overharvest in successive years by the recreational sector. Thus, it is unlikely that any of the action alternatives would result in any significant increase in exceeding the OFL. Based on these factors, the overall impacts of this action on the administrative environment is expected to be slightly positive.

4.3 Action 3: Modification of the February-March Recreational Shallow-Water Grouper (SWG) Closure

4.3.1 Effects on the Physical Environment

Effects on the physical environment from fishing are described in Section 4.1.1. While the February 1 through March 31 recreational closed season for SWG in federal waters seaward of the 20-fathom boundary limits the harvest of SWG species like red grouper, gag, scamp, yellowmouth grouper, black grouper, and yellowfin grouper, it does not also limit the harvest of other reef fish species which may be open to harvest during the SWG closure. As such, recreational fishing in the area closed to SWG during February and March would be expected to continue, as would any effects to the physical environment, due to the multi-species nature of the reef fish fishery for the recreational sector. Eliminating this closure under **Preferred Alternative 2** may increase recreational fishing effort on SWG species open to harvest during February and March. However, there are no data to inform compliance with the closure as prescribed in **Alternative 1**, nor are there any observed effects of the closure which are identifiable in stock assessments. This suggests that recreational fishing effort may not differ spatially or temporally during the closure period and would further suggest no difference in effects to the physical environment between **Alternative 1** and **Preferred Alternative 2**.

4.3.2 Effects on the Biological Environment

Effects on the biological environment from fishing for red grouper are described in Section 4.1.1. The February 1 through March 31 recreational closed season for SWG in federal waters seaward of the 20-fathom boundary limits the harvest of SWG species, but not of other reef fish species which may be open to harvest during the SWG closure. As such, recreational fishing in the area closed to SWG during February and March would be expected to continue due to the multi-species nature of the reef fish fishery for the recreational sector. Eliminating this closure under **Preferred Alternative 2** may increase recreational fishing effort on SWG species open to harvest during February and March. Recent stock assessments on four of the six SWG species (scamp and yellowmouth grouper, SEDAR 68 2022; gag, SEDAR 72 2022; red grouper, SEDAR 88 2025) do not demonstrate evidence of a positive biological effect from the SWG closure. Further, there are no data to inform compliance with the closure as prescribed in **Alternative 1**. This suggests that recreational fishing effort may not differ spatially or temporally during the closure period and would further suggest no difference in effects to the biological environment between **Alternative 1** and **Preferred Alternative 2**.

4.3.3 Effects on the Economic Environment

Alternative 1 would retain the February 1 through March 31 recreational closed season in federal waters seaward of the 20-fathom boundary for all six SWG species. The original intent of the 20-fathom closure was to provide additional protection during the spawning season for SWG species by limiting harvest in deeper waters. The recreational closed season may be redirecting fishing effort into waters shoreward of the 20-fathom boundary where the average size of fish is smaller and more interactions with undersize fish occur. This could be leading to

additional fishing effort (and discards) necessary to harvest the bag limit, thereby potentially reducing, or eliminating the conservation benefit of this seasonal area closure. In doing so, this could have negative effects in the long-term for both the commercial and recreational sectors if the total ACL for red grouper is reduced. However, as stated in Section 2.3, this possibility assumes consistent knowledge of, and adherence to, the current closure and commensurate levels of enforcement to ensure compliance. **Preferred Alternative 2** would eliminate the February 1 through March 31 recreational closed season for SWG in federal waters seaward of the 20-fathom boundary. In the short-term, this would be expected to have positive effects on the recreational sector by providing additional access to fishing grounds, which could result in increased CS for anglers and PS for for-hire fishing businesses. Given a recent framework action (GFMC 2025) that proposes establishing a recreational fixed closed season for the Other SWG complex of January 1 through June 30 each year (season open July 1 through December 31), of the six SWG species, only the recreational season for red grouper would be affected in the near future[38], and so only the private angling component and the for-hire component specifically targeting and/or catching red grouper would be affected. The extent to which this may increase catch rates and landings for red grouper by the recreational sector and associated economic effects cannot be quantitatively estimated. The commercial sector is not expected to be affected in the short-term, as the closed season is specific to the recreational sector.

4.3.4 Effects on the Social Environment

The social effects of this measure are difficult to assess, but in this case are limited to the recreational season for the red grouper fishery, as discussed above in 4.3.3. **Alternative 1** (No action) would retain the February 1 through March 31 recreational closed season in federal waters seaward of the 20-fathom, intended to provide additional protection during the spawning season for SWG species by limiting harvest in deeper waters. However, as noted in section 2.3, this fishing effort could be redirected into waters shoreward of the 20-fathom boundary where the average size of fish is smaller and more interactions with undersize fish occur. As described in 4.3.3, the concentration of recreational red grouper fishing effort in this area could potentially reduce the overall intended conservation benefits of the measure, which could have negative social impacts on commercial and recreational users of the fishery. **Preferred Alternative 2** would create additional fishing opportunities for recreational fishers during the closure that had previously been in place from February 1 through March 31. However, depending on fishery dynamics, fisher behaviors, and catch rates of red grouper, the increased access to the deep-water locations may necessitate the early closure of the recreational red grouper fishery. This would limit access to recreational fishers, if the ACT is reached and could have a negative social effect on the opportunities for the recreational sector that could be felt in Florida and coastal communities highly engaged in recreational red grouper fishing. However, as the recreational red grouper fishery has experienced summer closures from 2021-2024, a possible early closure of the fishery would likely have a limited negative social impact. Additionally, the social impacts of this alternative are difficult to fully determine, for there are not clear data on the

[38] Should the recreational fixed closed seasons for gag, black grouper, scamp, yellowmouth grouper, and yellowfin grouper be subsequently modified, the elimination of the recreational closed season for SWG in federal waters seaward of the 20-fathom boundary would affect those species

extent to which current for-hire and private anglers comply with the existing time-area closure regulations. Public comments received by the Council suggest higher compliance by for-hire boat operators than by private vessel anglers with the current closures.

4.3.5 Effects on the Administrative Environment

Action 3 would eliminate the recreational fixed-closed season from February 1 through March 31 each year for SWG species. Administrative effects from this action would primarily involve enforcement of these measures and the administrative burden placed due to that requirement. Currently, this action would not affect all SWG species, since some of these species have or are expected to have a closed season in place that overlap the February 1 through March 31 fixed closed season. Gag is currently closed to fishing each year between January 1 and August 31, and the Council has finalized a framework action for the Other SWG complex (black grouper, yellowfin grouper, scamp, and yellowmouth grouper) that would set a fixed closed season from January 1 through June 30 each year. These fixed-closed seasons are expected to be in effect upon implementation of this amendment, and thus, the only species affected by this closure is expected to be red grouper. **Preferred Alternative 2** is expected to have positive results on the administrative environment by reducing burden associated with enforcement of these regulations. Regulations based on boundaries that are not easily seen or defined are difficult to enforce and often require a substantial workload for those charged with enforcement. **Preferred Alternative 2** would result in elimination of the fixed-closed season, which would result in positive effects to the administrative environment relative to the current regulations as stated in **Alternative 1**.

4.4 Cumulative Effects Analysis

Cumulative effects are those effects that result from incremental impacts of a proposed action when added to other past, present, and reasonably foreseeable future actions (RFFA), regardless of which agency (federal or non-federal) or person undertakes such actions. Cumulative effects can result from individually minor, but collectively significant actions that take place over a period of time. The cumulative effects analysis in this environmental assessment evaluates the following five criteria.

1. The area in which the effects of the proposed action will occur - The affected area of these proposed actions encompasses the state and federal waters of the Gulf, as well as Gulf communities that are dependent on reef fish fishing. Most relevant to these proposed actions are red grouper and those who fish for them. For more information about the area in which the effects of this proposed action would occur, please see Chapter 3, Affected Environment, which describes these important resources as well as other relevant features of the human environment.

2. The impacts that are expected in that area from the proposed action - The proposed actions would modify Gulf red grouper catch limits and catch allocations between the recreational and commercial sectors. The proposed action would also remove the recreational shallow water grouper (i.e. gag, red grouper, scamp, yellowmouth grouper, black grouper, and yellowfin grouper) closure in federal waters seaward of the 20 fathom boundary. The environmental consequences of the proposed actions are analyzed in Sections 4.1, 4.2, and 4.3, and are not

expected to be significant. The combined actions are not expected to have significant effects on the physical environment, as they are not expected to alter how the reef fish fishery is prosecuted as a whole (Sections 4.1.1, 4.2.1, and 4.3.1). These measures are expected to have non-significant but positive effects on the red grouper aspect of the biological environment because it would promote sustainable harvest of the species (Section 4.1.2, and 4.2.2). Regulatory discards of red grouper are expected to decrease or remain similar due to the contradictory effects of decreasing recreational discards due to reducing or eliminating a closed season and increasing discards related to minimum size due to an expected increase in recreational effort towards red grouper. However, slight negative effects may occur to species that co-occur with red grouper, as this action is expected to increase effort for fishermen targeting red grouper, and thus in bycatch of these species. Overall, effects to the biological environment are expected to be minor and non-significant due to the multi-species nature of the reef fish fishery. Positive effects on the social and economic environments would occur due to the actions taken herein, as greater allowable harvest is expected to result in benefits to the economic (Sections 4.1.3, 4.2.3, and 4.3.3) and social environments (Sections 4.1.4, 4.2.4, and 4.3.4). The actions are not expected to have slight positive effects on the administrative environment (Sections 4.1.5, 4.2.5, and 4.3.5) due to reducing the likelihood of a red grouper seasonal closure, especially in 2027 and beyond, when recreational catch limits are not projected to be exceeded.

3. Other past, present and future RFFAs that have or are expected to have impacts in the area - There are numerous actions under development in the Gulf annually. Many of these activities are expected to have impacts associated with them and are listed below.

Other fishery related actions - The cumulative effects associated with modifying red grouper ACLs and quotas were analyzed in the EIS for Amendment 53 to the Reef Fish FMP (GMFMC 2021). Other pertinent actions are summarized in the history of management (Section 1.3). Currently, there are several present and RFFAs that are being considered by the Council for the Reef Fish FMP or implemented by NMFS, which could affect reef fish stocks. These include Amendment 58A, which proposes to revise shallow-water grouper management measures; Amendment 58B, which proposes to revise deep-water grouper management measures; Amendment 59A, which would revise permit requirements for participation in the Grouper-Tilefish commercial IFQ programs; Amendment 59B, which would revise active participation requirements in the Grouper-Tilefish commercial IFQ programs; Amendment 60, which would address commercial IFQ programmatic distributional issues; and Amendment 63, which would establish a quota bank for red grouper. Two framework actions are also being developed: a reef fish framework that proposes to modify the shallow-water grouper catch limits and recreational fishing season ahead of Amendment 58A; and a generic framework that addresses essential fish habitat. Descriptions of these actions can be found on the Council's Website.

Non-fishery related actions - Actions affecting the reef fish fishery have been described in previous cumulative effects analyses, including Amendment 53. Important events include the Northern Gulf Hypoxic Zone (See Sections 3.1 and 3.2) and the Deepwater Horizon MC252 Oil Spill. Red grouper, while mobile, have an unknown susceptibility to hypoxic conditions. Effects from the Deepwater Horizon oil spill on this species have not been analyzed but the oil spill had adverse effects on some fish species as well as on species that are part of the food web, such as phytoplankton and zooplankton.

4. The impacts or expected impacts from these other actions - The cumulative effects from managing the reef fish fishery have been analyzed in multiple other actions. They include a detailed analysis of the reef fish fishery, cumulative effects on non-target species, protected species, and habitats in the Gulf. Overall, bycatch of protected species in the red grouper portion of the reef fish fishery is negligible and effects to habitat are minimized due to the gear types used for harvest (Section 3.2). The effects of this action are positive, as they ultimately promote sustainable harvest of red grouper, which is expected to result in increased fishing opportunities in the future. Positive impacts on the social and economic environments are expected due to the increase in the recreational and commercial catch limits, and removal of the February-March closed area. However, because red grouper is generally part of a multi-species fishing strategy, no significant impacts are expected on the reef fish fishery as a whole.

5. The overall impact that can be expected if the individual impacts are allowed to accumulate - These actions, combined with other past actions, present actions, and RFFAs, are not expected to have significant beneficial or adverse effects on the physical and biological environments. Any effects are expected to be positive but are not expected to substantially change the way the reef fish fishery is prosecuted (Sections 4.1.1, 4.1.2, 4.2.1, 4.2.2, 4.3.1, and 4.3.2). For the social and economic environments, positive effects are expected to result for fishing communities from increasing allowable harvest and lengthening the fishing season (Sections 4.2.3, 4.2.4, 4.3.3, and 4.3.4). The overall effects are likely minimal, as the proposed action, along with other past actions, present actions, and RFFAs, are not expected to alter the way the fishery is prosecuted. Because it is unlikely there would be any changes in how the fishery is prosecuted, these actions, combined with past actions, present actions, and RFFAs, are not expected to have significant adverse effects on public health or safety.

6. Summary - The proposed actions are not expected to have individual significant effects on the physical, biological, economic, or social environments. Any effects of the proposed action, when combined with other past actions, present actions, and RFFAs are not expected to be significant. The effects of the proposed actions are, and will continue to be, monitored through collection of landings data by NMFS, individual state programs, stock assessments and stock assessment updates, life history studies, economic and social analyses, and other scientific observations. Landings data for the recreational sector in the Gulf are presently collected through MRIP, Louisiana Creel Survey, Mississippi Creel Survey, Alabama Creel Survey, Southeast Region Headboat Survey, Florida's State Reef Fish Survey, and the Texas Parks and Wildlife Department. The cumulative social and economic effects of past, present, and future amendments may be described as increasing fishing opportunities, resulting in positive social and economic impacts. The proposed actions in this environmental assessment are expected to result in important long-term benefits to fishing communities and associated businesses.

CHAPTER 5. REGULATORY IMPACT REVIEW

5.1 Introduction

The National Marine Fisheries Service (NMFS) requires a Regulatory Impact Review (RIR) for all regulatory actions that are of public interest. The RIR does three things: 1) it provides a comprehensive review of the level and incidence of impacts associated with a proposed or final regulatory action; 2) it provides a review of the problems and policy objectives prompting the regulatory proposals and an evaluation of the major alternatives that could be used to solve the problem; and, 3) it ensures that the regulatory agency systematically and comprehensively considers all available alternatives so that the public welfare can be enhanced in the most efficient and cost-effective way. The RIR also serves as the basis for determining whether the regulations are a "significant regulatory action" under the criteria provided in Executive Order (E.O.) 12866. This RIR analyzes the impacts this action would be expected to have on the federal Gulf of America (Gulf) red grouper fishery.

5.2 Problems and Objectives

The problems and objectives addressed by this action are discussed in Section 1.2.

5.3 Description of Fisheries

A description of the economic environment of the federal Gulf red grouper fishery is provided in Section 3.3.

5.4 Impacts of Management Measures

5.4.1 Action 1: Modification of Gulf Red Grouper Maximum Sustainable Yield (MSY) Proxy, Overfishing Limit (OFL), Acceptable Biological Catch (ABC), and Total Annual Catch Limit (ACL)

Detailed analyses of the economic effects and impacts expected to result from this action are provided in Section 4.1.3. The following discussion analyzes the expected economic effects and impacts of the preferred alternative relative to the No Action alternative.

Preferred Alternative 3 increases the OFL and ABC, and the total ACL is set at 80% of the ABC in 2026, 90% of the ABC in 2027, and 100% of the ABC in 2028 and subsequent years. The OFL and ABC, respectively, in Florida State Reef Fish Survey (SRFS) units are 10.64 million pounds (mp) gutted weight (gw) and 8.28 mp gw. The total ACL, in SRFS units, is 6.62 mp gw in 2026, 7.45 mp gw in 2027, and 8.28 mp gw in 2028 and subsequent years.

Recreational Sector

Estimated changes in economic value to recreational fishermen are approximated by multiplying the expected change in the number of fish harvested by a consumer surplus (CS) estimate. The most recent proxy for a CS estimate for red grouper is the estimated value of the CS for a 1 fish change in grouper harvest. A value of $130.75 (Carter and Liese 2012; values updated to 2024$) reflects recreational willingness-to-pay (WTP) for 1 additional red grouper harvest.

The change in expected landings, in pounds (lb) gw, between the recreational ACL under **Preferred Alternative 3** and the SRFS equivalent recreational ACL under **Alternative 1**, was derived by applying the status quo sector allocations to the SRFS equivalent total ACL. As noted, in section 4.1.3, the SRFS equivalent is provided in Table 1 of the SEFSC' Projection Scenarios for Gulf Red Grouper. The SRFS equivalent recreational ACL under **Alternative 1** is used for comparison rather than average historical recreational landings because the recreational ACL changed in 2019 and again in 2022, which affects average recreational landings. As the total ACL and, thereby, the recreational ACL increases from 2026 to 2027 to 2028 with **Preferred Alternative 3**, three values are associated with **Preferred Alternative 3** to separately capture the effects across years. The expected change in recreational landings, expressed as number of fish, as compared to **Alternative 1** assumes that the recreational sector lands all of the available pounds of red grouper. This change in the number of fish was determined by multiplying the expected change in recreational landings in lb gw by 1.048 (Table 1, SEDAR 88 2025) to obtain the expected change in recreational landings in lb whole weight (ww) and then dividing by 7.66 (the average weight in ww of a recreationally landed red grouper from 2020 to 2024; A. Gray, SERO, pers. comm. 2025). The expected additional red grouper, expressed as number of fish, landed by the recreational sector are 89,094, 135,311, and 181,528 in 2026, 2027, and 2028, respectively. The expected change in the recreational sector's CS is calculated by multiplying the expected change in recreational landings, expressed as number of fish, by the value of $130.75, described previously. The expected changes in the recreational sector's CS are $11,648,999, $17,691,917, and $23,734,835 in 2026, 2027, and 2028, respectively.

The producer surplus (PS) of the for-hire component of the recreational sector, composed of charter vessels and headboats, would be impacted by a change in the number of targeted trips. In the long run, factors of production, such as labor and capital, can be used elsewhere in the economy, and so only short-term changes to PS are expected. In the Gulf, headboat trips take a diverse set of anglers on a single vessel, generally advertising a diverse range of species to be caught. Therefore, an assumption that no headboat trips would be gained or lost due to a change in the recreational ACL would be reasonable. However, charter vessel trips that are targeting red grouper may be added by anglers and are the focus of the recreational sector PS analysis. The recreational red grouper season closed in Gulf waters on July 1 and on July 21, respectively, in 2024 and in 2023. For this analysis, a July 1 recreational red grouper season closure date is assumed for **Alternative 1**, so **Preferred Alternative 3** would provide for additional trips during the rest of the year (all of waves 4, 5, and 6). The average number of target trips by charter vessels by 2-month wave from 2021 to 2024 is shown in Table 4.1.3.2. For analyzing the effects of wave 4 (July-August) remaining open, the average for only 2021 to 2022 (19,031 charter target trips) is used, as the 2021 closure did not occur in wave 4 and the 2022 closure occurred 2 days prior to the end of wave 4; closures occurred July 31 in 2023 and July 1 in 2024, providing incomplete data for wave 4 for those years. As closures occurred in wave 5 (or earlier) in 2021-

2024, data from the Southeast Regional Office's (SERO) MRIP database (accessed May 2025) were used to establish ratios of trips in wave 5 (Sept-Oct) and wave 6 (Nov-Dec) to those in waves 1-3 (Jan-June) using trips from 2010-2013 and 2016-2019, as those years did not have closures during waves 5 and 6. That ratio was then applied to the average number of trips in waves 1-3 from 2021-2024 (13,444) to derive the projected number of trips in waves 5 (6,453) and 6 (8,873). The projected number of trips in waves 5 and 6 were then divided by the number of days in those waves (61 days) to then derive the projected number of trips per day in wave 5 (106 trips per day) and in wave 6 (145 trips per day), assuming trips are evenly distributed among days. These values serve as proxies for the recent average number of historical trips for waves 5 and 6. No season closure is expected under **Preferred Alternative 3** from Action 1. Therefore, in comparison with **Alternative 1**, **Preferred Alternative 3** is expected to result in an additional 19,031 target trips for wave 4 and an additional 15,326 target trips for waves 5 and 6 combined. These projections assume new trips are taken to target red grouper. However, only some of the projected trips are likely to be entirely new trips, while others are likely existing trips that would now target red grouper. As a result, these projections may result in an overestimate of a year-round season. Multiplying the trip net cash flow per angler trip of $171 (2024$) for charter vessels, as seen in Table 3.3.2.7, by the number of additional target trips produces an expected change in the recreational PS of $5,874,962 from **Preferred Alternative 3**.

The expected net economic benefits to the recreational sector are a summation of the changes in the recreational sector's CS and PS. The expected net economic benefits to the recreational sector from **Preferred Alternative 3** are $17,523,960, $23,566,879, and $29,609,797 in 2026, 2027, and 2028, respectively.

Commercial Sector

The proposed increases in the total ACL, and subsequent increases to the commercial ACL and ACT (quota) with **Preferred Alternative 3** would increase the availability of the annual individual fishing quota (IFQ) allocation for sale, compared with **Alternative 1**. As the supply of annual IFQ allocation increases, the allocation price would be expected to decrease. This would be a positive economic effect for commercial harvesters who must purchase allocation. Because shares would be associated with more allocation under **Preferred Alternative 3**, and there would be more allocation available to fish or lease, the future expected cash flows associated with shares might increase, which would lead to higher share prices. However, share prices increasing or decreasing is dependent upon the price elasticity of demand for allocation, which reflects whether the increased supply results in an increase in ex-vessel revenue for allocation holders and shareholders.

For the commercial sector, the comparison of effects is based on the resulting quota from **Preferred Alternative 3** (3,729,377 lb gw in 2026; 4,196,958 lb gw in 2027; 4,664,538 in 2028+) relative to the quota from the SRFS equivalent **Alternative 1** (2,828,017 lb gw). To calculate expected changes in commercial consumer surplus (CS), own-price flexibility[39] for the

[39] The own-price flexibility is the percentage change in a product's price relative to the percentage change of a product's quantity sold. This shows the responsiveness of a product's price to the quantity being sold.

Gulf red grouper commercial sector would be required to derive the expected average price change. Keithly and Tabarestani (2018) estimated an uncompensated own-price flexibility for "GOM Red Grouper" of -0.533. The expected changes in commercial CS are $3,424,286, $5,575,820, and $7,983,654 in 2026, 2027, and 2028, respectively.

To determine the respective expected change in ex-vessel revenue as a result of the proposed change to the quota and its effect on commercial landings, the quota from **Preferred Alternative 3** is multiplied by the sum of the respective expected average price change from Table 4.1.3.5 and the average ex-vessel price per lb gw of $6.22 for red grouper from 2020-2024 (2024$) from Table 3.3.1.2. From those values are then subtracted the average ex-vessel price per lb gw multiplied by **Alternative 1's** quota. The expected changes in revenue are $1,665,788, $1,779,544, and $1,380,701 in 2026, 2027, and 2028, respectively. The commercial PS for vessels that harvested red grouper in the Gulf is estimated as 47.6% of the ex-vessel value (Section 3.3.1). The expected changes in commercial PS are $792,915, $847,063, and $657,213 in 2026, 2027, and 2028, respectively.

The total expected changes in net economic benefits for the commercial sector from **Preferred Alternative 3** relative to **Alternative 1** are calculated by adding the expected change in commercial CS to the expected change in commercial PS. The total expected changes in net economic benefits for the commercial sector are $4,217,201, $6,422,883, and $8,640,868 in 2026, 2027, and 2028, respectively.

Net Economic Benefits

The total expected change in net economic benefits for both the recreational and commercial sectors can be calculated by summing both the recreational and commercial sectors' expected changes in net economic benefits. The total expected changes in net economic benefits are $21,741,161, $29,989,762, and $38,250,664 in 2026, 2027, and 2028, respectively.

5.4.2 Action 2: Modification of Gulf Red Grouper Sector Allocations and Sector ACLs

Detailed analyses of the economic effects and impacts expected to result from this action are provided in Section 4.2.3. The following discussion analyzes the expected economic effects and impacts of the preferred alternative relative to the No Action alternative.

Preferred Alternative 2 would revise the sector allocations of the total ACL as 68.2% commercial and 31.8% recreational, based on average landings using SRFS data during the years 1986 through 2005. The values associated with **Alternative 1** from Action 2 when paired with Preferred Alternative 3 from Action 1 are used as the No Action comparison for effects.

Recreational Sector

Estimated changes in economic value to recreational fishermen are approximated by multiplying the expected change in the number of fish harvested by a CS estimate. The most recent proxy for a CS estimate for red grouper is the estimated value of the CS for a 1 fish change in grouper

harvest. A value of $130.75 (Carter and Liese 2012; values updated to 2024$) reflects recreational WTP for 1 additional red grouper harvest.

The change in expected landings, in lb gw, from the recreational ACL under Action 2 **Preferred Alternative 2** from the recreational ACL under **Alternative 1** when Action 1 Preferred Alternative 3's total ACL is selected, is calculated by year, as Action 1 Preferred Alternative 3 has an annual increase of the total ACL from 2026 to 2027 and then from 2027 to 2028. Of note for these analyses, Action 2 **Alternative 1**'s total ACL values also increase annually from 2026 to 2028. The values used for the analyses are shown in Table 2.2.2. The expected change in landings assumes that the recreational sector landed all the available pounds of red grouper under **Alternative 1**. The expected changes in landings are -580,000, -660,000, and -740,000 lb gw in 2026, 2027, and 2028, respectively. The change in the number of fish was determined by multiplying the expected change in recreational landings in lb gw by 1.048 (Table 1, SEDAR 88 2025) to obtain the expected change in recreational landings in lb ww and then dividing by 7.66 (the average weight in ww of a recreationally landed red grouper from 2020 to 2024; A. Gray, SERO, pers. comm. 2025). The recreational sector's red grouper landings are expected to be reduced by 79,352, 90,298, and 101,243 fish in 2026, 2027, and 2028, respectively. The expected change in the recreational sector's CS is calculated by multiplying the expected change in recreational landings, expressed as number of fish, by the value of $130.75, described previously. The expected changes in the recreational sector's CS are -$10,375,337, -$11,806,418, and -$13,237,499 in 2026, 2027, and 2028, respectively.

The PS of the for-hire component of the recreational sector, composed of charter vessels and headboats, would be impacted by a change in the number of targeted trips. In the long run, factors of production, such as labor and capital, can be used elsewhere in the economy, so only short-term changes to PS are expected. In the Gulf, headboat trips take a diverse set of anglers on a single vessel, generally advertising a diverse range of species to be caught. Therefore, an assumption that no headboat trips would be gained or lost due to a change in the recreational ACL would be reasonable. However, charter vessel trips that are targeting red grouper may be added by anglers and are the focus of the recreational sector PS analysis. As discussed in Section 2.2, **Preferred Alternative 2** is expected to result in a closed recreational season only in 2026, when paired with the total ACL of Action 1 Preferred Alternative 3. Therefore, only analysis of the PS of the for-hire component of the recreational sector for that pairing in 2026 is required here.

As detailed in Section 4.1.3, 145 trips per day are projected to occur in wave 6 (Nov-Dec). In comparison with **Alternative 1**, **Preferred Alternative 2** is expected to result in a reduction of 580 target trips in 2026. These projections assume that all trips taken to target red grouper will be cancelled due to the closure date of December 28 in 2026. However, only some of the projected trips are likely to be cancelled, while others are likely to continue but would now target other species. As a result, these projections may overestimate the effects of the closure date in 2026. The net cash flow per angler trip of $171 (2024 dollars) from Souza and Liese (2019) as seen in Table 3.3.2.7 is used to calculate the short-term change in PS for charter vessels. The net cash flow per angler trip accounts for the lost revenue, while recognizing that canceled trips do not have certain expenditures such as fuel, trip supplies, and labor. The short-term change in PS is calculated by multiplying the number of closed days (based on the predicted closure dates as

seen in Tables 2.2.3 and 4.2.3.2, based on the analyses in Appendix A) by the average number of charter trips per day by $171 and has a value of -$99,180 in 2026.

The recreational PS and CS values are all negative due to the recreational sector allocation decreasing. The expected net economic benefits to the recreational sector are a summation of the changes in the recreational sector's CS and PS. When Action 1 Preferred Alternative 3's total ACL is selected, the recreational sector's change in PS in 2026 is added to the recreational sector's change in CS in 2026 to calculate the expected net economic benefits to the recreational sector in 2026; for 2027 and 2028, the expected net economic benefits to the recreational sector are equivalent to the recreational sector's changes in CS. These values are -$10,474,517, -$11,806,418, and -$13,237,499 in 2026, 2027, and 2028, respectively.

Commercial Sector

The proposed reallocations of the total ACL to the commercial sector and subsequent increases to the commercial ACL and ACT (quota) with **Preferred Alternative 2** would increase the availability of the annual IFQ allocation for sale, compared with **Alternative 1**, with Action 1 Preferred Alternative 3's total ACL selected. As the supply of annual IFQ allocation increases, the allocation price would be expected to decrease. This would be a positive economic effect for commercial harvesters who must purchase allocation. Because shares would be associated with more allocation under **Preferred Alternative 2**, and there would be more allocation available to fish or lease, the future expected cash flows associated with shares might increase, which would lead to higher share prices. However, share prices increasing or decreasing is dependent upon the price elasticity of demand for allocation, which reflects whether the increased supply results in an increase in ex-vessel revenue for allocation holders and shareholders.

For the commercial sector, the comparison of effects is based on the resulting quota from **Preferred Alternative 2** relative to the quota from **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected. These values are designated by year, as Action 1 Preferred Alternative 3 has an annual increase of the total ACL from 2026 to 2027 and then from 2027 to 2028. To calculate expected changes in commercial CS, own-price flexibility[40] for the Gulf red grouper commercial sector would be required to derive the expected average price change. Keithly and Tabarestani (2018) estimated an uncompensated own-price flexibility for "GOM Red Grouper" of -0.533. The expected changes in commercial CS are $1,624,177, $1,667,701, and $1,657,544 in 2026, 2027, and 2028, respectively.

To determine the respective expected change in ex-vessel revenue as a result of the proposed change to the quota and its effect on commercial landings when paired with Action 1 Preferred Alternative 3's total ACL, the quotas from **Preferred Alternative 2** are multiplied by the sum of the respective expected average price change from Table 4.2.3.4 and the expected ex-vessel price per lb gw resulting from Action 1 Preferred Alternative 3 ($5.16 in 2026, $4.62 in 2027, and $4.07 in 2028). From those values are then subtracted the expected ex-vessel price per lb gw

[40] The own-price flexibility is the percentage change in a product's price relative to the percentage change of a product's quantity sold. This shows the responsiveness of a product's price to the quantity being sold.

resulting from Action 1 Preferred Alternative 3 multiplied by **Alternative 1**'s quota. The expected changes in revenue are $1,102,301, $1,126,548, and $1,114,823 in 2026, 2027, and 2028, respectively. The commercial PS for vessels that harvested red grouper in the Gulf is estimated as 47.6% of the ex-vessel value (Section 3.3.1). The expected changes in commercial PS are $524,695, $536,237, and $530,656 in 2026, 2027, and 2028, respectively.

The commercial PS and CS values are all positive due to the commercial sector allocation increasing. The total annual expected changes in net economic benefits for the commercial sector from **Preferred Alternative 2** relative to **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected, are calculated by adding the expected change in commercial CS to the expected change in commercial PS. The values are $2,148,872, $2,203,938, and $2,188,199 in 2026, 2027, and 2028, respectively.

Net Economic Benefits

The total expected change in net economic benefits for both the recreational and commercial sectors can be calculated by summing both the recreational and commercial sectors' expected changes in net economic benefits. The total expected change in net economic benefits for both the recreational and commercial sectors from **Preferred Alternative 2** relative to **Alternative 1**, when Action 1 Preferred Alternative 3's total ACL is selected, are -$8,325,645, -$9,602,480, and -$11,049,299 in 2026, 2027, and 2028, respectively.

5.4.3 Action 3: Modification of the February-March Recreational Shallow-Water Grouper (SWG) Closure

Detailed analyses of the economic effects and impacts expected to result from this action are provided in Section 4.3.3. The following discussion analyzes the expected economic effects and impacts of the preferred alternative relative to the No Action alternative.

Preferred Alternative 2 would eliminate the February 1 through March 31 recreational closed season for SWG in federal waters seaward of the 20-fathom boundary. In the short-term, this would be expected to have positive effects on the recreational sector by providing additional access to fishing grounds, which could result in increased CS for anglers and PS for for-hire fishing businesses. Given a recent framework action (GFMC 2025) that proposes establishing a recreational fixed closed season for the Other SWG complex of January 1 through June 30 each year (season open July 1 through December 31), of the six SWG species, only the recreational season for red grouper would be affected in the near future[41], and so only the private angling component and the for-hire component specifically targeting and/or catching red grouper would be affected. The extent to which this may increase catch rates and landings for red grouper by the recreational sector and associated economic effects cannot be quantitatively estimated. The

[41] Should the recreational fixed closed seasons for gag, black grouper, scamp, yellowmouth grouper, and yellowfin grouper be subsequently modified, the elimination of the recreational closed season for SWG in federal waters seaward of the 20-fathom boundary would affect those species

commercial sector is not expected to be affected in the short-term, as the closed season is specific to the recreational sector.

5.5 Public and Private Costs of Regulations

The preparation, implementation, enforcement, and monitoring of this or any federal action involves the expenditure of public and private resources, which can be expressed as costs associated with the regulations. Costs to the private sector and program-related administrative costs to NMFS are discussed under the impacts of management measures (Section 5.4). Public costs associated with the development of this amendment, including Council costs of document preparation, meetings, public hearings, and information dissemination, as well as NMFS administrative costs of document preparation, meetings and review, are treated as sunk costs and excluded from this analysis per Office of Management and Budget (OMB) guidance. Council and NMFS administrative costs directly attributable to the development of this amendment and the rulemaking process would be incurred prior to the effective date of the final rule implementing this amendment.

Additionally, this analysis does not include any additional law enforcement costs. Any enforcement duties associated with this action would be expected to be covered under routine enforcement costs rather than an expenditure of new funds.

5.6 Net Benefits of the Regulatory Action

It is important to specify the time period being considered when evaluating benefits and costs. According to the OMB's Circular A-4,[42] "The stream of annualized estimates should begin in the year in which the final rule will begin to have effects, even if the rule does not take effect immediately.…The time frame for your analysis should cover a period long enough to encompass all the important benefits and costs likely to result from the rule."

For current purposes, the reasonably "foreseeable future" is considered to be the next 3 years (2026-2028). The reason that this analysis uses a 3-year timeframe is based on the Gulf Council's Scientific and Statistical Committee receiving annual interim analyses on red grouper and on the Gulf Council, in recent history, taking final action on framework actions to modify red grouper catch limits (framework actions implemented in 2016, 2019, and 2022).

Over a 3-year timeframe of 2026-2028, the expected increase in the discounted net present value of economic benefits from this amendment would be $58,848,889 using a 3% discount rate and $56,227,776 with a 7% discount rate. As an annualized net present value, these expected increases would be $20,804,869 with a 3% discount rate and $21,425,688 with a 7% discount rate.

[42] See https://www.whitehouse.gov/wp-content/uploads/2025/08/CircularA-4.pdf

Based on this information, this regulatory action is expected to increase net economic benefits to the Nation.

5.7 Determination of Significant Regulatory Action

Pursuant to E.O. 12866, a regulation is considered a "significant regulatory action" if it is likely to result in: 1) an annual effect of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or state, local, territorial, or tribal governments or communities; 2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; 3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights or obligations of recipients thereof; or 4) raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this E.O. Based on the information in Sections 5.4 and 5.6, the maximum value of annual benefits during the 3-year timeframe is estimated to be $27,201,365 in 2028 and there are no estimated economic costs or transfers. The annualized net present values of all benefits from this proposed regulatory action are estimated to be $20,804,869 and $21,425,688 using a 3% and 7% discount rate, respectively. In summary, annual economic effects from this action are not expected to meet or exceed the $100 million threshold. Thus, this action has been determined to not be economically significant for the purposes of E.O. 12866.

CHAPTER 6. REGULATORY FLEXIBILTY ACT ANALYSIS

The purpose of the Regulatory Flexibility Act (RFA) is to establish a principle of regulatory issuance that agencies shall endeavor, consistent with the objectives of the rule and of applicable statutes, to fit regulatory and informational requirements to the scale of businesses, organizations, and governmental jurisdictions subject to regulation. To achieve this principle, agencies are required to solicit and consider flexible regulatory proposals and to explain the rationale for their actions to assure such proposals are given serious consideration. The RFA does not contain any decision criteria; instead the purpose of the RFA is to inform the agency, as well as the public, of the expected economic effects of various alternatives contained in the regulatory action and to ensure the agency considers alternatives that minimize the expected economic effects on small entities while meeting the goals and objectives of the applicable statutes (e.g., the Magnuson-Stevens Fishery Conservation and Management Act [Magnuson-Stevens Act]).

With certain exceptions, the RFA requires agencies to conduct an initial regulatory flexibility analysis (IRFA) for each proposed rule. The IRFA is designed to assess the effects various regulatory alternatives would have on small entities, including small businesses, and to determine ways to minimize those effects. An IRFA is primarily conducted to determine whether the proposed regulatory action would have a significant economic effect on a substantial number of small entities. In addition to analyses conducted for the Regulatory Impact Review (RIR), the IRFA provides: 1) a description of the reasons why action by the agency is being considered; 2) a succinct statement of the objectives of, and legal basis for, the proposed regulatory action; 3) a description and, where feasible, an estimate of the number of small entities to which the proposed regulatory action will apply; 4) a description of the projected reporting, record-keeping, and other compliance requirements of the proposed regulatory action, including an estimate of the classes of small entities which will be subject to the requirements of the report or record; 5) an identification, to the extent practicable, of all relevant federal rules, which may duplicate, overlap, or conflict with the proposed rule; and 6) a description of any significant alternatives to the proposed regulatory action which accomplish the stated objectives of applicable statutes and would minimize any significant economic effects of the proposed regulatory action on small entities.

In addition to the information provided in this section, additional information on the expected economic effects of the proposed action is included in Chapter 4 and the RIR.

6.1 Statement of the need for, objective of, and legal basis for the proposed action

A discussion of the reasons why action by the agency is being considered is provided in Chapter 1. In summary, there is a need to consider new stock assessment advice (SEDAR 88) and Florida State Reef Fish Survey (SRFS) landings data that allow increases in catch limits and fair and equitable modifications in allocations, thereby providing economic benefits to both Gulf of America (Gulf) red grouper sectors and additional fishing opportunities to the recreational Gulf

red grouper sector. Additionally, due to the healthy state of the red grouper stock and other ongoing management changes to shallow-water grouper (SWG) species, the seasonal closure for the recreational sector has limited conservation value and can be eliminated to alleviate overly burdensome restrictions on recreational anglers.

The objective of this proposed regulatory action is to modify the catch limits and sector allocations of Gulf red grouper based on the SEDAR 88 stock assessment and through use of private recreational landings data from SRFS, and to consider eliminating the recreational closed season for SWG in federal waters seaward of the 20-fathom boundary. The Magnuson-Stevens Act provides the statutory basis for this proposed regulatory action. All monetary estimates in the following analysis are in 2024 dollars.

6.2 Description and estimate of the number of small entities to which the proposed action would apply

This proposed regulatory action would revise the maximum sustainable yield (MSY) proxy and catch levels for Gulf red grouper based on the Gulf Council's Scientific and Statistical Committee's current recommendations. This proposed regulatory action would revise the red grouper MSY proxy from the yield when fishing is at $F_{30\%SPR}$ to the yield when fishing is at $F_{40\%SPR}$.

The proposed regulatory action would also revise the red grouper overfishing limit (OFL) from 5.99 million pounds (mp) gutted weight (gw) to an OFL of 10.64 mp gw. The proposed regulatory action would also revise the red grouper acceptable biological catch (ABC) from 4.96 mp gw to 8.28 mp gw. The total annual catch limit (ACL) would be revised from 4.96 mp gw to a "phased-in" ACL set at 80% of the ABC in 2026 (6.62 mp gw), 90% of the ABC in 2027 (7.45 mp gw), and 100% of the ABC in 2028 and subsequent years (8.28 mp gw). It should be noted that the proposed total ACL is not directly comparable to the status quo total ACL as the recreational portion of the total ACL calculated in SRFS units rather than Marine Recreational Information Program-Fishing Effort Survey (MRIP-FES) units.

This proposed regulatory action would also revise the red grouper sector allocations between the recreational and commercial sectors using SRFS data. The proposed regulatory action revises the sector allocations from 59.3% commercial and 40.7% recreational (based on MRIP-FES) to 68.2% commercial and 31.8% recreational (based on SRFS data during the years 1986 through 2005). Additionally, this proposed regulatory action would eliminate the February 1 through March 31 recreational closed season for SWG in federal waters seaward of the 20-fathom boundary.

The proposed changes to the red grouper MSY proxy, OFL, ABC, total ACL, sector allocations, and sector ACLs would apply to red grouper individual fishing quota (IFQ) shareholders, as well as commercial fishing businesses, for-hire fishing businesses, and recreational anglers that fish for red grouper in federal waters of the Gulf. The proposed changes to the SWG recreational closure would only apply to recreational anglers and for-hire fishing businesses.

The RFA requires NMFS to describe the impact of the proposed rule on small entities (5 U.S.C. 603). Small entities include small businesses, small organizations, and small governmental jurisdictions (5 U.S.C. 601(3)-(6)). Recreational anglers are not businesses, organizations, or governmental jurisdictions, so they are outside the scope of this analysis.

As of July 8, 2021, there were 825 limited access valid or renewable reef fish permits. In order to commercially harvest red grouper, a vessel permit must also be linked to an IFQ account and possess sufficient allocation for this species. IFQ accounts can be opened, and valid permits can be linked to IFQ accounts at any time during the year. Eligible vessels can receive red grouper allocation from other IFQ participants. On average from 2020 through 2024, there were 671 IFQ accounts that held red grouper allocation and 68% of those held red grouper shares. During the same period, there were 324 federally permitted commercial vessels, on average each year, with reported landings of red grouper in the Gulf. From 2020 through 2024, the maximum annual value of all landings by a single Gulf red grouper vessel was approximately $1.24 million in 2022. The average annual vessel-level gross revenue from all species for commercial Gulf red grouper vessels during 2020 through 2024 was approximately $137,779. Red grouper landings accounted for approximately $46,599 (or 34%) of this revenue on average. Approximately 28.1% of this average annual gross revenue represents economic profits, or about $38,716 per vessel per year. Although many fishing businesses only own one permitted vessel, some hold or own multiple permits and vessels. Since comprehensive ownership data are currently unavailable for vessels harvesting Gulf red grouper, this analysis assumes that each of the 324 vessels is independently owned by a single business. This assumption likely results in an overestimate of the actual number of businesses directly regulated by this proposed regulatory action.

For RFA purposes only, NMFS has established a small business size standard for businesses, including their affiliates, whose primary industry is commercial fishing (see 50 CFR § 200.2). A business primarily engaged in commercial fishing (North American Industry Classification System [NAICS] code 11411) is classified as a small business if it is independently owned and operated, is not dominant in its field of operation (including its affiliates), and has combined annual receipts not in excess of $11 million for all its affiliated operations worldwide. All of the commercial fishing businesses directly regulated by this proposed action are believed to be small entities based on the NMFS size standard.

The proposed regulatory action would also apply to for-hire businesses (charter and headboats). For-hire businesses sell fishing services to recreational anglers. As of August 26, 2021, there were 1,273 valid or renewable Gulf reef fish for-hire permits. According to Savolainen et al. (2012), the average charter vessel operating in the Gulf is estimated to receive approximately $107,000 in gross revenue and $32,000 in net income annually. The average headboat is estimated to receive approximately $325,000 in gross revenue and $95,000 in net income annually.

A business primarily involved in the operation of a for-hire fishing vessel is included within the broader scenic and sightseeing transportation, water industry (NAICS code 487210). For-hire fishing operations (NAICS 487210) make up just part of the broader industry. A business primarily involved in scenic and sightseeing transportation, water industry is classified as a small

business by the Small Business Administration (SBA) if it is independently owned and operated, is not dominant in its field of operation (including its affiliates) and its combined annual receipts are no more than $14 million for all of its affiliated operations worldwide. All of the for-hire fishing businesses directly regulated by this proposed action are believed to be small entities based on the SBA size standard.

6.3 Description of the projected reporting, record-keeping and other compliance requirements of the proposed action

This proposed regulatory action would not establish any new reporting, record-keeping, or other compliance requirements.

6.4 Identification of all relevant federal rules, which may duplicate, overlap or conflict with the proposed action

No duplicative, overlapping, or conflicting federal rules have been identified.

6.5 Significance of economic impacts on a substantial number of small entities

Substantial number criterion

If implemented, this proposed regulatory action is expected to directly affect 324 of the 825 vessels with commercial Gulf reef fish permits, or approximately 39% of those commercial fishing businesses. Additionally, the action applies to the 1,273 valid or renewable Gulf reef fish for-hire permits. All regulated commercial and for-hire fishing businesses have been determined, for the purpose of this analysis, to be small entities. Based on this information, the proposed regulatory action is expected to affect a substantial number of small businesses.

Significant economic effects

The outcome of "significant economic impact" can be ascertained by examining two factors: disproportionality and profitability.

Disproportionality: Do the regulations place a substantial number of small entities at a significant competitive disadvantage to large entities?

All entities directly regulated by this proposed regulatory action have been determined to be small entities. Thus, the issue of disproportionality does not arise in the present case.

Profitability: Do the regulations significantly reduce profits for a substantial number of small entities?

A detailed analysis of the economic effects associated with this proposed regulatory action can be found in Chapter 4 and Chapter 5. The following information summarizes that analysis and additionally, analyzes the effects of this proposed regulatory action on the profitability of small entities.

This proposed regulatory action would modify the red grouper MSY proxy, OFL, and ABC; however, these proposed changes would not directly constrain harvest or fishing effort, therefore would not have a direct economic impact on red grouper commercial or for-hire fishing entities. Thus, the proposed regulatory actions to modify MSY proxy, OFL, and ABC for the Gulf red grouper is outside the scope of the RFA.

This proposed regulatory action would increase the total ACL for red grouper. Specifically, it sets the total ACL at 80% of the ABC in 2026, 90% in 2027, and 100% in 2028 which equates to 6.62 mp gw, 7.45 mp gw, and 8.28 mp gw respectively. This proposed regulatory action would also revise the red grouper sector allocations to be 68.2% of the total red grouper ACL for the commercial sector and 31.8% of the total red grouper ACL for the recreational sector. These allocations are based on average landings using SRFS data during the years 1986 through 2005. The proposed regulatory action sets the commercial quota at 4.28 mp gw in 2026, 4.83 mp gw in 2027, and 5.37 mp gw in 2028 and subsequent years. Relative to the status quo, it is expected that the commercial sector would see an increase in red grouper landings and revenue. NMFS anticipates that if the overall supply of red grouper commercial landings increases, the average price per lb gw would likely decrease. When accounting for potential ex-vessel price changes, the overall change in ex-vessel revenue and profits is positive.

The expected change in ex-vessel revenue resulting from the proposed changes to the total red grouper ACL and commercial quota is estimated at $2,768,089 in 2026, $2,906,092 in 2027, and $2,495,524 in 2028. The average vessel would experience an increase in revenue of $8,543 in 2026, $8,969 in 2027, and $7,702 in 2028 and subsequent years. This would result in an increase to annual economic profits of $2,401 per vessel in 2026, $2,520 per vessel in 2027, and $2,164 per vessel in 2028 and subsequent years. This proposed regulatory action is not expected to reduce profits for any small commercial entities; rather, it is expected to increase them.

The proposed regulatory action's modification of the recreational Gulf red grouper sector allocation and sector ACL is expected to allow the recreational season to remain open longer than under the status quo. Specifically, the proposed regulatory action is projected to increase the annual target trips of charter vessels for red grouper during waves 4 through 6. In 2026, when the red grouper total ACL is equal to 80% of the ABC, a short recreational closure is anticipated to occur December 28, but in subsequent years, no closure would be expected. Overall, the proposed regulatory action would be expected to result in a net increase in target trips of 33,779 in 2026 and 34,359 in 2027, 2028 and subsequent years. In the Gulf, headboat trips take a diverse set of anglers on a single vessel, generally advertising a diverse range of species to be caught. Therefore, it is assumed that no headboat trips would be gained or lost due the proposed regulatory action. In the long run, factors of production, such as labor and capital, can be used elsewhere in the economy, and so only short-term changes to economic profits are expected. Because not all permitted charter vessels may be active, the change in net revenue per charter vessel may be greater than presented here. The expected increase of 33,779 additional

directed red grouper recreational angler trips in 2026 is expected to increase annual net revenue for charter vessels by approximately $5,875,389. The 34,359 additional directed angler trips in 2027, 2028, and subsequent years is expected to increase net revenue for charter vessels by approximately $5,776,209. Given that there are on average approximately 1,273 charter fishing businesses that are eligible to recreationally harvest Gulf red grouper each year, the average increase in annual net revenue per charter business is approximately $4,615 in 2026 and $4,537 in 2027, 2028, and subsequent years.

The proposed regulatory action would also eliminate the February 1 through March 31 recreational closed season for SWG in federal waters seaward of the 20-fathom boundary. In the short-term, this would be expected to have positive effects on the recreational sector by providing additional access to fishing grounds, which could result in increased for-hire fishing business revenues. Given a recent framework action (GFMC 2025) that proposes establishing a recreational fixed closed season for the Other SWG complex of January 1 through June 30 each year (season open July 1 through December 31), of the six SWG species, only the recreational season for red grouper would be affected in the near future, and so only the private angling component and the for-hire component specifically targeting and/or catching red grouper would be affected. The extent to which this may increase catch rates and landings for red grouper by the recreational sector and associated economic effects cannot be quantitatively estimated

In summary, this proposed action would not be expected to have a significant economic impact on a substantial number of small entities.

6.6 Description of the significant alternatives to the proposed action and discussion of how the alternatives attempt to minimize economic impacts on small entities

This proposed action, if implemented, would not be expected to have a significant economic impact on a substantial number of small entities. As a result, the issue of significant alternatives is not relevant.

CHAPTER 7. LIST OF AGENCIES CONSULTED

National Marine Fisheries Service
- Southeast Fisheries Science Center
- Southeast Regional Office
- Office for Law Enforcement

National Oceanic Atmospheric Administration General Counsel

Environmental Protection Agency
United States Coast Guard
United States Fish and Wildlife Services
Texas Parks and Wildlife Department
Alabama Department of Conservation and Natural Resources/Marine Resources Division
Louisiana Department of Wildlife and Fisheries
Mississippi Department of Marine Resources
Florida Fish and Wildlife Conservation Commission

CHAPTER 8. LIST OF PREPARERS

Name	Expertise	Responsibility
Matt Freeman, Gulf Council	Economist	Co-Team Lead – amendment development, introduction, Economic effects, Regulatory Impact Review
Daniel Luers, NMFS/SF	Fishery Biologist	Co-Team Lead – amendment development, introduction, physical and biological/ecological environments, and administrative effects
Ryan Rindone, Gulf Council	Fishery Biologist	Physical and biological/ecological effects
Adam Stemle, NMFS/SF	Economist	Economic Environment and Regulatory Flexibility Act Analysis
Quinn Bernier, NMFS/SF	Social Scientist	Social effects, Social environment
Christina Package-Ward, NMFS/SF	Anthropologist	Social environment
Alisha Gray, NMFS/SF	Fishery Biologist, Data Analyst	Data analysis

Name	Discipline/Expertise	Role in EA Preparation
Mara Levy, NOAA GC	Attorney	Legal review
Noah Silverman, NMFS	Natural Resource Management Specialist	NEPA review
David Dale, NMFS/HC	EFH Specialist	Habitat review
Jennifer Lee, NMFS/PR	Protected Resources Specialist	Protected resources review
Scott Sandorf, NMFS/SF	Regulatory Writer	Regulatory preparation and review
Dave Records, NMFS/SF	Economist	Economic review
Juan Agar, NMFS SEFSC	Economist	Economic review
Annabelle Suitor, Gulf Council	Social Scientist	Social review
Francesca Forrestal, NMFS SEFSC	Research Fishery Biologist	Physical, biological, and ecological review
Carrie Simmons, Gulf Council	Fishery Biologist	Physical, biological, and ecological review
John Froeschke, Gulf Council	Fishery Biologist	Physical, biological, and ecological review
Frank Helies, NMFS/SF	Fishery Biologist	Physical, biological, and ecological review

NMFS = National Marine Fisheries Service, SF = Sustainable Fisheries Division, PR = Protected Resources Division, HC = Habitat Conservation Division, GC = General Counsel

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APPENDIX A. RECREATIONAL SEASON ANALYSES FOR GULF OF AMERICA RED GROUPER

Southeast Regional Office
LAPP/DM Branch
September 2025

Gulf of America[43] (Gulf) red grouper are currently managed in federal waters under the Fishery Management Plan for the Reef Fish Resources of the Gulf (Reef Fish FMP). In 2025, a stock assessment of red grouper was completed (SEDAR 88 2025) and passed a peer-review by the Gulf Council's (Council) Scientific and Statistical Committee (SSC). The SSC recommended increasing the Gulf red grouper Overfishing Limit (OFL) and Acceptable Biological Catch (ABC). To act on these recommendations, the Council initiated work on Amendment 62 to the Reef Fish FMP that considers red grouper catch limits and sector allocations. This analysis provides the average recreational landings of recreational Gulf red grouper and recreational season closures based on all management options being considered.

Recreational landings data

Gulf recreational landings for red grouper were obtained from the Southeast Fisheries Science Center (SEFSC) recreational ACL files (accessed May 2025; **Table 1**). The SEFSC recreational landings dataset includes landings from the Texas Parks and Wildlife recreational creel survey (TPWD), Louisiana Department of Wildlife and Fisheries creel survey (LA Creel), Southeast Region Headboat Survey (SRHS), and Marine Recreational Information Program (MRIP) Fishing Effort Survey (FES; Florida, Alabama and Mississippi). The MRIP FES file contains estimates from MRIP's Access Point Angler Intercept Survey (APAIS), MRIP FES (private angler effort estimates), and For-Hire Telephone Survey (FHS; for-hire effort estimates). For 2020 and 2021, imputed MRIP FES catch estimates are used to account for disruptions in the dockside sampling due to COVID. Monthly landings were estimated for MRIP FES, TPWD and LA Creel by assuming equal daily catch rates for months within a wave and then combined with SRHS, which are provided monthly. Predicted future landings for the recreational sector were estimated by averaging monthly landings in 2022-2024 for January through June. Due to recreational season closures in 2021 through 2024, predicted future landings for the recreational sector were estimated by averaging monthly landings in 2020-2022 for July through August and 2020 singularly for September through December since those landings were more consistent and elevated through December. The average monthly landings for each month were then divided by the number of days in each month to provide a daily catch rate for each sector.

The Florida Fish and Wildlife Conservation Commission's (FWC) State Reef Fish Survey (SRFS; accessed September 2025) provides private angling landings for red snapper, gag, red

[43] The Gulf of Mexico was renamed the Gulf of America pursuant to Executive Order 14172, and Secretary of the Interior Order No. 3423. All geographical references to the Gulf of America or "the Gulf" in this Framework Action refer to the same body of water known as the Gulf of Mexico in the regulations at 50 CFR part 622.

grouper and several other reef fish species harvested in state and federal water of the west coast of Florida. FWC SRFS data was determined best available data by the Scientific and Statistical Committee (SSC) at the May 2025 meeting for reporting and analyzing Florida private recreational landings of red grouper. As a result, Florida private recreational landings of red grouper in the MRIP FES landings file were replaced with SRFS landings that are calibrated to MRIP FES to generate a SRFS informed recreational landings time series with which future landings could be projected. SRFS landings are reported in whole weight but were converted to pounds gutted weight (lb gw) using a revised gutted to whole weight conversion factor of 1.05 (SEDAR 88). SRFS landings were also inclusive of Monroe County landings made in the Gulf as was done in SEDAR 88. All landings are reported in lb gw (**Table 1**).

Average recreational landings of red grouper are calculated to project future landing rates and are provided to compare against each of the proposed annual catch limits (ACLs; **Table 2**). The recreational sector will be closed if the ACL is met or is projected to be met. Predicted recreational closure dates are provided in **Table 2** based on cumulatively summed projected recreational landings of red grouper.

Table 1. Recreational landings (lb gw) of Gulf red grouper from 2020-2024 by wave along with projected future landings estimated using averaged landings from 2022-2024 for January through June, 2020-2022 for July and August, and 2020 for September through December.

Year	Wave 1 (Jan/Feb)	Wave 2 (Mar/Apr)	Wave 3 (May/Jun)	Wave 4 (Jul/Aug)	Wave 5 (Sep/Oct)	Wave 6 (Nov/Dec)	Total Landings
2020	186,546	259,306	364,983	340,160	328,071	252,859	1,731,927
2021*	163,942	579,133	980,662	584,756	124,935	38,255	2,471,683
2022*	184,477	256,483	495,681	530,625	24,322	2,787	1,494,375
2023*	283,853	228,159	631,132	306,246	19,677	15,598	1,484,665
2024*	293,428	302,546	498,542	13,332	76	7,686	1,115,611
Projected Landings	253,919	262,396	541,785	485,180	328,071	252,859	2,124,212

Source: SEFSC MRIP FES recreational ACL dataset [May 2025] and FWC SRFS [September 2025].
Notes: MRIP FES landings include red grouper landings (TPWD, SRHS, LA Creel, MRIP FES).
*The red grouper recreational season ran January 1 through September 14 in 2021, January 1 through August 30 in 2022, January 1 through July 20 in 2023, and January 1 through June 30 in 2024. Closed seasons are highlighted in gray.

Table 2. Projected Gulf red grouper closure dates expected for the recreational sector with each proposed Annual Catch Limit (ACL) alternative. Data Source: SEFSC MRIP FES Recreational ACL Dataset (May 2025) and FWC SRFS (May 2025).

Action 1, Alternative 2 Options		
Action 2 Alternatives	Recreational ACL (lb gw)	Projected Closure
Alternative 1	3,370,000	No Closure
Preferred Alternative 2	2,630,000	No Closure
Alternative 3	2,550,000	No Closure
Alternative 4	2,620,000	No Closure
Action 1, Preferred Alternative 3 Options		
2026 (80% of ABC)		
Action 2 Alternatives	Recreational ACL (lb gw)	Projected Closure
Alternative 1	2,690,000	No Closure
Preferred Alternative 2	2,110,000	**Dec 28**
Alternative 3	2,040,000	**Dec 8**
Alternative 4	2,090,000	**Dec 22**
2027 (90% of ABC)		
Action 2 Alternatives	Recreational ACL (lb gw)	Projected Closure
Alternative 1	3,030,000	No Closure
Preferred Alternative 2	2,370,000	No Closure
Alternative 3	2,290,000	No Closure
Alternative 4	2,350,000	No Closure
2028 (ABC = ACL)		
Action 2 Alternatives	Recreational ACL (lb gw)	Projected Closure
Alternative 1	3,370,000	No Closure
Preferred Alternative 2	2,630,000	No Closure
Alternative 3	2,550,000	No Closure
Alternative 4	2,620,000	No Closure

The reliability of these results is dependent upon the accuracy of the underlying data and input assumptions. The analysis intends to create a realistic baseline as a foundation for comparisons, under the assumption that projected future landings will accurately reflect actual future landings. These closure dates are our best estimate, but uncertainty still exists as economic conditions, weather events, changes in catch-per-unit effort, fisher response to management regulations, and a variety of other factors may cause departures from any assumption.

APPENDIX B. SUMMARY OF RECREATIONAL DATA COLLECTION

Red Grouper Recreational Data

The NMFS created the Marine Recreational Fisheries Statistics Survey (MRFSS) in 1979. In the Gulf, MRFSS collected recreational catch and effort data beginning in 1981. MRFSS included both the Coastal Household Telephone Survey (CHTS) and onsite interviews at marinas and other points where recreational anglers fish. In 2008, the MRIP replaced MRFSS to meet increasing demand for more precise, accurate, and timely recreational catch estimates. MRIP is a state-regional-federal partnership that utilizes large-scale surveys of the saltwater recreational fishing community to estimate recreational fishing catch and effort information used in stock assessments and fisheries management. MRIP utilizes separate surveys to measure catch rate and effort by mode (e.g., private angler vs for-hire) to estimate total recreational catch. For each mode the catch rate is multiplied by the effort to obtain an estimate of total catch.

The MRIP Access Point Angler Intercept Survey (APAIS) captures catch rate for both the private angler and for-hire modes. This survey was designed in 2013 to address concerns of potential bias and better account for all types of completed trips by extending the time period dockside samplers stayed at an assigned location (Foster et al. 2018). The more complete temporal coverage with the new survey design provides for consistent increases or decreases in APAIS angler catch rate statistics, which are used in stock assessments and management, for at least some species (NMFS 2019).

MRIP transitioned from the legacy CHTS to a new mail survey, known as the MRIP-Fishing Effort Survey (FES), in 2015. The surveys were run side by side for three years, and in 2018, MRIP-FES replaced MRIP-CHTS. Both survey methods collect data needed to estimate marine recreational fishing effort (number of fishing trips) by shore and private/rental boat anglers on the Atlantic and Gulf coasts. MRIP-CHTS used random-digit dialing of homes in coastal counties to contact anglers. The new mail-based FES uses angler license and registration information as one way to identify and contact anglers (supplemented with data from the U.S. Postal Service, which includes virtually all U.S. households). Comparisons of the CHTS and FES surveys from the side-by-side years indicated that, in general, total recreational fishing effort estimates generated from the FES are higher — and in some cases substantially higher — than the CHTS estimates (NMFS 2019). This is because the FES is designed to measure fishing activity more accurately than the CHTS, albeit while recognizing a greater degree of uncertainty in those landings estimates. This increase in estimated effort is not because there was a sudden rise in fishing effort, but rather because FES better targets actual fishery participants through the directed mail survey. Likewise, the increase in uncertainty about the effort estimates reflects uncertainty that was likely also present in CHTS but went unaccounted for due to biases that were identified as FES was developed. NMFS developed a calibration model to allow historic effort estimates using MRIP-CHTS to be compared to estimates from MRIP-FES.

At the August 2023 Council meeting, the NOAA Office of Science and Technology discussed the release of a pilot study (NOAA 2023[44]), which evaluated potential respondents' bias as recall error in the mail portion of the recreational FES survey used to estimate effort. The 2023 pilot study evaluated this bias for a portion of the year across several states, and preliminary results suggest the order of the questions in the survey has led to overestimation of fishing effort by MRIP-FES. In light of the results of this pilot study, NMFS conducted a new and more comprehensive year-long study of FES, which compared the current FES design to a revised version that is mailed more frequently (monthly as opposed to every 2 months) and changes the order of fishing activity questions to improve respondent recall.

NMFS plans to produce a report outlining key findings and estimate comparisons in summer 2025, followed by peer review of the revised design, a peer reviewed report of the findings of the study, a peer review of the updated calibration model, and finally implementation of and transition to a revised FES in 2026 in collaboration with partners, which includes producing calibrated historical estimates updated to reflect outputs from the revised design.

[44] https://www.fisheries.noaa.gov/recreational-fishing-data/fishing-effort-survey-research-and-improvements

APPENDIX C. BYCATCH PRACTICABILITY ANALYSES

Background/Overview

National Standard 9 of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) requires that conservation and management measures, to the extent practicable, minimize bycatch, and to the extent bycatch cannot be avoided, minimize the mortality of such bycatch. Bycatch is defined as fish harvested in a fishery, but not sold or retained for personal use. This definition includes both economic and regulatory discards. Economic discards are generally undesirable from a market perspective because of their species, size, sex, and/or other characteristics. Regulatory discards are fish required by regulation to be discarded, but also include fish that may be retained but not sold.

The National Standard 9 Guidelines, at 50 CFR 600.350(d)(3), identify ten factors to consider in determining whether a management measure minimizes bycatch or bycatch mortality to the extent practicable. These are:

1. Population effects for the bycatch species.
2. Ecological effects due to changes in the bycatch of that species (effects on other species in the ecosystem).
3. Changes in the bycatch of other species of fish and the resulting population and ecosystem effects.
4. Effects on marine mammals and birds.
5. Changes in fishing, processing, disposal, and marketing costs.
6. Changes in fishing practices and behavior of fishermen.
7. Changes in research, administration, and enforcement costs and management effectiveness.
8. Changes in the economic, social, or cultural value of fishing activities and non-consumptive uses of fishery resources.
9. Changes in the distribution of benefits and costs.
10. Social effects.

The Councils are encouraged to adhere to the precautionary approach outlined in Article 6.5 of the Food and Agriculture Organization (FAO) of the United Nations Code of Conduct for Responsible Fisheries when uncertain about these factors.

The Gulf of America (Gulf) red grouper component of the reef fish fishery is currently regulated through a commercial individual fishing quota (IFQ) program, as well as measures such as quotas, size limits, bag limits, and seasonal/area closures. These measures are intended to protect red grouper during spawning and limit fishing mortality, while also specifying the size of fish that may be kept and limiting the number of targeted fishing trips and the time fishermen spend pursuing the species. However, these management tools have the unavoidable adverse effect of creating regulatory discards, which reduce yield from the directed fishery.

In this amendment, the Gulf Council (Council) is considering adjusting the red grouper allocation between the commercial and recreational sectors to more accurately reflect historically accurate recreational catch levels based on the current best available data, as used in the most recent stock assessment. In addition, the Council is considering increasing the overfishing limit (OFL), allowable biological catch (ABC), annual catch limits (ACL), and annual catch targets (ACT), and removal of the annual February 1-March 30 fixed-closed season for shallow-water grouper (SWG) species outside of the 20-fathom rhumb line, while using the best scientific information available and ensuring that recreational catch levels are consistent with the data used to monitor recreational landings and trigger accountability measures (AM).

Red Grouper Release Mortality Rates

Discard mortality rates for red grouper in the most recent stock assessment (Southeast Data, Assessment, and Review (SEDAR) 88, 2025) were unchanged from SEDAR 61 (2019), which used National Marine Fisheries Service (NMFS) observer data through 2017. SEDAR 61 2019 estimated commercial discards using a weighted mean discard mortality rate based on the number of fishing sets in each depth bin. This method was previously employed in SEDAR 42 2015.

In SEDAR 61 2019, the commercial discard mortality in the Post-IFQ bottom longline fishery was estimated at 44.1% (+0.5% from SEDAR 42 2015), while the Pre-IFQ estimate remained at 41.4%. These values were calculated based on assumptions that 100% of fish that floated at the surface upon release suffer immediate mortality and 20% latent mortality for discards that re-submerge for each 10-m depth bin (i.e. 20% of fish that re-submerge in each depth bin are assumed to die). The discard mortality rates for each depth bin were combined using the weighted mean average based on the number of fishing sets in each bin.

In the commercial vertical line fishery, estimated discard mortality remained the same in SEDAR 88 as in SEDAR 61 2019 and SEDAR 42 2015 at 19.0%. This value was based on the recreational hook-and-line gear depth-dependent discard mortality function from the 2014 FWC study (Sauls et al.) for live red grouper discarded in fishing depths between 41 meters and 50 meters, where the vertical line fishery primarily operates. This estimate assumes vertical line gear is fished similar to recreational hook-and-line gear (with regard to retrieval and handling time). Commercial observer data were used to select the mean fishing depth range for vertical line gear that is representative of the Gulf-wide fishery. Thus, this single mortality percentage was applied to estimated discards across regions in the Gulf.

The discard mortality rate used in SEDAR 88 2025 for recreational discards was 11.6%, which remained unchanged from SEDAR 61 2019 and SEDAR 42 2015. This estimate included all sources of latent discard mortality for fish that were able to re-submerge and those that were alive and floating after release. Dead discards were included in recreational landings estimates, and therefore, no immediate mortality was applied to recreational discards.

Sauls et al. (2014) found that red grouper that re-submerged with assistance from venting (fair condition), and that demonstrated difficulty re-submerging or suffered internal hook injuries or gill injuries (poor condition) survived at lower rates (survival 82.7% and 60.9%, respectively) compared to fish that re-submerged on their own immediately without the need for venting

(good condition). Point estimates for overall discard mortality across all depths fished were 10.4% and 12.9% in the charter fishery (for areas fished adjacent to Tampa Bay and the northwestern panhandle, respectively), and were comparable to the headboat fishery (9.7% to 13.8%, respectively per area). Confidence intervals for all four point estimates overlapped, indicating that a single mean value may be applied across fleets and areas.

A 2014 study of observer data by Pulver et al. showed that red grouper retention rates increased after initiation of the IFQ program in 2010, most likely due to the lowering of the commercial size limit to 18 in TL. Since 2006, NMFS has placed fishery observers on commercial vessels fishing with vertical line and bottom longline gears. Beginning in February 2009, increased observer coverage levels were directed at the bottom longline fishery in the eastern Gulf due to concerns regarding sea turtle interactions. Additionally, in 2011, increased funding allowed enhanced coverage of both the vertical line and bottom longline fisheries through 2014. The immediate discard mortality rate for red grouper was estimated by combining fish that were dead on retrieval or that were unable to re-submerge following release as a percentage of overall fish discarded (not including discards with unknown conditions). In the vertical line fishery, the mean immediate discard mortality rate (weighted based on the number of fishing sets for each depth bin) was 13.8%. Immediate discard mortality was higher in the bottom longline fishery (27.0% pre-IFQ; 29.5% post-IFQ), likely because these vessels typically fish in deeper depths than the vertical line fishery and tend to have longer soak times.

Magnitude of Red Grouper Bycatch

Commercial discards are available by gear for trap, vertical line, and longline. Red grouper commercial dead discards were estimated beginning in 1990 with the implementation of federal minimum size limits. The numbers of discards for the commercial trap fishery were taken from red grouper stock assessments prior to SEDAR 88 2025, since fish traps were banned in the Gulf beginning in 2006.

During the SEDAR 42 2015 Data Workshop, commercial red grouper discards for vertical line and longline were calculated using discard rates as reported by fisheries observers, with the discard rates multiplied by year-specific total effort reported to the coastal logbook program to estimate total discards. However, additional analyses were conducted post-SEDAR 42 2015 due to concerns over the reliability of the logbook effort data, and as a result, commercial discards were re-estimated based on observed discard and kept rates from the NMFS Observer Program database. Even with the modifications during SEDAR 42 2015, estimated commercial discards received considerable attention as they were substantially higher than previous assessments, but were maintained at the time due to anecdotal information supporting high discard fractions.

Prior to SEDAR 61 2019, additional research was undertaken to investigate the methodology for calculating commercial discards, specifically by exploring available effort units for estimating commercial discards. The general approach for estimating discards uses the Southeast Fisheries Science Center's (SEFSC) Reef Fish Observer Program (RFOP) and the Supplemental Discard Logbook (self-reported discard information). Catch per unit effort has been determined from the RFOP in which scientific observers on commercial fishing vessels recorded detailed information on catch and effort for a subset of trips. This investigation utilized data from the complete

calendar years 2007-2017. RFOP observer coverage levels were not consistent through the years, with coverage levels ranging between 1% and 5% of sea days.

Total effort was determined from the commercial reef logbook program in which fishers reported basic information on effort and catch by species for every trip (complete calendar years 1993-2017). Logbook effort metrics were recorded at the trip level, whereas observer effort metrics were recorded at a finer scale (usually individual 'sets' within a trip). A suite of effort metrics recorded on commercial logbooks and collected by onboard observers were evaluated to identify unbiased and consistent effort variables between the two programs for carrying out the catch expansion.

A 2020 study by Pulver et al. updated data (where available) from SEDAR 61 2019 to further examine bycatch and discard patterns from 2012-2018 in IFQ fisheries (Grouper/Tilefish and Red Snapper) and the data used in this study (accessed May 2019) are the best and most recent RFOP data available for the fishery.

SEDAR 88 2025 used updated commercial data through 2022. SEDAR 88 (2025) generally estimated lower commercial discards than SEDAR 61 (Figure 2.1). Commercial discards (1993-2022) for the hand line (i.e. vertical line) and longline fisheries used in SEDAR 88 are presented in Figure C1 and Table C1. The commercial discards for Gulf red grouper were estimated using methods revised since SEDAR 61, which was the first to implement the catch-per-unit-effort (CPUE) expansion approach. The improved methodology uses CPUE from the RFOP and total fishing effort from the commercial reef logbook program to estimate total catch. A full description of the discards and CPUE-expansion estimation procedures is in SEDAR88-WP-04. Commercial discards for Commercial Trap were unchanged from SEDAR 61 2019.

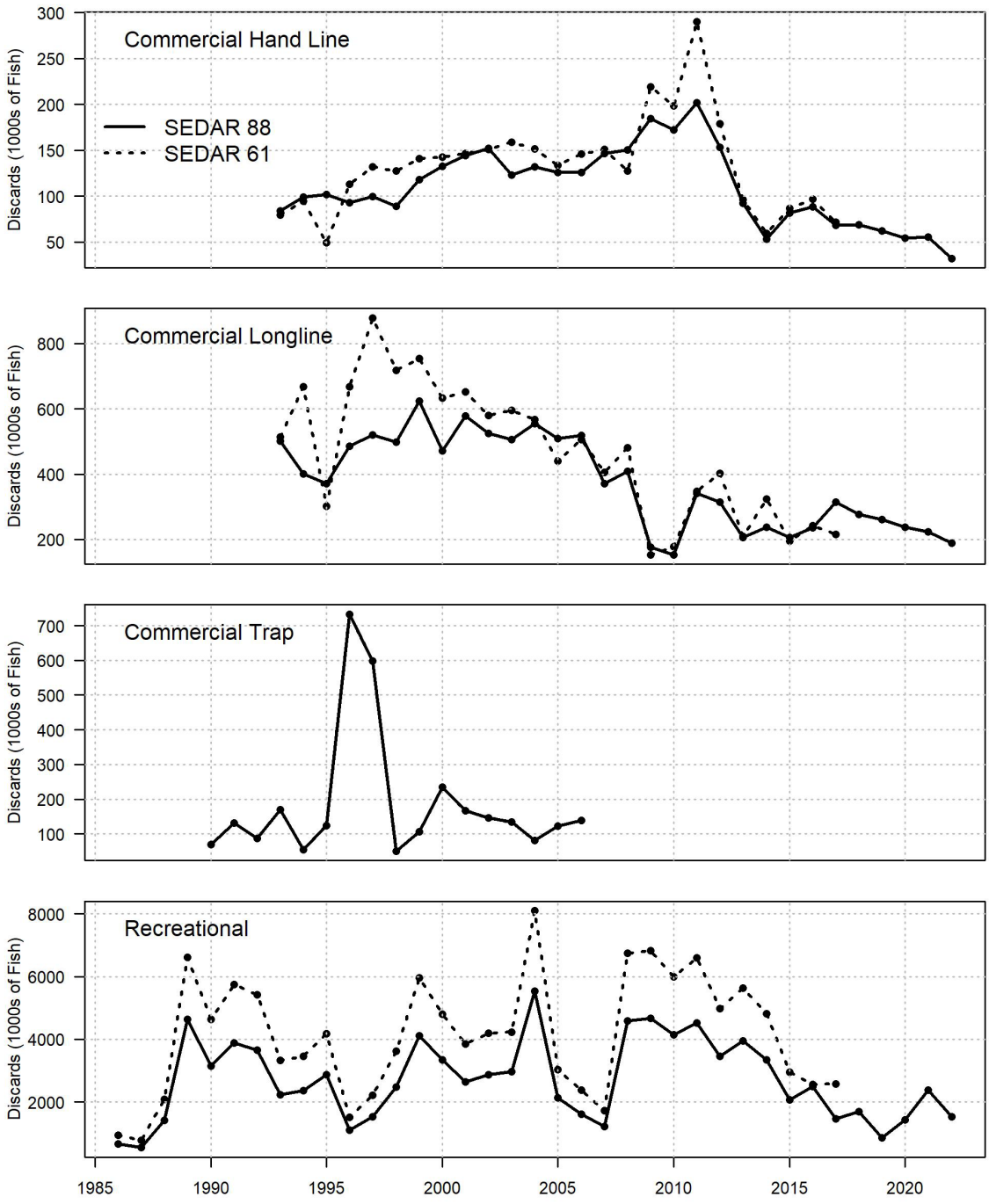


Figure C1. Gulf Red Grouper observed discards by fleet for SEDAR 88 and SEDAR 61. Commercial and recreational discards are both in numbers of fish. Note: The scale of the recreational discards is not directly comparable given the different currencies (SEDAR 61: FES; SEDAR 88: SRFS), and thus actual recreational discard may be more similar than indicated by the graph.

Table C1. Commercial vertical line and longline discards (number of red grouper) using the SEDAR 88 recommended approach.

Red Grouper Commercial Discards			
Year	**Vertical**	**Longline**	**Total**
1993	83,940	501,888	585,828
1994	99,040	401,072	500,112
1995	101,625	371,606	473,231
1996	92,714	485,855	578,569
1997	99,735	519,788	619,523
1998	89,242	498,047	587,289
1999	118,027	623,631	741,658
2000	132,828	471,426	604,254
2001	144,545	577,922	722,467
2002	151,885	524,725	676,610
2003	122,886	506,581	629,467
2004	132,082	555,138	687,220
2005	125,725	509,507	635,232
2006	126,092	518,717	644,809
2007	146,641	370,882	517,523
2008	150,377	408,240	558,617
2009	184,424	175,821	360,245
2010	172,362	153,157	325,519
2011	201,629	341,082	542,711
2012	153,513	313,854	467,367
2013	92,270	206,516	298,786
2014	53,355	238,140	291,495
2015	81,745	205,810	287,555
2016	88,329	235,615	323,944
2017	68,589	314,514	383,103
2018	69,066	276,746	345,812
2019	61,951	260,984	322,935
2020	54,158	237,383	291,541
2021	55,598	223,972	279,570
2022	32,242	188,264	220,506

Commercial longline fleet discards averaged 374,000 fish from 1993-2022, with a low of 153,000 fish in 2009 and a peak of 624,000 fish in 1999 (Table C1). Commercial vertical line fleet discards averaged 110,000 fish from 1993-2022, with a low of 32,000 fish in 2022 and a peak of 202 thousand fish in 2011. Commercial vertical line discards dropped precipitously beginning in 2013, and have trended downward since, with the lowest year at the end of the time series in 2022. Some of this reduction in estimated discards from starting in 2013 is likely due to the reduction in the commercial minimum size limit from 20 to 18 inches total length in May 2009.

The RFOP listed red grouper as the most common IFQ species observed with a relatively high percentage (35%) of discards occurring compared to other IFQ species (Table C2). Data from the RFOP were used to calculate the discard ratio (number discarded: one landed) stratified by year and gear (Table C3). A larger value indicates that more fish are being discarded, and a value less than one indicates more fish are being harvested than discarded. The RFOP discard ratios are less than one fish being discarded for each fish being retained for almost all the time series, except in 2017 for longline and 2018 for both gear types.

Table C2. The number of captures and percentage for each disposition observed by the RFOP from 2012-2018 for IFQ species.

	Number Observed	Kept	Discarded
Red Grouper	283,879	64.9%	35.1%
Gag	14,570	79.8%	20.2%

Source: SEFSC RFOP (2019)

Table C3. The discard ratio (number discarded: one landed) for red grouper and gag for vertical line (VL) and longline (LL) gear by year.

Red Grouper	VL	LL	Gag	VL	LL
2012	0.44	0.88	2012	0.47	0.44
2013	0.42	0.50	2013	0.23	0.52
2014	0.25	0.55	2014	0.15	0.05
2015	0.41	0.52	2015	0.16	0.01
2016	0.54	0.51	2016	0.17	0.04
2017	0.57	1.11	2017	0.19	0.04
2018	1.29	1.19	2018	0.34	0.01
2012-18 Average	0.56	0.75	2012-18 Average	0.24	0.16

Source: SEFSC RFOP (2019)

In addition to the number of self-reported discards per trip, the discard logbook attempts to quantify the reason why discarding occurs using four categories: 1) not legal size, 2) other regulation, 3) market conditions, and 4) out of season. For IFQ species, "other regulation" could include a lack of allocation. Using these categories, discard logbooks reported 97% of self-reported discards of red grouper were due to the minimum size limit from 2012-2018 (Table C4). Length data collected by the RFOP supports that the current minimum size limit is the principal reason discards were occurring from 2012-2018, although a small amount of discarding may have occurred due to lack of allocation.

Table C4. The number of discards and percentage for each discard reason out of the total number of each species reported to the Supplemental Discard Logbook from 2012-2018 for IFQ species.

	Number Reported	Not Legal Size	Other Regulations	Market Conditions	Out of Season
Red Grouper	344,400	97.0%	2.7%	0.2%	0.1%
Gag	22,914	54.3%	44.2%	0.8%	0.7%
Shallow-water Grouper					
Scamp	2,084	89.2%	9.5%	0.8%	0.5%
Black Grouper	1,093	46.4%	52.1%	0.1%	1.5%
Deep-water Grouper					
Yellowedge Grouper	606	53.3%	35.8%	10.9%	0.0%
Snowy Grouper	124	68.5%	12.1%	19.4%	0.0%
Speckled Hind	41	4.9%	95.1%	0.0%	0.0%
Warsaw Grouper	10	50.0%	30.0%	20.0%	0.0%

Source: SEFSC Supplemental Discard Logbook (2019)

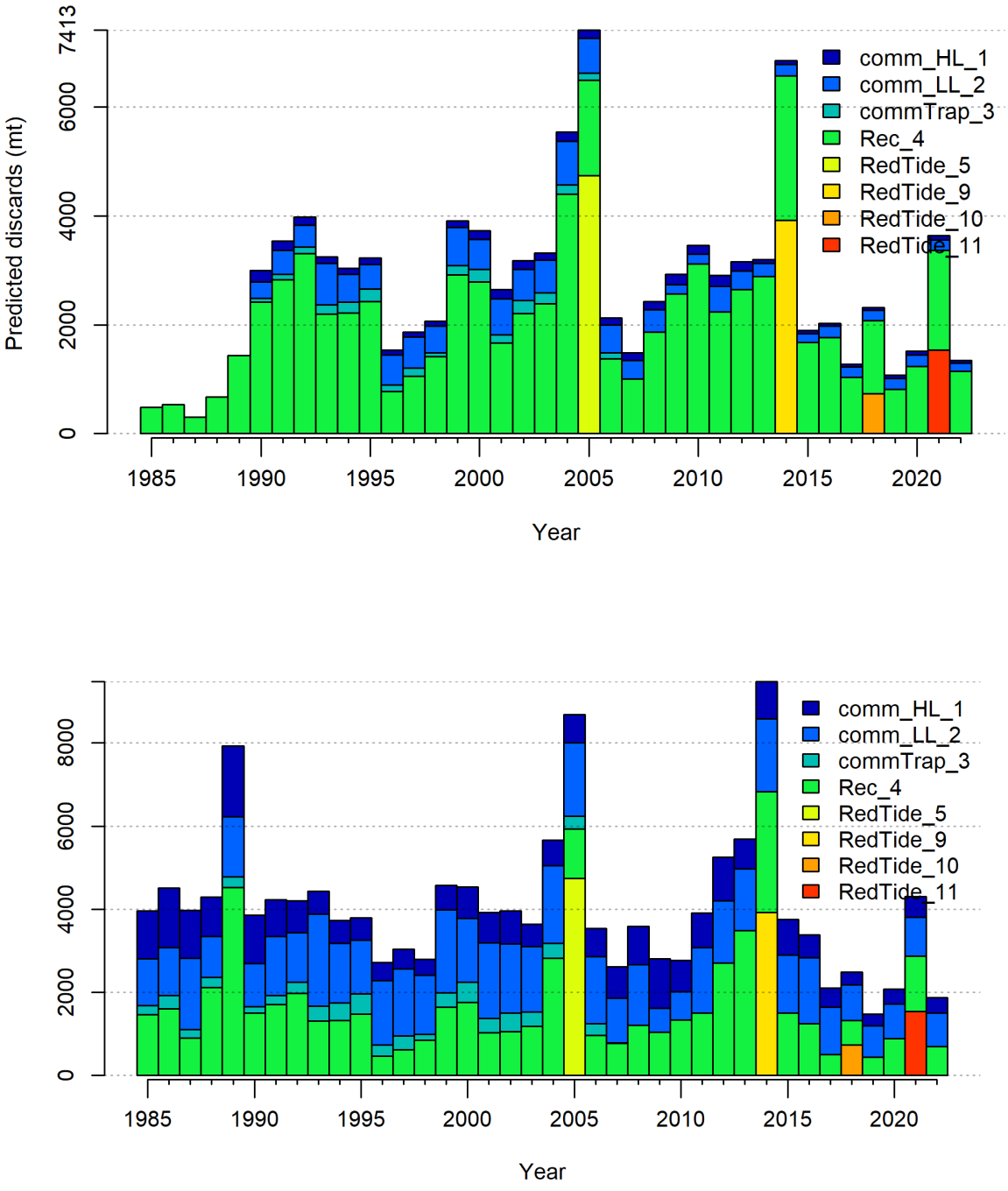


Figure C2. Red grouper discard estimates (top) and total removals (harvest + dead discards: bottom) from SEDAR 88 2025 assessment for commercial and recreational (right panel) fisheries in metric tons, 1986-2022. Note that these graphs include discards from the commercial trap fleet (which stopped operating in the Gulf after 2006) and red tide associated red grouper mortality in 2005, 2014, 2018, and 2021.

Figure C2 provides discard estimates for the recreational and commercial sectors and total removals (including red tide) of red grouper from 1985-2022. Recreational sector discards in numbers of red grouper were estimated using fully calibrated estimates from MRIP-FES and the Access Point Angler Intercept Survey (see SEDAR88-WP-02), Texas Parks and Wildlife Department, Louisiana Creel survey, and Southeast Region Headboat survey (see SEDAR88-WP-01). For the private fishing mode, Florida State Reef Fish Survey (SRFS) estimates were used in place of the MRIP estimates (SEDAR88-WP-08), which had been used in SEDAR 61 2019. The preferred super-ratio approach was evaluated as a suitable proxy method for SRHS discards, which rescales past (e.g., 1986-2007) discard rates of the MRIP charter mode (discards: landings) by the ratio of mean discard rates between the MRIP charter mode and SRHS headboat mode from recent years (e.g., 2008-2022). For more information, see SEDAR88-WP-05.

The recreational sector discard rates exhibited some variability, with declines in the late 1990s, mid-2000s and the most recent years in the model. Red grouper recreational sector discard estimates averaged 2.69 million fish from 1986 to 2022, with a low of 550,000 fish in 1987 and a peak of 5.5 million fish in 2004 (Table C5). Thus, from 1986 – 2022, about 86.5% of all red grouper captured recreationally were discarded, and a similar percentage of discards has occurred in recent years (~87%, 2018-2022).

Table C5. Recreational discards (number of red grouper) by fishing mode (using SEDAR 88 recommended approach).

Year	Total (Number of Fish)			By Mode (Number of Fish)			
	Rec Landings	Total Discards	% Discarded	Charter	Non-FL Private (MRIP)	Headboat	Private (SRFS + non FL MRIP)
1986	911,543	670,707	42.4	86,363		50616	533,727
1987	611,700	549,637	47.3	50,123		46793	452,721
1988	1,137,330	1,423,756	55.6	70,652		86089	1,267,015
1989	1,643,459	4,634,565	73.8	196,089		587205	3,851,271
1990	421,230	3,144,638	88.2	196,883		78811	2,868,944
1991	426,596	3,888,373	90.1	215,954	0	113714	3,558,705
1992	661,821	3,658,641	84.7	204,602		71889	3,382,150
1993	475,053	2,242,919	82.5	86,379		85626	2,070,915
1994	409,339	2,359,867	85.2	146,510		91286	2,122,071
1995	407,885	2,868,386	87.6	236,720		116385	2,515,282
1996	114,165	1,110,068	90.7	114,829		177825	817,415
1997	128,545	1,534,517	92.3	127,887		85302	1,321,327
1998	154,447	2,482,342	94.1	202,585		90959	2,188,798
1999	350,137	4,115,352	92.2	375,157		195738	3,544,457
2000	454,012	3,350,643	88.1	471,536		107311	2,771,797
2001	268,711	2,648,296	90.8	272,157		79197	2,296,942
2002	326,133	2,877,005	89.8	228,016	16,162	69150	2,579,839
2003	265,578	2,975,400	91.8	343,210	22,689	148723	2,483,466
2004	888,642	5,528,631	86.2	423,964	10,303	167953	4,936,715
2005	366,584	2,135,457	85.3	248,419	15,286	100332	1,786,707
2006	273,237	1,616,308	85.5	123,352	1,604	35396	1,457,561
2007	225,583	1,216,459	84.4	111,913		55532	1,049,014
2008	192,793	4,586,268	96.0	367,994		90522	4,127,752
2009	153,594	4,672,455	96.8	398,022	4,024	154668	4,119,765
2010	251,029	4,154,498	94.3	497,987	10,306	118248	3,538,263
2011	210,727	4,517,500	95.5	433,964		135008	3,948,529
2012	512,227	3,463,187	87.1	464,256		118350	2,880,581
2013	647,499	3,946,668	85.9	620,479	3,744	112266	3,213,924
2014	633,195	3,338,548	84.1	435,470	3,441	84237	2,818,841
2015	400,641	2,074,000	83.8	326,901	0	74376	1,672,723
2016	355,680	2,494,694	87.5	322,165		79409	2,093,120
2017	137,564	1,470,510	91.4	299,920	774	73658	1,096,932
2018	158,032	1,690,860	91.5	261,443	0	56930	1,372,488
2019	153,604	864,442	84.9	172,336		32962	659,143
2020	267,355	1,438,712	84.3	455,762	0	30798	952,152
2021	388,307	2,381,871	86.0	514,980		55074	1,811,816
2022	212,146	1,533,157	87.8	404,643	759	58283	1,070,232

The recreational sector discards substantially more fish than the commercial sector, averaging 2.69 million fish per year, versus approximately 483,500 fish/year in the commercial sector, or at an approximate 5:1 ratio.

Although no data are collected to identify the reason for recreational discards, it is likely the recreational fishermen discard for the same reasons commercial fishermen do, except that recreational fishermen are constrained in some years by closed seasons which may last many months, and are also constrained by the February-March closed season outside the 20-fathom line, both of which require discards of all captured red grouper. In addition, some recreational fishermen may practice catch and release for some or all species captured. Recently, the red grouper recreational season closed due to reaching the ACT in 2021 (September 15-end of year [EOY]), 2023 (August 30-EOY), 2023 (July 21-EOY) and 2024 (July 1-EOY), likely leading to greater numbers of regulatory discards in those years during the season closure. However, the closed season also likely reduced fishing effort targeting red grouper, which may have mitigated the increased discards due to the closed season. During the open season for red grouper, discards are likely driven by the minimum size limit even more so than the commercial sector, given that the commercial minimum size limit (18 inches) is shorter than the recreational minimum size limit (20 inches).

Other Bycatch

Bycatch documented in the Gulf reef fish fishery by the RFOP of species protected under the Endangered Species Act (ESA), Marine Mammal Protection Act (MMPA), or both statutes is limited to sea turtles (most frequently loggerheads, but other species as well), common bottlenose dolphins (from the continental shelf stock), and a giant manta ray. Several anecdotal encounter reports document smalltooth sawfish being hooked or entangled during Gulf reef fish fishing. Fishermen have also reported Nassau grouper (listed as threatened under the ESA) bycatch off lower Southwest Florida. Although commercial and recreational reef fish hook-and line gear may pose risks to other protected species, there is no evidence of other protected species bycatch in this fishery.

NMFS has conducted specific analyses ("Section 7 consultations") evaluating potential effects from the Gulf reef fish fishery, including the red grouper component of the fishery, on species listed under the ESA, and designated critical habitat as required by the ESA. The most recent biological opinion (Opinion) was issued on September 30, 2011, and concluded that the Gulf reef fish fishery would adversely affect sea turtles (loggerhead, Kemp's ridley, green, hawksbill, and leatherback) and smalltooth sawfish, but would not likely jeopardize the continued existence of these species (NMFS 2011). As detailed in Section 3.2, the consultation is currently under reinitiation to address species listed since 2011 that may also be affected (i.e., giant manta ray, Nassau grouper, and Rice's whale). NMFS has determined that the Gulf reef fish fishery is not likely to jeopardize the continued existence of these species during the reinitiation period.

With respect to the sea turtles and smalltooth sawfish addressed in the Opinion, an incidental take statement was issued specifying the amount (total numbers) and extent (mortalities) of anticipated take estimated based on the best available data, along with reasonable and prudent measures and associated terms and conditions deemed necessary and appropriate to minimize the impact of these takes. NMFS estimated that, over any three-year period, the Gulf reef fish

fishery would capture 375 sea turtles in the recreational vertical line component and 114 captures in the commercial vertical line component. For the bottom longline component, NMFS estimated that, a total of 635 sea turtles (623 loggerhead, 3 green, 3 hawksbill, 3 Kemp's ridley, and 3 leatherback) would be captured every three years starting in 2011 (when new regulatory measures would be fully implemented).

The Gulf reef fish fishery interacts with smalltooth sawfish to a much lesser extent than sea turtles. Although the long, toothed rostrum of the smalltooth sawfish causes this species to be particularly vulnerable to entanglement in fishing gear, incidental captures in the commercial and recreational hook-and-line components of the reef fish fishery are rare events. Only eight smalltooth sawfish are anticipated to be incidentally caught every 3 years in the entire reef fish fishery, and none of these captures are expected to result in mortality (NMFS 2011). Participants in the Gulf reef fish fishery are required to follow the sea turtle and smalltooth sawfish conservation measures specified at 50 C.F.R. § 622.29.

The Council originally addressed protected species bycatch in Amendment 18A (GMFMC 2005), which established regulations to minimize stress to ESA-listed species incidentally caught in the reef fish fishery. These measures include:

- Mandatory Release Gear: Vessels must carry a specific suite of release gear designed to safely dehook and release protected species. Required tools include:
  - Dip nets and cushioned support devices for boarding small turtles.
  - Long-handled line cutters and dehookers for animals that cannot be brought on board.
  - Mouth gags and bolt cutters to safely remove hooks or entangled lines.

- Safe Handling Protocols: Fishermen are required to follow the *Careful Release Protocols for Sea Turtle Release with Minimal Injury*. These guidelines emphasize:
  - Keeping the animal in the water whenever possible.
  - Supporting the animal's weight horizontally if it must be boated.
  - Avoiding contact with sensitive areas like the eyes or gills.
- Documentation and Training: Every vessel must maintain a reference copy of the official release protocols on board. Additionally, a sea turtle handling and release placard must be posted in an easily viewable area (such as the wheelhouse) for quick reference during an incidental capture.
- Smalltooth Sawfish Specifics: Amendment 18A introduced unique handling requirements for sawfish, which include:
  - Cutting the fishing line as close to the hook as possible.
  - Refraining from removing the sawfish from the water or attempting to remove hooks from the "saw" (rostrum) unless using a long-handled dehooker.

Since then, the Council and NMFS have implemented several other actions aimed at reducing sea turtle bycatch and enhancing survival of captured sea turtles including:

- Reef Fish Amendment 31 (75 FR 21512, 4/26/2010)- Established a longline endorsement requirement; restricted fishing to outside the 35-fathom depth contour from June –

August; and limited vessels to 1000 hooks on board, of which only 750 could be rigged at any time. The 1000 hook limitation was removed in a 2018 framework action (83 FR 5210, 2/26/2018), but the limitation on the 750 hooks rigged at any time remains in place.

- Reef Fish Amendment 49 (84 FR 25009, 5/30/2019)- Added three new sea turtle release and handling devices; updated requirements for several previously approved devices for clarity; and allowed changes to handling/release gear requirements to be made through the Council's framework process.

RFOP data has documented dolphins when scavenging on hooked fish becoming entangled, (more frequently their caudal fin but also around their snout and mouth) in the main line of bottom longlines and bandit gear. U.S. commercial fisheries are classified under the MMPA according to the level of interactions that result in incidental mortality or serious injury of marine mammals. In the 2025 proposed List of Fisheries (89 FR 77789; September 24, 2024), the bottom longline/hook and line components of the Gulf commercial reef fish fishery are collectively listed as a Category III fishery under the MMPA as they have been for many years. Category III contains fisheries where annual mortality and serious injury of a marine mammal stock resulting from any fishery is less than or equal to 1 percent of the maximum number of animals, not including natural mortalities, that may be removed from a marine mammal stock, while allowing that stock to reach or maintain its optimum sustainable population. The common bottlenose dolphin, Gulf continental shelf stock, is identified as the only marine mammal species and stock incidentally killed or injured by this fishery.

The recreational sector of the Gulf reef fish fishery, which uses hook-and-line gear similar to the commercial sector (excluding bottom longline), poses a similar potential risk of bycatch for common bottlenose dolphins. Grewal et al. (2023) analyzed trends in dolphin interactions with the for-hire fishery (operating in both state and federal waters of the eastern U.S. Gulf of Mexico), utilizing dolphin sighting logs and fisheries observer data. The study focuses on high-risk behaviors like scavenging (eating discarded fish) and depredation (taking caught fish or bait from a line), which are a form of habituation often resulting from illegal feeding or improperly discarded fish in coastal areas. These close, repeated interactions elevate the risk of injury or mortality due to entanglement, hooking, or ingestion of gear (Grewal et al. 2023). This risk is particularly relevant to the reef fish sector, as the authors found that dolphins are significantly more likely to scavenge discards from the family Lutjanidae (snappers), with most observed scavenging events (75%) occurring with species such as red snapper and red drum. While dolphin interactions with hook-and-line gear appear to be more frequent in bays, sounds, and estuaries, the risk extends offshore. Although the frequency of interactions is lower further offshore, the potential for bycatch remains a concern for the wider-ranging coastal or continental shelf dolphin stocks (Grewal et al. 2023). Given the limited tools available to fishers to reduce these interactions once a dolphin approaches, actions like moving the vessel to another location or pausing fishing are critical. Avoiding interactions whenever possible, often by moving away from the animals, is considered the safest method for preventing death or serious injury to dolphins (NMFS 2022; Grewal et al. 2023).

There are three primary orders of seabirds present in the Gulf including Procellariiformes (petrels, albatrosses, and shearwaters), Pelecaniformes (pelicans, gannets and boobies, cormorants, tropicbirds, and frigate birds), and Charadriiformes (phalaropes, gulls, terns,

noddies, and skimmers) (Clapp et al., 1982; Harrison, 1983). Several other bird species also occur in the Gulf, and are listed as threatened or endangered by the U.S. Fish and Wildlife Service, including piping plover, roseate tern, and brown pelican (the brown pelican is endangered in Mississippi). Human disturbance of nesting colonies and mortalities from birds being caught on fishhooks and/or entangled in monofilament line are primary factors affecting seabirds. Oil or chemical spills, erosion, plant succession, hurricanes, storms, heavy tick infestations, and unpredictable food availability are other threats. There is no evidence that the directed grouper fishery adversely affects seabirds.

Figure 3 shows species most commonly caught during trips targeting red grouper. Although the magnitude of catch of these co-occurring species is not examined in this figure, it is likely that there is some correlation between the number of trips in which co-occurring species were captured and the number of those species that were captured. In other words, species that we captured on more trips where red grouper were targeted were also likely captured in greater numbers. Species with high overlap on trips targeting red grouper may have high rates of discards depending on the management measures associated with those species. Closed seasons and larger minimizing limits increase the likelihood that a fish would need to be discarded.

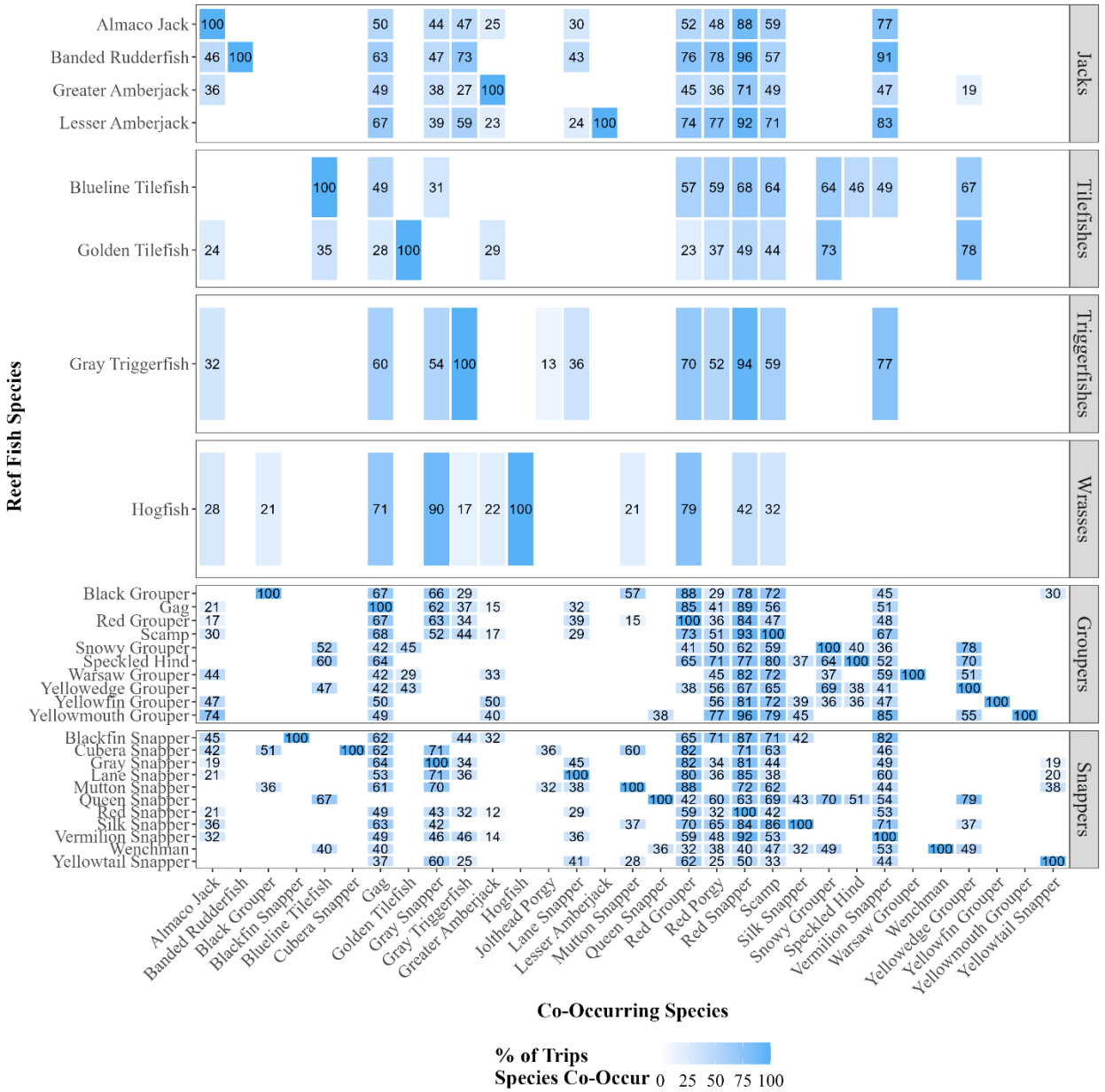


Figure C3. Top 10 species that co-occur with each managed reef fish species caught by the commercial sector in the Gulf, by species family. Darker blue colors represent higher percentage of co-occurrence on commercial fishing trips.

Most red grouper trips encounter gag and red snapper. In the eastern Gulf, scamp and the remaining Other SWG species (black grouper (in southeastern gulf), yellowfin grouper, and yellowmouth grouper), are also encountered when targeting red grouper. In addition, lane snapper, almaco jack, mutton snapper, and gray triggerfish are among the ten species most commonly co-occurring on trips targeting red grouper. Although greater amberjack are not one of the top 10 co-occurring species, they may also be occasionally captured while targeting red grouper.

Gag are overfished (SEDAR 72) and a rebuilding plan was implemented in Amendment 56 to the FMP. Gag is likely frequent bycatch when targeting red grouper, although commercial and experienced recreational fishermen claim that red grouper can be targeted with minimal gag bycatch. However, given the short duration of the current gag fishing season and the large number of recreational fishermen, it is likely that there will be additional gag bycatch as a result of the longer recreational red grouper fishing season that will occur as a result of the implementation of this amendment. The mortality rate for recreational discards of gag is estimated to be relatively low at 12 percent.

Red snapper are not overfished or undergoing overfishing, but are under a rebuilding plan because stocks are below targeted population levels (SEDAR 52, 2017). Most commercial grouper fishermen in the eastern Gulf were allocated few red snapper IFQ shares and therefore are unable to retain large quantities of red snapper when fishing for grouper. However, the IFQ program allows for the transfer of allocation and these fishermen may buy additional red snapper allocation to allow for greater retention. Bycatch is a significant source of mortality in the red snapper fishery and NMFS implemented measures in 2008 to reduce discard mortality of red snapper and other reef fish, such as the requirement to use non-stainless steel circle hooks when using natural baits.

In the other SWG complex, scamp and yellowmouth grouper were assessed as a single stock (SEDAR 68, 2021), and are not overfished or undergoing overfishing. The recreational mortality rate for discards of these species is estimated to be 26 percent. Black grouper and yellowfin grouper have unknown overfished and overfishing statuses. The Council has submitted a framework action to NMFS for review that includes an Other SWG recreational season closure from January 1 through June 30 each year. However, the Council is working on finalizing Amendment 58A, which would make changes to the Other SWG complex, included removing this seasonal closure for black grouper.

Other commonly captured reef fish species are not overfished or undergoing overfishing. There is no fixed closed season that would require fishermen to them, and several have small minimum size limits (8 inches for lane snapper, 10 inches for vermilion snapper, and 12 inches for gray snapper). The mortality rate for these species are as follows: Vermilion snapper- estimated to be 15 percent (SEDAR 67, 2020); lane snapper: 10 percent (SEDAR 49 update); gray snapper- 14.9% recreational /6.9% commercial (SEDAR 75, 2022); gray triggerfish- 5% (SEDAR 43, 2015). No stock assessment has been completed for almaco jack, and no mortality rate has been estimated.

Greater amberjack (SEDAR 70 2020) are overfished but are not undergoing overfishing. Greater amberjack release mortality is estimated to be low, ranging from 10 to 20 percent. Discards are slightly higher for commercially caught greater amberjack than they are for recreationally caught greater amberjack because of differences in minimum size limits (36 inches FL commercial vs. 34 inches FL recreational). Because greater amberjack are pelagic and grouper are bottom fish, bycatch of greater amberjack is relatively low when fishing for red grouper.

Practicability of current management measures in the Reef Fish FMP and directed red grouper component of the fishery relative to their impact on bycatch and bycatch mortality.

Bycatch and bycatch mortality can negatively affect a stock by reducing the number of fish that survive and become susceptible to harvest. Fishery management regulations are intended to constrain effort and control fishing mortality, but in some cases increase bycatch or bycatch mortality. When proposing fishing regulations, managers must balance the competing objectives of optimizing yield, ending overfishing, and reducing bycatch to the extent practicable. In addition, optimizing yield requires accounting for the different characteristics of the commercial and recreational sectors. See 16 U.S.C. § 1802(33) (defining optimum, in pertinent part, as "the amount of fish" that "will provide the greatest overall benefit to the Nation, particularly with respect to food production and recreational opportunities."); 16 U.S.C. § 1801(a)(13) ("While both provide significant cultural and economic benefits to the Nation, recreational fishing and commercial fishing are different activities. Therefore, science-based conservation and management approaches should be adapted to the characteristics of each sector."). Participants in the commercial sector tend to seek to maximize harvest and efficiency while participants in the recreational sector tend to seek to maximize access and opportunities. These different objectives affect fishing behavior, which generally results in more discards by the recreational sector. However, both sectors provide important benefits to the Nation, see 50 C.F.R. § 600.310(e)(3)(iii)(A)(1) and (2), and NMFS must consider and account for these differences when assessing the practicability of measures that minimize bycatch and bycatch morality.

The following describes current Gulf reef fish management measures and their relative impact on bycatch and bycatch mortality. The commercial red grouper sector is managed under an IFQ program, whereby catch shares are allocated among shareholders with measures to prevent fishermen from harvesting more than their individual allocation. Commercial fishing for red grouper and other reef fish species must also comply with gear restrictions and requirements, and minimum size limits. The recreational sector is managed with size limits, bag limits, gear restrictions, and seasonal closures. For red grouper, there is a bag limit of 4 total grouper with a maximum of 2 red grouper, and there is a closed season from February 1 through March 31 where SWG species, including red grouper, cannot be possessed if captured in waters beyond the 20 fathom contour. However, this amendment would remove that seasonal closure. There are also several restricted fishing areas intended to protect reef fish (in particular gag) spawning aggregations.

Grouper-Tilefish IFQ Program

The commercial sector of the Gulf reef fish fishery for groupers (including DWG and SWG) is managed under an IFQ program. DWG includes yellowedge grouper, warsaw grouper, snowy grouper, and speckled hind. SWG includes red grouper, gag, and Other SWG (including black grouper, scamp, yellowfin grouper, and yellowmouth grouper). IFQ shares are assigned to permitted vessels in percentages of the annual commercial quotas for DWG, red grouper, gag, and Other SWG, based on their applicable historical landings. Shares determine the amount of IFQ allocation for Gulf groupers (in pounds gutted weight) a shareholder is initially authorized to possess, land, or sell in a given calendar year. Fishing is open to shareholders throughout the fishing year, provided they have allocated quota available to them. For more information on the

IFQ program, see the NMFS's SERO Catch Shares webpage at https://secatchshares.fisheries.noaa.gov/home

Discards by individual fishers who have exhausted their yearly red grouper catch shares are not thought to be significant in the commercial sector, as several measures are available that may allow catch after an IFQ catch share has been harvested (Pulver and Stephen, 2019). Both red grouper and gag have a "multi-use allocation," which allows for, under certain conditions, continued harvest of either species after an IFQ account holder's allocation for that species has been landed and sold, or transferred. This allocation is intended to reduce bycatch of both red grouper and gag by allowing fishers to retain catch that they would otherwise be required to release as bycatch. In addition, shareholders that have exhausted their annual allocation are permitted to purchase additional quota from other shareholders with available quota. This provision allows fishers to retain catch that would otherwise be required to be released as bycatch.

Size limits

Size limits are the greatest factors contributing to bycatch of red grouper (Pulver and Stephen, 2019). Currently, there is an 18-inch total length (TL) commercial and a 20-inch recreational red grouper minimum size limit. Analysis of observer data from 2012-2018 indicates that over 99% of all commercially discarded red grouper are discarded due to regulations. The minimum size limit is the primary regulatory reason cited for discarding red grouper (97.0% of discards) in the commercial sector. Size limits are also the primary reason for red grouper discards in the recreational red grouper sector. Size limits are intended to protect immature fish and reduce fishing mortality. The red grouper minimum size limit in the commercial sector is similar to the size at 50 percent maturity (~16-20 inches; Moe 1969; Collins et al. 2002).

SEFSC conducted analyses (Ortiz 2007; Walter 2007) for gag and red grouper to identify the sizes that best balance the benefits of harvesting fish at larger sizes against losses due to natural mortality. Walter (2007) found that yield per recruit (YPR) would increase as minimum size decreased for the red grouper commercial sector, but that there would be a corresponding decrease in spawning per recruit (SPR). By reducing the red grouper size limit from 20 to 18 inches, the study predicted an increase in YPR of 2.6 percent, and a corresponding decrease in SPR of 1.5 percent. Observer data collected on board reef fish vessels during 2006 and 2007 supported the findings of the 2007 Walter study, suggesting that red grouper longline discards would be reduced by approximately 38 percent, and handline discards would be reduced by approximately 33 percent upon reduction of the size limit to 18-inches TL. Other analyses indicated that a reduction in size limit would reduce discard mortality by reducing the number of fish released after catch. Coggins et al. (2007) found minimum size limits did not help fisheries for long-lived low-productivity species, such as groupers, achieve sustainability if discard mortality exceeded five percent. Rudershausen et al. (2007) also concluded minimum size limits are only moderately effective for reef fish caught in shallower portions of their depth ranges, and nearly ineffective in deep waters. The reduced minimum size from 20 inches to 18 inches is believed to be the primary reason behind this decrease.

Closed Seasons and Quota Closures

The red grouper recreational fishing sector has an AM that requires closure of the recreational fishing season upon projection that the recreational ACL has been met. In 2025, no closure occurred due to implementation of an emergency rule increasing red grouper catch limits based on the SEDAR 88 stock assessment. However, prior to 2025, the red grouper season had close earlier each year since 2021 (2024: July 1 closure; 2023: July 21; 2022: August 30; 2021: September 15). Prior to 2021, no recreational closure of red grouper recreational fishing had occurred since 2015. Closures of the recreational red grouper sector are likely to reduce effort targeting red grouper, but also are likely to increase discards. This is especially when they occur earlier in the year (e.g. 2024) when heavy fishing effort is still occurring targeting red snapper, but also in September when the gag recreational fishing season takes place, as numerous red grouper are also likely caught and discarded. This amendment is expected to prevent recreational closed seasons for red grouper after 2026, and therefore is expected to reduce red grouper recreational discards, especially at times of high fishing effort for co-occurring species.

The gag recreational fishing season is closed from January 1 through August 31 of each year, and also closes again upon projection that the recreational quota has been met. In 2025, this closure occurred on September 16, resulting in a 15-day season. Because gag are commonly captured when fishing for red grouper, increasing the red grouper catch limits and thereby extending the recreational red grouper fishing season is expected to increase bycatch of gag.

The recreational SWG fishery is closed from February 1 through March 31 in waters beyond the 20 fathom contour (the recreational gag fishery is closed in Gulf waters from January through August). This closed season was originally implemented for the recreational sector in all Gulf waters, but was modified in a 2012 framework to apply only in waters deeper than 20 m as specified by NMFS. The closure is intended to protect SWG (especially gag, black, and red grouper) during spawning. The closure is intended to reduce bycatch, since these species are commonly caught in the same areas and habitat. Red grouper overlap with other common reef fish species, and may be captured incidentally while other species are being targeted. Thus, closed season discards are believed to be significant in the recreational red grouper sector, especially when high effort is expended on fishing for co-occurring species (e.g. the September gag recreational season). This amendment would remove this closure. Although this measure was originally implemented to reduce bycatch, there is scant evidence that it has been effective in doing so. In addition, removal of the closed area is expected to allow fishermen greater flexibility in choosing where to fish, which may result in more efficacy in targeting desired species.

Recreational Bag Limits and Commercial Trip Limits

Recreational bag limits and commercial trip limits are generally used to slow harvest. For groupers, the recreational bag limit is 4 per person, with no more than 1 speckled hind, 1 warsaw grouper, 2 red grouper, or 2 gag. There is no commercial trip limit for groupers. The capture of fish after the applicable bag or trip limit has been reached results in discards but the bag and trip limits have been determined necessary to optimize yield and prevent overfishing. It is also known that some fishermen may discard legally sized fish in effort to catch larger fish of the same species (high-grading). High-grading is thought to be underreported in fisheries worldwide (Batsleer et al., 2016), and its prominence in the Gulf reef fish fishery in unknown.

However, discards of legal size grouper occur less frequently at larger sizes, indicating that high-grading may occur.

Allowable Gear

Vertical hook-and-line gear (bandit rigs, manual handlines) and bottom longlines are the primary gear types used in the commercial reef fish fishery. Fish traps accounted for a small portion (generally 10-15%) of grouper catch prior to 2007, when they were prohibited in federal waters of the Gulf. Longlines account for a majority of the red grouper commercial discards. From 2018 through 2022, approximately 81 percent of red grouper commercial discards were from the bottom longline fishery (see Table C1 above). In addition, the bottom longline component has a higher estimated discard mortality rate at 44.1 percent (post-IFQ; SEDAR 85 2025, SEDAR 62 2019), so this component contributes to a proportionally higher percentage of red grouper dead discards, as well as to dead discards of other reef fish species. Rod-and-reel is the primary gear used in the recreational sector.

In 2008, regulations were implemented requiring commercial and recreational fishermen to use circle hooks, venting tools, and dehooking devices when harvesting reef fish in the Gulf. Brulé et al. (2015) found that larger circle hooks caught significantly larger sizes of red grouper. Garner et al. (2020) also projected that larger circle hooks could modestly increase retained catch while drastically reducing the number of discarded fish. The requirement to use a venting tool was removed in 2013 (78 Fed. Reg. 46820, Aug. 2, 2013). However, the DESCEND Act of 2020 required that as of January 2021 all anglers have a venting tool or descending device rigged and ready for use when fishing for Gulf reef fish. Use of the device is not mandated, but it is likely that this law resulted in reduced reef fish release mortality. This requirements in the DESCEND Act expires on January 14, 2026, but the Council has approved a framework action to continue these requirements. Adequate information on the size of circle hooks used by anglers in the Gulf or on the affect that has on bycatch of undersized species does not exist. Recreational anglers also use spears to capture grouper. Spearfishing does not affect release mortality since all fish caught are killed. Only undersized grouper mistakenly killed while spearfishing would contribute to dead discards.

The Council and NMFS have not identified any additional practicable gear restrictions to further limit bycatch or bycatch mortality of reef fishes, including grouper.

Time or Area Closures

The Council created two restricted fishing areas to protect spawning aggregations of gag in 2000. The Madison-Swanson and Steamboat Lumps marine restricted fishing areas are located in the northeastern Gulf at a depth of 40 to 60 fathoms. Both areas prohibit bottom fishing and possession of Gulf reef fish (except during transit under certain conditions). The Council and NMFS also implemented more stringent regulations in these areas that prohibit trolling (except for HMS species) and possession of reef fish at all times. All fishing is also prohibited in the Tortugas marine reserves in the southern Gulf near the Dry Tortugas. Marine reserves and time/area closures benefit fish residing within reserve boundaries by prohibiting their capture during part or all of the year. Within marine reserves, fish that are undersized potentially have an opportunity to grow to legal size without the threat of being captured by fishing gear. If these fish emigrate from the marine reserve (i.e., spillover effect), then they may be caught as

legal fish outside the reserve, thereby reducing bycatch. However, anglers and commercial fishermen may redistribute their effort to areas surrounding the marine reserve. If fishing pressure in these areas is increased, then any benefits of reduced bycatch of fish in the marine reserve may be partially or fully offset by increases in bycatch of fish residing outside the marine reserve.

Alternatives being considered to minimize bycatch

The Reef Fish FMP, as amended over time, includes measures to minimize bycatch and bycatch mortality to the extent practicable. Therefore, no measures are proposed in this amendment to directly reduce the bycatch of red grouper and other species. However, the choice of alternative in Action 2 are likely to impact the amount of bycatch because Action 2 sets the allocation between the commercial and recreational sectors, and sets the sectors ACLs and ACTs, which constrain harvest to the stock ACL specified in Action 1. **Alternative 1** in Action 2 use the current allocation without accounting for the decrease in estimated recreational catch and effort associated with the change to SRFS from MRIP-FES, resulting in a de facto reallocation to the recreational sector. A shift in allocation to the recreational sector could increase recreational fishing and, therefore, discards associated with that fishing. **Preferred Alternative 2** in Action 2 would use the same time series as **Alternative 1** but use updated recreational landings using SRFS data, essentially maintaining the status quo split. However, because of the large increase in the stock ACL, the catch limits for both the recreational and commercial sectors would increase. The large increase in catch limits may result in a modest increase in regulatory discards of commercial and recreational red grouper and other reef fish species. The recreational sector is responsible for higher levels of bycatch and bycatch mortality, than the commercial sector, and the predicted increased effort and catch in this sector may increase bycatch and discard mortality. However, the longer recreational seasons associated with increased recreational catch limits is expected to mitigate the expected increase in red grouper discards by allowing fishing throughout the year (after 2026), and thus eliminate discards associated with red grouper captured during the closed season.

The alternatives in Action 3, which would eliminate the February-March fixed-closed season, are expected to have only minor impacts on bycatch. **Alternative 1 (no action)** would maintain the closure and would have no impact on bycatch compared to current levels. **Preferred Alternative 2** would eliminate the fixed closed season, which is expected to result in greater fishing effort, and thus reduced bycatch of red grouper (due to reduced regulatory discards). However, eliminating the closed season would likely result in greater bycatch of other reef fish species than under **Alternative 1** due to greater effort targeting red grouper in the closed area, and thus more discards of co-occurring species such as Other SWG complex species, gag, and red snapper. Thus, **Preferred Alternative 2** is expected to result in decreased bycatch of red grouper and a modest increase in bycatch of non-red grouper reef fish species.

Practicability Analysis

Criterion 1: Population effects for red grouper

Measures being considered in this amendment would 1) set the OFL, ABC, and total ACL (Action 1), 2) modify the allocation of red grouper catch for the recreational and commercial

sectors and set the sector ACLs for Gulf red grouper (Action 2), and 3) remove the recreational annual fixed closed season (February 1-March 31) for SWG species seaward of the 20 fathom boundary (Action 3). These actions are intended to continue the historical participation by the recreational and commercial sectors, set recreational catch levels consistent with the data used to monitor recreational landings and trigger accountability measures, and reduce burden on fishermen by eliminating regulations that have not produced observed conservation benefits. The actions would increase the catch limits for both sectors and allow recreational fishing in area that is currently closed for two months a year.

For the commercial sector, an increase in fishing effort and harvest are expected to result in a slight increase in discards. With an increase in targeted effort towards red grouper, it is expected that more regulatory discards, especially of undersized fish, would occur. Recreational regulatory discards would remain the same or slightly decrease because of the much longer open fishing season that would result from the increase in the catch limits. Under the preferred alternatives in Actions 1 and 2, a projected short closure would occur in the first year of implementation (2026) and no closure would occur in the following years. The increase in the recreational season length would reduce discards that are caused by closures but could increase in regulatory discards from other factors, especially the size limit. Overall, it expected that the effect of Action 2 on recreational bycatch could range from slightly positive to neutral.

In conclusion, the increased catch limits are expected to increase fishing effort for both sectors. Increased fishing effort is expected to result in increased regulatory discards in the commercial sector, primarily due to the size limit. For the recreational sector, the longer projected recreational fishing season, while lowering out of season discards, would result in more trips targeting red grouper.

Action 3 considers elimination of the February 1 through March 31 recreational fixed-closed season in waters seaward of the 20-fathom boundary. Eliminating the seasonal closure is expected to result in reduced bycatch in the recreational sector by eliminating the requirement to release any captured SWG species during the closed season. The decrease in bycatch due to elimination of the February-March SWG closed season may be partially mitigated by increased effort targeting red grouper beyond the 20-fathom boundary, which may result in other regulatory discards, especially due to minimum size limits.

Combined, the three actions in this amendment are expected to have a negligible impact on bycatch overall and are not expected to result in any population effects to red grouper

Criterion 2: Ecological effects due to changes in the bycatch of red grouper (effects on other species in the ecosystem)

The relationships among species in marine ecosystems are complex and poorly understood, making the nature and magnitude of ecological effects difficult to predict with any accuracy. SEDAR 88 (2025) indicates that the red grouper stock in the Gulf is healthy and can handle additional removals without harm to the stock.

As explained in Criterion 1 above, the net effects on red grouper bycatch of the three actions considered in this amendment are expected to have a negligible impact on red grouper bycatch overall. Thus, no impacts the ecological environment are expected, especially given that the multi-species nature of the reef fish fishery.

Criterion 3: Changes in the bycatch of other species of fish and invertebrates and the resulting population and ecosystem effects

Population and ecosystem effects resulting from changes in the bycatch of other species of fish and invertebrates are difficult to predict. As explained above, there are a number of co-occurring species that are commonly caught in association with red grouper.

The increase in the red grouper catch limits is expected to result in an increase in fishing effort, which may increase bycatch of co-occurring species, such as gag and Other SWG. However, recent red grouper recreational seasons have closed from July 1 (2024) to September 15 (2021)[45], June 1 is the opening date for the Gulf red snapper for-hire season and also the approximate starting date for most Gulf states' red snapper private recreational seasons. Thus, June and July are very high effort months for red snapper and co-occurring species including red grouper, and recent closures of red grouper have allowed harvest for much of the highest effort and harvest portion of the season. This high effort period is also the time when most gag are expected to be discarded. Although it is expected that there would be increased effort for red grouper relative to previous years when closures occurred, the concomitant increase in expected gag discards is expected to be moderate and is not expected to result in significantly harmful effects to that stock which would endanger the efficacy of the gag rebuilding plan. In addition, due to the multi-species nature of the reef fish fishery, the effects of the alternatives in Action 2 are not expected to have significant impacts on the reef fish fishery as a whole.

Action 3, **Preferred Alternative 2** is also expected to result in slight negative impacts for bycatch species. This is because of the modest increase in effort that is expected outside the 20-fathom boundary and overall be recreational vessels targeting red grouper. This modest increase in effort is likely to result in a modest increase in regulatory discards of co-occurring species such as gag and scamp. However, due to the limited nature of the expected increase in fishing effort, and due to the multi-species nature of the reef fish fishery, **Preferred Alternative 2** is not expected to result in significant impacts to bycatch species, including gag and greater amberjack.

When analyzed as a whole, the actions and alternatives in this amendment may result in increased discard of bycatch species. However, due the multi-species nature of the reef fish fishery, the actions are not expected to cause significant impacts to bycatch of fish or invertebrate species.

[45] Due to the emergency rule that implemented increased catch limits for the 2025 fishing year, no recreational sector red grouper closure occurred in 2025.

Criterion 4: Effects on marine mammals and birds

The effects of current management measures on marine mammals and birds are described above. Although actions in this amendment are expected to increase effort in the reef fish fishery, these actions not expected to significantly affect marine mammals and birds. There is no information to indicate marine mammals and birds rely on grouper for food.

Criterion 5: Changes in fishing, processing, disposal, and marketing costs

The increased catch limits for the commercial sector are expected to result in economic gain for commercial entities that rely on red grouper. However, if the increased commercial allocation results in a decreased demand for red grouper, the economic gain to commercial fishermen may be partially mitigated by decreased market prices. The increase in the recreational catch limits would allow fishing effort to continue for more of the fishing year (no closures projected after the 2026 fishing year), resulting in positive economic effects for that sector. In general, changes to the catch limits for Gulf red grouper are expected to have slight positive effects on fishing, processing, disposal, and marketing costs for the commercial sector and positive impacts for the recreational sector. Action 3 is expected to have neutral impacts for the commercial sector and slight positive impacts for the recreational sector. For a more complete discussion of the changes in fishing costs associated with the various management actions, see Sector 4.3, Chapter 5, and Chapter 6.

Criterion 6: Changes in fishing practices and behavior of fishermen

Measures proposed in this amendment are expected to increase fishing opportunities for both the commercial and recreational sectors. However, no substantial change is fishing practices or behavior is expected because of the multi-species nature of the reef fish fishery.

Criterion 7: Changes in research, administration, and enforcement costs and management effectiveness

Proposed measures are not expected to substantial impact administrative costs. This amendment is likely to reduce administrative burden associated with the closure of the recreational fishing season beyond 2026. The impetus for implementing changes in allocation between the recreational and commercial sectors is to more accurately reflect what has been occurring in the fishery. None of the actions is expected to change management effectiveness.

Criterion 8: Changes in the economic, social, or cultural value of fishing activities and non-consumptive uses of fishery resources

Modifying allocation between the commercial and recreational sectors to reflect historic participation using the updated recreational landings estimates and increasing the sector catch limits is expected to have a positive economic, social, and cultural impact because it would allow greater access to the red grouper resource and more flexibility in determining when to access the resource. For a more complete discussion of the changes in fishing costs associated with the various management actions, see Sector 4.3, Chapter 5, and Chapter 6.

Criterion 9: Changes in the distribution of benefits and costs

Currently, the red grouper total ACL is split between the commercial sector (59.3% of the allocation) and the recreational sector (40.7%). This allocation is based on historical catch from each sector using the best data available at the time. However, new data collection techniques in the recreational sector have resulted in revised estimates of recent and historic recreational catch. This amendment would update the allocation to reflect this more recent data and increase the catch limits, which is expected to result in net economic benefits to both the commercial sector and the recreational sector because both sectors would be allocated their historical portion of the total allowable catch and the catch limits for both sectors would increase. Commercial entities would receive more allocation, allowing them a greater amount of red grouper to harvest, leading to potentially increased profits. The recreational sector would benefit by having a longer recreational season (year-round after 2026) which would allow greater opportunity to harvest red grouper.

Criterion 10: Social effects

Bycatch is considered wasteful because it reduces overall yield obtained from the fishery. However, increasing commercial and recreational fishing opportunities increases positive social effects. This action is not expected to appreciably increase bycatch of red grouper, although it is likely to result in a moderate increase in discards of other recreational species, including gag and red snapper, resulting in some slightly negative social effects due to the negative impacts this bycatch would have on those species stocks. Overall, the positive impacts of proving greater fishing opportunities are likely greater than any negative impacts associated with any slight increase in discards.

CONCLUSIONS

Analysis of the ten bycatch practicability factors indicates that the management measures in this amendment may result in a negligible impact on red grouper bycatch and a moderate increase in bycatch of other reef fish species, particularly gag and red snapper. The management measures are expected to increase the economic and social benefits to both the commercial and recreational sectors. Bycatch and bycatch mortality have been reduced to the extent practicable through the management measures implemented under the Reef Fish FMP over time, as described above. No additional measures to reduce bycatch and bycatch mortality were considered in this amendment because there is currently no practicable way to achieve further reductions. Maintaining the lower catch limits may avoid any increase in bycatch but would not allow the increases in food production and recreational opportunities that the stock can support. Thus, the management measures in this amendment minimizes bycatch or bycatch mortality to the extent practicable, consistent with other national standards and maximization of net benefits to the Nation.

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APPENDIX D. SUMMARY OF PUBLIC COMMENTS RECEIVED

Public Hearing Summary
Reef Fish Amendment 62: Modifications to Gulf Red Grouper Management Measures

Virtual Meeting
January 15, 2026

19 members of the public attended.
4 members of the public spoke.

Stace Stroud – Recreational; Big Bend, Florida
Supports regional management for red grouper. In the Big Bend area of Florida, there are plenty of red grouper and fewer fisherman compared to other parts of the coast. He regularly catches tons of red grouper when targeting red snapper.

Bob Zales – Commercial; Florida
Encourages the Council to move this amendment forward as fast as possible. He is hearing that all the transmitted amendments are piled up at the Secretary of Commerce's office and nothing is getting implemented. He hopes we can expedite this to get the allocation straightened out as fast as possible. He is concerned that a huge quota increase mid-year will adversely affect the market. He supports the incremental increases in **Action 1, Preferred Alternative 3**. He expresses concern about the assessment suddenly showing such a dramatic change from a depressed stock to an excessively healthy stock and assumes the change might be attributed to the SRFS data and changes in natural mortality. On the recreational side, there is a lack of recreational data collection. He sent the Council information on electronic data collection in Europe which proves that we can do it here.

Zachary Istre - Commercial Spearfisherman; Big Bend, Florida
He does 1800 -2000 dives a year in 60 to 200 feet of water from Tampa to Apalachicola, Florida. He's not seeing the amount of red grouper that the assessment says are there. Additionally, last year, with the huge increase, the fishermen didn't catch it all because the red grouper aren't there. He suggests the Council implement recreational reporting.

David Duncan - Charter; Texas
He wonders if the Shallow-water grouper closure will still be in place in 2026. He also wants to better understand the Council process, so he can get more involved.

Virtual Meeting
January 20, 2026

21 members of the public attended.

4 members of the public spoke.

Bill Tucker – Commercial; Florida
Concerned about the quota being raised based on what he sees on the water. He doesn't know how the recreational harvest numbers work but, the commercial process is easy to understand. There is a very experienced commercial fleet trying to catch the allocation, but they're having a hard time. They would fill the quota if they could. When the fleet can't catch the current ACL, it makes him question the wisdom in moving forward to increase it.

Robert Houghton – Florida Panhandle
Gag fishing is better than it's ever been. He questions how we get the stock assessment numbers and the landings estimates.

Mathew DeLilio – Recreational; Placida, Florida
Mostly aligned with the preferred alternatives. Agrees with the removal of the 20-fathom closure because it's likely that it's not being adhered to. The closure does add more pressure to near shore and shallow water areas, but fishing pressure is significant and will continue even with the removal of the closure. The Council and FWC should increase the population of juveniles in nearshore waters especially since they move offshore as they mature. He recently started diving, and he doesn't see a lot of red groupers although he does see lots of gags near shore. Knowing how red grouper mature, it's great that the assessment shows lots of fish, but he's not seeing what he expects to see. He supports and encourages development of recreational catch reporting.

Ashford Rosenberg – Gulf of America Shareholders Alliance
Supports moving this document forward quickly. Urges the Council and NOAA to fast track this document though rulemaking as quickly as possible. She does support the phase-in increase in **Action 1, Preferred Alternative 3**. The precautionary approach allows the fleet to adjust their business but also allows for any potential future reductions to not be as drastic. A Phase-in approach is novel, and she would love to see them considered for both increases and decreases for other species. She emphasizes that a late year quota increase in 2026 will cause the fleet to leave fish in the water two years in a row. Last year, 62% of the commercial red grouper quota was harvested, and this year could be similar. This doesn't achieve OY and counters benefits of the IFQ program.

Written Public Comment Summary
September 2025 – January 21, 2026

631 Public Hearing video views.
5 members of the public submitted comments.

- Encouragement for finalizing this document as soon as possible to ensure the quota is distributed as early as possible.
- Support for **Action 1, Preferred Alternative 3.** While the assessment shows a healthy stock, too much of an increase too quickly may crash the stock.

- The stock seems very healthy with plenty of juveniles
- The Council should consider a minimum size limit decrease.
- Support for keeping the recreational season closed to reduce gag discards out of gag season.

APPENDIX E. OTHER APPLICABLE LAWS

The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) (16 U.S.C. 1801 et seq.) provides the authority for management of stocks included in fishery management plans (FMP) in federal waters of the exclusive economic zone. However, management decision-making is also affected by a number of other federal statutes and executive directives designed to protect the biological and human components of U.S. fisheries, as well as the ecosystems that support those fisheries. Major laws and executive directives that affect federal fishery management decision-making include the Endangered Species Act (Section 3.3.3) and Executive Order (E.O.) 12866 (Regulatory Planning and Review, Chapter 5). Other applicable laws are summarized below.

1.1 Administrative Procedure Act (APA)

All federal rulemaking is governed under the provisions of the APA (5 U.S.C. Subchapter II), which establishes a "notice and comment" procedure to enable public participation in the rulemaking process. Among other things under the APA, the National Marine Fisheries Service (NMFS) is required to publish notification of proposed rules in the *Federal Register* and to solicit, consider and respond to public comment on those rules before they are finalized. The APA also establishes a 30-day wait period from the time a final rule is published until it takes effect, with some exceptions. Any proposed rule associated with Amendment 62 to the FMP Reef Fish Resources of the Gulf (Amendment 62) will have a request for public comments, which complies with the APA, and upon publication of the final rule, unless the rule falls within an APA exception, there will be a 30-day waiting period before the regulations are effective.

1.2 Information Quality Act (IQA)

The IQA (Public Law 106-443) effective October 1, 2002, requires the government to set standards for the quality of scientific information and statistics used and disseminated by federal agencies. Information includes any communication or representation of knowledge such as facts or data, in any medium or form, including textual, numerical, cartographic, narrative, or audiovisual forms (includes web dissemination, but not hyperlinks to information that others disseminate; does not include clearly stated opinions).

Specifically, the Act directs the Office of Management and Budget (OMB) to issue government wide guidelines that "provide policy and procedural guidance to federal agencies for ensuring and maximizing the quality, objectivity, utility, and integrity of information disseminated by federal agencies." Such guidelines have been issued, directing all federal agencies to create and disseminate agency-specific standards to: (1 ensure information quality and develop a pre-dissemination review process; (2 establish administrative mechanisms allowing affected persons to seek and obtain correction of information; and (3 report periodically to the OMB on the number and nature of complaints received.

Scientific information and data are key components of FMPs, amendments, and regulations, consistent with National Standard 2 of the Magnuson-Stevens Act, which requires the use of best

scientific information available. They should also properly reference all supporting materials and data, and be reviewed by technically competent individuals. With respect to original data generated for FMPs and amendments, it is important to ensure that the data are collected according to documented procedures or in a manner that reflects standard practices accepted by the relevant scientific and technical communities. Data will also undergo quality control prior to being used by the agency and a pre-dissemination review. Amendment 62 is based on BSIA, and in consistent with the directives of the IQA.

1.3 Coastal Zone Management Act (CZMA)

Section 307(c)(1) of the federal CZMA of 1972 requires that all federal activities that directly affect the coastal zone be consistent with approved state coastal zone management programs to the maximum extent practicable. While it is the goal of the Council to have management measures that complement those of the states, federal and state administrative procedures vary and regulatory changes are unlikely to be fully instituted at the same time. The Council believes the actions in this plan amendment are consistent to the maximum extent practicable with the Coastal Zone Management Plans of Alabama, Florida, Louisiana, Mississippi, and Texas. Pursuant to Section 307 of the CZMA, this determination will be submitted to the responsible state agencies who administer the approved Coastal Zone Management Programs in the States of Alabama, Florida, Louisiana, Mississippi, and Texas.

1.4 National Historic Preservation Act

The National Historic Preservation Act (NHPA) of 1966, (Public Law 89-665; 16 U.S.C. 470 *et seq.*) is intended to preserve historical and archaeological sites in the United States of America. Section 106 of the NHPA requires federal agencies to evaluate the impact of all federally funded or permitted projects for sites on listed on, or eligible for listing on, the National Register of Historic Places and aims to minimize damage to such places.

Historical research indicates that over 2,000 ships have sunk on the Federal Outer Continental Shelf between 1625 and 1951; thousands more have sunk closer to shore in state waters during the same period. Only a handful of these have been scientifically excavated by archaeologists for the benefit of generations to come. Further information can be found at: http://www.boem.gov/Environmental-Stewardship/Archaeology/Shipwrecks.aspx

The proposed action does not adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places nor is it expected to cause loss or destruction of significant scientific, cultural, or historical resources. In the Gulf of America (Gulf), the *U.S.S. Hatteras*, located in federal waters off Texas, is listed in the National Register of Historic Places. Fishing activity already occurs in the vicinity of this site, but the proposed action would have no additional adverse impacts on listed historic resources, nor would they alter any regulations intended to protect them.

1.5 Executive Order 12612: Federalism

E.O. 12612 requires agencies to be guided by the fundamental federalism principles when formulating and implementing policies that have federalism implications. The purpose of the Order is to guarantee the division of governmental responsibilities between the federal government and the states, as intended by the framers of the Constitution. No federalism issues have been identified relative to the actions proposed in this document and associated regulations. Therefore, preparation of a Federalism assessment under E.O. 12612 is not necessary.

1.6 Executive Order 12962: Recreational Fisheries

E.O. 12962 requires federal agencies, in cooperation with states and tribes, to improve the quantity, function, sustainable productivity, and distribution of U.S. aquatic resources for increased recreational fishing opportunities through a variety of methods. Additionally, the E.O. establishes a seven-member National Recreational Fisheries Coordination Council responsible for, among other things, ensuring that social and economic values of healthy aquatic systems that support recreational fisheries are considered by federal agencies in the course of their actions, sharing the latest resource information and management technologies, and reducing duplicative and cost-inefficient programs among federal agencies involved in conserving or managing recreational fisheries. The National Recreational Fisheries Coordination Council also is responsible for developing, in cooperation with federal agencies, states and tribes, a Recreational Fishery Resource Conservation Plan to include a five-year agenda. Finally, the Order requires NMFS and the U.S. Fish and Wildlife Service to develop a joint agency policy for administering the ESA.

The alternatives considered in Amendment 62 are consistent with the directives of E.O. 12962.

1.7 Executive Order 13089: Coral Reef Protection

The E.O. on Coral Reef Protection requires federal agencies whose actions may affect U.S. coral reef ecosystems to identify those actions, utilize their programs and authorities to protect and enhance the conditions of such ecosystems, and, to the extent permitted by law, ensure actions that they authorize, fund, or carry out do not degrade the condition of that ecosystem. By definition, a U.S. coral reef ecosystem means those species, habitats, and other national resources associated with coral reefs in all maritime areas and zones subject to the jurisdiction or control of the United States (e.g., federal, state, territorial, or commonwealth waters).

Regulations are already in place to limit or reduce habitat impacts within the Flower Garden Banks National Marine Sanctuary. Additionally, NMFS approved and implemented Generic Amendment 3 for Essential Fish Habitat (GMFMC 2005) and Coral Amendment 9 (GMFMC 2018), which established additional habitat areas of particular concern (HAPCs) and gear restrictions to protect corals throughout the Gulf. There are no implications to coral reefs by the actions proposed in Amendment 62.

1.8 Executive Order 13158: Marine Protected Areas (MPAs)

E.O. 13158 was signed on May 26, 2000, to strengthen the protection of U.S. ocean and coastal resources through the use of MPAs. The E.O. defined MPAs as “any area of the marine

environment that has been reserved by federal, state, territorial, tribal, or local laws or regulations to provide lasting protection for part or all of the natural and cultural resources therein." It directs federal agencies to work closely with state, local and non-governmental partners to create a comprehensive network of MPAs "representing diverse U.S. marine ecosystems, and the Nation's natural and cultural resources." There are several marine protected areas, HAPCs, and gear-restricted areas in the eastern and northwestern Gulf. The existing areas are entirely within federal waters of the Gulf. They do not affect any areas reserved by federal, state, territorial, tribal or local jurisdictions

The alternatives considered in Amendment 62 are consistent with the directives of E.O. 13158.

1.9 Small Business Act (SBA)

Enacted in 1953, the SBA requires that agencies assist and protect small-business interests to the extent possible to preserve free competitive enterprise. The objectives of the SBA are to foster business ownership by individuals who are both socially and economically disadvantaged; and to promote the competitive viability of such firms by providing business development assistance including, but not limited to, management and technical assistance, access to capital and other forms of financial assistance, business training, and counseling, and access to sole source and limited competition federal contract opportunities, to help firms achieve competitive viability. Because most businesses associated with fishing are considered small businesses, NMFS, in implementing regulations, must make an assessment of how those regulations will affect small businesses. Amendment 62 contain an assessment of how the regulations being implemented will affect small businesses.

1.10 Public Law 99-659: Vessel Safety

Public Law 99-659 amended the Magnuson-Stevens Act to require that an FMP amendment must consider, and may provide for, temporary adjustments (after consultation with the U.S. Coast Guard and persons utilizing the fishery) regarding access to a fishery for vessels that would be otherwise prevented from participating in the fishery because of safety concerns related to weather or to other ocean conditions. No vessel would be forced to participate in Gulf fisheries under adverse weather or ocean conditions as a result of management regulations proposed in this amendment. No concerns have been raised by Gulf fishermen or by the U.S. Coast Guard that the proposed management measures directly or indirectly pose a hazard to crew or vessel safety under adverse weather or ocean conditions.

APPENDIX F. RESPONSE TO REMAND ORDER

This appendix addresses the remand order in *A.P. Bell Fish Co., et al. v. Raimondo et al.,* 94 F.4th 60 (D.C. Cir. 2024). The administrative record (AR) refers to the record filed in the district court.

I. Introduction

On May 2, 2022, the National Marine Fisheries Service (NMFS) published a final rule implementing Amendment 53 to the Fishery Management Plan (FMP) for the Reef Fish Resources of the Gulf of Mexico ("Final Rule"). 87 *Fed. Reg.* 25573 (May 2, 2022). Amendment 53 addressed the results of the most recent stock assessment for Gulf of Mexico (Gulf) red grouper and new catch level advice from the Gulf Fishery Management Council's (Council) Scientific and Statistical Committee (SSC). The assessment concluded that, as of 2017, the stock was not overfished or undergoing overfishing, but the stock biomass remained below the target biomass level and, therefore, reductions in harvest were necessary. The stock assessment also incorporated updated recreational catch and effort data, which show that recreational harvest was larger than previously calculated. In response to this new information about the size of the red grouper stock and recreational harvest, the Council developed Amendment 53 to consider adjusting the allocation of Gulf red grouper catch between the recreational and commercial sectors, as well as to specify a new overfishing limit (OFL) and catch levels.

Prior to the implementation of Amendment 53, the total red grouper annual catch limit (ACL) of 4.16 million pounds was allocated 76 percent to the commercial sector (3.16 million pounds) and 24 percent to the recreational sector (1 million pounds). This allocation was established in Amendment 30B to the Reef Fish FMP in 2009, and was based, in part, on 1986-2005 landings estimates generated by the Marine Recreational Fisheries Statistics Survey (MRFSS). The total ACL and recreational ACL were specified through a Framework Action effective October 1, 2019 (84 FR 52036), and were based, in part, on information from the Marine Recreational Information Program (MRIP) Coastal Household Telephone Survey (CHTS). The most recent Southeast Data, Assessment, and Review for red grouper (SEDAR 61) incorporated historical recreational landings that are calibrated to the MRIP Fishing Effort Survey (FES). Total recreational fishing effort estimates generated from MRIP-FES are generally higher than both the MRFSS and MRIP-CHTS estimates. As explained in Amendment 53, if MRIP-FES estimates were used to generate the status quo ACL and recreational ACL, those catch limits would have been an estimated 5.26 million pounds and 2.10 million pounds, respectively.

The final rule implementing Amendment 53 adjusted the commercial-recreational allocation from 76 percent and 24 percent, respectively, to 59.3 percent and 40.7 percent. The revised allocation was based on the same years used to set the original allocation in Amendment 30B to the Reef Fish FMP but with updated recreational landings estimates calibrated to MRIP-FES, consistent with those used in SEDAR 61. The final rule also reduced the total red grouper ACL

to 4.26 million pounds consistent with the results of SEDAR 61 and advice from the Council's SSC. Because the new total ACL is based, in part, on MRIP-FES estimates, it appears to be greater than the current total ACL of 4.16 million pounds, but actually result in a decrease in the total allowable harvest. As explained in Amendment 53, the selected allocation reduced the commercial and recreational ACLs by similar percentages (approximately 20% and 18%, respectively). AR 7995.

Amendment 53 included an analysis of the net economic effects of reducing the catch limits and adjusting the allocation between the sectors. To determine the net economic effects, the expected change in the net economic benefits for the commercial and recreational sectors were estimated and combined. AR 8071-77. The results of the analysis indicated that the preferred alternative would have the least negative change in net economic benefits, AR 8077, and, thus, provide the greatest net economic benefits to the Nation. AR 7995. This approach was different than the one taken in a previous Reef Fish FMP amendment, Amendment 28, which adjusted the commercial-recreational allocation of the red snapper total allowable catch.

Amendment 28 was completed in 2015 and relied on relatively new scientific literature that indicated that the most economically efficient allocation of resources within or between different sectors cannot be determined unless property or use rights are assigned to all those with access to the resource (i.e., net economic benefits to the Nation cannot be maximized within that sector or for the fishery as a whole). Because the commercial sector operated under a rights-based individual fishing quota program and the recreational sector did not, Amendment 28 concluded that "it is not possible to provide policy-relevant rankings of the reallocation alternatives in this amendment based on the expected net economic outcome, i.e., the sum of the change in economic benefits to the recreational and commercial sectors. It can only be stated that greater percentages of the red snapper quota allocated to the recreational sector would be expected to increase economic benefits to the recreational sector and decrease benefits to the commercial sector."

In approving Amendment 53 and promulgating the Final Rule, NMFS determined that the amendment and rule were consistent with the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), including the national standards (NS), the Reef Fish FMP, and other applicable law. Relevant to the remand order, NMFS analyzed whether Amendment 53 was consistent with NS 4's directive that an allocation of fishing privileges be "reasonably calculated to promote conservation" and NS 9's directive to minimize bycatch and bycatch mortality to the extent practicable. As part of those analyses, NMFS relied, in part, on the comparative economic analysis that concluded that the preferred allocation would provide the greatest net benefits to the nation. With respect to promoting conservation, NMFS explained in the Final Rule:

> [T]he NS 4 Guidelines state that a conservation and management measure "may promote conservation (in the sense of wise use) by optimizing the yield in terms of size, value, market mix, price, or economic or social benefit of the product." Consistent with section 303(a)(14) of the Magnuson-Stevens Act, the NS 4 Guidelines also state that to the extent that it is necessary to reduce the overall harvest in a fishery, any harvest restrictions must be allocated fairly and equitably

among the commercial, recreational, and charter fishing sectors of the fishery. The revised allocation promotes wise use by considering both the biological impacts to the red grouper stock, including preventing overfishing, and the economic and social impacts to fishery participants. The revised allocation maintains the balance between recreational access and commercial harvest. As explained in more detail in the responses to *Comments 11 and 24*, maintaining the current allocation would decrease the total ACL and recreational ACL, but increase the commercial ACL. This would increase net economic benefits in the commercial sector but would also decrease net economic benefits in the recreational sector by a significantly larger amount, and result in the largest decrease in net economic benefits to the Nation of all the alternatives considered. In contrast, the revised allocation reduces the commercial and recreational ACLs by similar percentages (approximately 20 percent and 18 percent, respectively) and is expected to result in the greatest net economic benefits to the Nation. With respect to dead discards, SEDAR 61 assumes that dead discards from the recreational sector increase as the allocation to that sector increases, but does not take into account discards that occur during a recreational season closure that NMFS must implement when the recreational ACL is projected to be met. NMFS expects the preferred allocation to allow the recreational season to remain open until mid-December, whereas maintaining the current allocation would require a closure in early August (Table 2.1.4 in Amendment 53). Thus, any decrease in bycatch and bycatch mortality that may result under the current allocation may be partially offset by an increase in regulatory discards that occur when a recreational closure is in effect (Appendix B of Amendment 53).

57 *Fed Reg.* at 25578 (Emphasis added).

Addressing NS 9, NMFS explained:

> NS 9 requires that conservation and management measures, "to the extent practicable: (1) minimize bycatch; and (2) to the extent bycatch cannot be avoided, minimize the mortality of such bycatch." Conservation and management measures must also be consistent with all of the other national standards and maximization of net benefits to the Nation. As the NS Guidelines explain, several factors should be considered when determining consistency with NS 9. These factors include population effects for the bycatch species; changes in the economic, social, or cultural value of fishing activities, and non-consumptive uses of fishery resources; changes in the distribution of benefits and costs; and social effects (50 CFR 600.305(d)(3)). As explained in response to *Comment 6*, the impacts to the red grouper stock are similar under all of the allocation alternatives considered by the Council because the alternative OFLs are based on a fixed level of fishing mortality. As explained in response to *Comment 15*, when the inputs into the stock assessment model include more recreational harvest than previously assumed, this leads to lower OFL and ABC estimates at equilibrium. Therefore, the new allocation allows for less total harvest than the current allocation. However, based on the results of SEDAR 61, a reduction in the total ACL is

> required under any of the allocation alternatives and the new allocation more evenly distributes the adverse economic and social effects that are expected to result from the required reduction. As explained in Section 4.1.3 of Amendment 53 (pages 98-104), although Alternative 2 (retaining the current allocation) would increase net economic benefits in the commercial sector, it would also decrease net economic benefits in the recreational sector by a significantly larger amount, which would not only result in a decrease in net economic benefits to the Nation, but in fact the largest decrease of the alternatives considered. Thus, under Alternative 2 (as well as Alternative 6, which would retain the current commercial ACL), the adverse economic and social effects of the required reduction in the stock ACL would be borne entirely by the recreational sector. In contrast, the allocation implemented through this final rule will reduce net economic benefits for both sectors and results in the smallest reduction in net economic benefits to the Nation of the alternatives considered. Similarly, as discussed in Section 4.1.4 of Amendment 53 (pages 105-109), the recreational sector would experience negative social effects under Alternatives 2 or 6, while these alternatives would result in positive or neutral social effects for the commercial sector. The allocation implemented through this final rule will more evenly distribute the adverse economic and social effects that are expected to result from the required reduction in the total ACL.
>
> The commercial and recreational sectors have different economic, social, and cultural goals and objectives, and NMFS must consider and account for these differences when determining compliance with the national standards, including whether Amendment 53 minimizes bycatch to the extent practicable. Given the numerous factors that the Council must consider in selecting the appropriate allocation, Amendment 53 does minimize bycatch and bycatch mortality to the extent practicable.

Id. at 25578-79 (Emphasis added).

In the final rule, NMFS also expanded on the differences between commercial and recreational sectors, explaining that "participants in the commercial sector tend to seek to maximize harvest and efficiency while participants in the recreational sector tend to seek to maximize access and opportunities. These different goals and objectives impact fishing behavior, which generally results in more discards by the recreational sector." *Id.* at 25577; *see also* 50 C.F.R. § 600.310(e)(3)(iii)(A)(1) and (2) (explaining the benefits of food production and recreational opportunities).

On May 6, 2022, three commercial fishing organizations filed suit in federal court in the District of Columbia. The complaint included claims that the change in the commercial-recreational allocation violated several of the Magnuson-Stevens Act NSs, including NS4 and NS9, that NMFS failed to consider adequate alternatives or take a "hard look" at environmental impacts as required by National Environmental Policy Act, and that NMFS violated the Administrative Procedure Act by relying on an economic analysis that NMFS previously indicated was inappropriate. The district court rejected all of these claims and granted summary judgment to

NMFS. *See A.P. Bell Fish Co., et al. v. Raimondo et al.*, No22-cv-1260, 2023 WL 6159985 (D.D.C. Sept. 21, 2023).

On March 1, 2024, the United States Court of Appeals for the District of Columbia Circuit affirmed in part and reversed in part, and remanded to NMFS without vacating the final rule. *A.P. Bell Fish Co., et al. v. Raimondo et al.,* 94 F.4th 60 (D.C. Cir. 2024). The Court affirmed the lower court's determination that the plan amendment and rule complied with section 303(a)(15) of the Magnuson-Stevens Act, which requires "a mechanism for specifying annual catch limits . . . at a level such that overfishing does not occur in the fishery, including measures to ensure accountability." *Id.* at 65. The Court reversed the lower court's grant of summary judgment to NMFS on the claims related to the economic analysis and compliance with Magnuson-Stevens Act NS 4 and 9, and remanded to the agency to provide further explanation. *Id.* at 67.

Regarding economic analysis, the Court noted that NMFS compared the net economic impact of the various allocation alternatives, which was inconsistent with the statement in Amendment 28 to the Reef Fish FMP that it is "not possible to provide policy-relevant rankings of the reallocation alternatives in this amendment based on the expected net benefits to the nation," i.e., "the sum of the change in economic benefits to the recreational and commercial sectors." *Id.* at 64-65. The Court also noted that NMFS relied, in part, on the economic analysis to support the adoption of the preferred allocation alternative and its determination that Amendment 53 was consistent with NS 4, 5, and 9. *Id.* The Court determined that it was appropriate to remand to the agency because it could not discern whether NMFS would have reached the same result had the identified errors not been made. *Id.* at 65. The Court also determined that there appeared to be a "strong possibility" that NMFS can differentiate between the two economic analyses. *Id.*

With respect to NS 4, the Court assumed without deciding that Amendment 53 resulted in an allocation of fishing rights, and held that NS 4 applies to Amendment 53 as a whole, not just to the allocation component. The Court then noted that Amendment 53 "might be sufficient to promote conservation by substantially reducing catch limits and promoting wise use," but stated that "[t]his may well depend on how [NMFS] addresses its reliance on the economic analysis it rejected in Final Amendment 28." *Id.* at 66. Similarly, the Court noted that NMFS relied, in part, on the economic analysis in concluding that the Final Rule does minimize bycatch and bycatch mortality to the extent practicable, as required by NS 9, and that NMFS may need to revisit this finding and provide additional support. *Id.* The Court also concluded that NMFS "appears not to have explained how" an allocation "that reduces a catch limit will satisfy [NS 9], at least so long as [NMFS] reasonably concludes that additional measures are not practicable." *Id.* at 67. However, the Court did not reach the extent of NMFS's obligation under NS 9 and remanded without vacating the final rule "so the Fisheries Service can further explain its economic methodology and the effects on analysis of NS 4 and 9." *Id.*

This appendix constitutes NMFS's response to the Court remand order. NMFS addresses the economic analysis by first summarizing the analyses included in Amendment 28 and Amendment 53. NMFS then evaluates the validity of the statements in Amendment 28 regarding the ability to evaluate the differences in net economic benefits across alternative sector allocations, and concludes that it was an error to imply that it was generally inappropriate to conduct this type of analysis. NMFS concludes that the economic analysis included in

Amendment 53 was correct and consistent with analyses conducted for other FMP amendments that have addressed allocation. Last, NMFS reviews its analysis of NS 4 and 9 as directed by the Court and provides additional explanation, as appropriate, to support the determinations that Amendment 53 and the Final Rule are consistent with these requirements.

II. Evaluation of Economic Analysis

A. Economic Effects Analysis in Amendment 28

Amendment 28 was completed in 2015 and addressed the allocation of the red snapper total allowable harvest between the commercial and recreational sectors. AR 11881. The red snapper allocation was put in place in 1989 and was based on each sector's percentage of total landings during 1979-87. AR 11892. Amendment 28 evaluated several alternatives to modify that allocation with the purpose of reallocating red snapper harvest consistent with the most recent stock assessment update and to help ensure that recovery benefits were fairly and equitably allocated between the sectors. AR 11905. At that time, management of the red snapper stock was in the 15th year of a 32-year rebuilding plan, and although the total allowable catch was increasing, the recreational season length was decreasing. AR 11892. In addition, a 2013 study evaluating the economic efficiency of red snapper allocation between the commercial and recreational sectors, concluded that net economic benefits could be increased by shifting some allocation from the commercial sector to the recreational sector. AR 11989, 12172. This study estimated the change in economic value to the commercial and recreational sectors for various allocation alternatives, as well as a change in the net economic benefits of each alternative relative to the status quo. AR 11990-91, 12176, 12179. However, after that study was complete and shortly before Amendment 28 was finalized by the Gulf Council, two additional papers were published that raised concerns about conducting a net economic benefits analysis when one sector is not economically efficient (no exclusive use rights are assigned to participants). AR 11990. In light of this uncertainty, the economic analysis in Amendment 28 did not use the net economic benefits analysis included in the 2013 study, but instead concluded that "[i]t can only be stated that greater percentages of the red snapper quota allocated to the recreational sector would be expected to increase economic benefits to the recreational sector and decrease benefits to the commercial sector." AR 11991.

B. Economic Effects Analysis in Amendment 53

Amendment 53 was completed in 2021 and addressed the most recent stock assessment for red grouper, which indicated that the stock condition required a decrease in the total allowable harvest. 84 *Fed. Reg.* at 25574. Because the stock assessment included updated recreational landings estimates, Amendment 53 considered adjusting the allocation between the commercial and recreational sectors to reflect that new data. *Id.* Amendment 53 included an analysis of the net economic effects of reducing the catch limits and adjusting the allocation between the sectors. To determine the net economic effects, the expected change in the net economic benefits for the commercial and recreational sectors were estimated and combined. AR 8071-77. The results of the analysis indicated that the preferred alternative would have the least negative change in net economic benefits, AR 8077, and, thus, provide the greatest net economic benefits

to the Nation. AR 7995. In the Final Rule, NMFS explained that while it is not possible to maximize net economic benefits to the Nation because resources are not being efficiently allocated in the recreational sector, it is possible to demonstrate that the selected sector allocation in conjunction with the resulting ACLs is expected to generate relatively greater net economic benefits to the Nation compared to the other alternatives that were considered. 84 *Fed. Reg.* at 25586. However, as noted by the D.C. Circuit, NMFS did not clearly explain why this comparative analysis was appropriate in light of the previous statements made in Amendment 28. *A.P. Bell Fish Co,* 94 F.4th at 64-65.

C. Evaluation of the Validity of the Statements Included in Amendment 28 Regarding the Ability to Evaluate the Differences in Net Economic Benefits Across Alternative Sector Allocations

Subsequent to the completion of Amendment 28 in 2015, the NMFS Southeast Regional Office, which works with the Gulf Council to develop fishery management plan amendments, determined that some of the statements contained therein regarding economic analyses of sector allocations were erroneous, particularly those related to differences in net economic benefits across alternative sector allocations. Specifically, Amendment 28 stated:

> As suggested in Holzer and McConnell (2014) and in Abbott (2015), changes in net benefit estimates based on the traditionally accepted application of the equimarginal principle and associated inferences about economic efficiency are not valid when each sector's quota is not efficiently allocated within the sector. Therefore, it is not possible to provide policy-relevant rankings of the reallocation alternatives in this amendment based on the expected net economic outcome, i.e., the sum of the change in economic benefits to the recreational and commercial sectors. It can only be stated that greater percentages of the red snapper quota allocated to the recreational sector would be expected to increase economic benefits to the recreational sector and decrease benefits to the commercial sector.

AR at 11896, 11901, and 12025 (emphasis added).[46] As demonstrated in the discussion below, similar analyses of allocations do not include these statements for good reasons.

The literature referenced in the Amendment 28 analysis (Holzer and McConnell (2014) and Abbott (2015)) was new at the time and thus considered "emergent science." Per the definition in the NS 2 Guidelines, "emergent science is relatively new knowledge that is still evolving and being verified and, therefore, may potentially be uncertain and controversial. Emergent science should be considered more thoroughly." 50 C.F.R. § 600.315(a)(4). NMFS was unable to fully consider the nuances and implications of this emergent science at the time, particularly with respect to conducting benefit-cost analyses (i.e., estimating changes or differences in net economic benefits). Given the uncertainties at the time, NMFS took a cautious approach in the benefit-cost analysis for Amendment 28 by indicating it could not estimate the potential changes

[46] Similar statements are made at AR 11991.

or differences in net economic benefits. However, NMFS erred in failing to clearly articulate the basis for that decision and in implying that it was generally inappropriate to conduct that type of analysis.

When NMFS is considering regulatory changes, a benefit-cost analysis that examines changes in net economic benefits across the considered alternatives, including the status quo, is required or recommended by various authorities, including E.O. 12866, the National Environmental Policy Act, and the Magnuson-Stevens Act, including its National Standards. Thus, NMFS typically strives to complete a benefit-cost analysis. NS 1, 4, 5, 7, and 9 are particularly germane when considering changes to allocations. NS 1 requires, in part, that management measures achieve optimum yield (OY), where OY is the yield that produces the greatest (net) benefits to the Nation particularly with respect to food production and recreational opportunities. 16 U.S.C. § 1851(a)(1); 50 CFR § 600.310(e)(3)(i)(A). NS 4 states that "conservation and management measures shall not discriminate between residents of different states" and that "if it becomes necessary to allocate or assign fishing privileges among various U.S. fishermen, such allocation shall be fair and equitable to all such fishermen." 16 U.S.C. § 1851(a)(4). NS 5 states that management measures "shall, where practicable, consider efficiency in the utilization of fishery resources; except that no such measure shall have economic allocation as its sole purpose." 16 U.S.C. § 1851(a)(5). Further, according to the NS 5 guidelines, "an FMP should contain management measures that result in as efficient a fishery as is practicable or desirable," and a fishery management plan "should demonstrate that management measures aimed at efficiency do not simply redistribute gains and burdens without an increase in efficiency." 50 C.F.R. § 600.300(b)(1) and (b)(2)(i). NS 7 requires that "conservation and management measures shall, where practicable, minimize costs and avoid unnecessary duplication." 16 U.S.C. § 1851(a)(7). The NS 7 guidelines further state that "the supporting analyses for FMPs should demonstrate that the benefits of fishery regulation are real and substantial relative to the added research, administrative, and enforcement costs, as well as costs to the industry of compliance." 50 C.F.R. § 600.340(c). Finally, NS 9 states that "[c]onservation and management measures shall, to the extent practicable, minimize bycatch; and to the extent bycatch cannot be avoided, minimize the mortality of such bycatch." 16 U.S.C. § 1851(a)(9). In determining what is practicable, the NS 9 guidelines further indicate that "the Councils must consider the net benefits to the Nation." 50 C.F.R. § 600.350(d). Given these guiding principles, the extreme scenarios that Holzer and McConnell (2014) warn of, where the equimarginal principle is used to justify the full allocation being awarded to one sector or the other, are unrealistic. Moreover, contrary to what the statements in Reef Fish Amendment 28 suggest, Holzer and McConnell (2014) do not state that it is not possible or reasonable to estimate differences or changes in net economic benefits across allocation alternatives.

In general, the equimarginal principle is commonly used to determine the economically efficient allocation of resources between different sectors (i.e., the allocation that would maximize net economic benefits to the Nation). However, that principle implicitly assumes that property or use rights are assigned to those with access to the resource. In the case of the recreational sector for Gulf red grouper, as well as the recreational and commercial sectors of any fisheries not

managed by catch shares,[47] no such rights (or rather revocable privileges with respect to federally managed fishery resources) have been assigned. Economic theory says that the most economically efficient allocation of resources within or between different sectors cannot be determined in those cases (i.e., net economic benefits to the Nation cannot be maximized within that sector or for the fishery as a whole).

However, that fact does not logically lead to the conclusion that it is inappropriate to evaluate relative differences or changes in net economic benefits across the allocation alternatives being considered in a particular action. Contrary to what the statements in Reef Fish Amendment 28 suggest, it is appropriate to evaluate those relative changes by comparing economic value/willingness to pay (WTP) values across sectors. In other words, as long as estimates of the economic value/WTP for quota in each sector at the current allocation (status quo) are available, the equimarginal principle can still be applied as that principle suggests that more quota should be allocated to the sector that places the greater economic value/WTP on that quota.

In addition to Amendment 53, NMFS has numerous examples of analyses and amendments where the cited statements in Amendment 28 are not repeated and NMFS does in fact make relative comparisons of net economic benefits across alternative sector allocations. Examples just within the NMFS Southeast Region include Reef Fish Amendments 54 and 56, South Atlantic Snapper-Grouper Amendments 49, 50, 51, 52, and 53, and Coastal Migratory Pelagics Amendments 32 and 34. In general, and contrary to the statements in Amendment 28, the benefit-cost analyses in these documents are consistent with the guidance laid out in the 2012 NOAA Technical Memorandum regarding the "Allocation of Fishery Harvests under the Magnuson-Stevens Fishery Conservation and Management Act" (see https://repository.library.noaa.gov/view/noaa/4117). They are also consistent with NMFS' 2016 Procedural Directive "Recommended Practices and Factors to Consider When Reviewing and Making Allocation Decisions" (see https://media.fisheries.noaa.gov/dam-migration/01-119-02.pdf). The former clearly indicates that the equimarginal principle can be applied in the analysis of allocation alternatives (see pp. 11-15 in particular). More specifically, on p. 20, the Technical Memorandum states: "Whether data are rich or sparse, the equimarginal principle for an efficient allocation of harvest limits is still relevant. Using that principle and whatever data are available, it may be possible to conclude that a current allocation is inefficient and know which direction one should move, but it may also be difficult to identify the new, efficient allocation precisely." The latter Policy Directive emphasizes that "cost-benefit analyses should be used to estimate how a proposed allocation would change consumer and producer surplus
(i.e., net economic benefits)," though it also recognizes that information about differences in access to the resource by each sector should also be taken into account, per Holzer and McConnell (2014).

[47] Catch shares is a general term for several fishery management strategies that allocate a specific portion of the total allowable fishery catch to individual fishermen, cooperatives, or fishing communities for their exclusive use.

The approach in Amendment 53 is further supported by analyses that have been externally peer reviewed, particularly those that were peer reviewed by an author of one of the papers cited as the basis for the statements in Amendment 28 (Holzer of the Holzer and McConnell paper from 2014). Specifically, in 2013, the Mid-Atlantic Fishery Management Council (MAFMC) requested that an economic analysis of sector allocations be conducted for scup and that the analysis be externally peer reviewed. The analysis and peer review report can be found at the following links:
https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/51c88a58e4b092951cbfc466/1372097112572/GCG.scup.report.07162012.final.pdf
https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/52370660e4b0b842899476b0/1379337824098/scup_allocation_review_panel_report_FINAL.pdf

The economic analysis for scup is very similar to the analysis that was conducted for red grouper in Amendment 53. In general, the analysis employs the equimarginal principle by comparing differences in net economic benefits (which are measured by the combination of consumer surplus and producer surplus) across alternative sector allocations to determine which allocation would generate the greatest net economic benefits of the alternative allocations being considered. The review panel's report does not question this approach and instead focuses on ways to improve the data or the models used to generate the quantitative estimates. Importantly, Dr. Holzer was a member of the review panel and did not raise any concerns with the analytical approach.[48]

Perhaps more significant, in 2016, the MAFMC requested that an economic analysis of sector allocations be conducted for summer flounder and that such analysis be externally peer reviewed. That analysis and the findings from the external peer review can be found here:
https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/5845dce96b8f5bb337d9f23f/1480973549446/Tab+12_Summer+Flounder+Allocation.pdf

The following statements from page 7 of the review panel's report are germane to the economic analysis of sector allocations for red grouper in Amendment 53 and the issue of whether the equimarginal principle can be applied to compare relative differences in net economic benefits across alternative sector allocations. "The Review Panel notes that the authors adopted an equi-marginal principle to formulate their recommendation on allocation of quota between sectors. This means that the optimal allocation occurs when the value of the last pound of quota allocated to the commercial and recreational sectors results in the greatest combined economic value of the fishery, all else equal. The Review Panel found the equi-marginal principle to be consistent with professional standards as a useful approach to assessing allocations." Further, "with respect to whether or not the model results can be used for management purposes, the Review Panel found that the model is considered best available science and can be used to inform a management decision. The Review Panel found that the model results do not suggest that the existing

[48] The peer review panel met in August 2013. Presumably, Holzer and McConnell were working on the 2014 paper during this time because they submitted it to the Journal of the Association of Environmental and Resource Economists in November 2013.

allocation is inefficient, or that a reallocation would result in an increase in net benefits based on equimarginal principles. Moreover, the model results do not provide a strong basis for arguing for or against any specific allocation. With the exception of very large changes in allocation, the confidence intervals[49]for both the estimated recreational and commercial marginal benefits overlap. This means that for a wide range of summer flounder allocation options, the sector and total economic value to commercial fishermen and recreational anglers would be largely unchanged, based on the models and their associated data." Again, Dr. Holzer was a member of the review panel and did not raise any concerns with applying the equimarginal principle using the available data.

In the case of Gulf red grouper, relatively large changes in sector allocations were considered. The economic analysis indicated, given the current allocations and available data for both sectors, that the economic value of a pound of red grouper to the recreational sector was significantly greater than the economic value of a pound of red grouper to the commercial sector, even when accounting for the confidence interval for the recreational sector estimate. Therefore, for red grouper, the estimated economic values to both sectors do not overlap, as was the case for summer flounder, and net economic benefits to the Nation are expected to increase by allocating more fish to the recreational sector.

In addition, the MAFMC subsequently requested an update to the summer flounder analysis in 2020. That analysis can be found at https://static1.squarespace.com/static/511cdc7fe4b00307a2628ac6/t/5ffc8970019108402e9f8436/1610385780913/Hicks+Schnier_Summer_Flounder_allocation_report_UPDATE+Dec+2020.pdfAlthough this update was not externally peer reviewed, the authors included the following important statements on page 64 with respect to the main issue at hand: "As pointed out by Holzer and McConnell (2014), the equimarginal principle (that we use for allocation above) reaches an efficient allocation when property rights can be attached to the resource. We don't have that in this case, since once allocations occur for each sector, an open access fishery ensues. We note this important caveat and argue that we can't do better without a per-fisherman participation model for both sectors and models of preference heterogeneity." This statement again supports the conclusion that NMFS employed the best possible analytical approach to the economic analysis of sector allocations in Amendment 53 given available data and how the sectors are currently managed. However, as with the analysis for scup, the confidence intervals for the recreational and commercial sectors' WTP estimates substantially overlapped due to high uncertainty, particularly for the recreational sector, which again was not the case for Gulf red grouper in Amendment 53. Therefore, in that case, and unlike in Amendment 53, it was not possible for NMFS or the Council to determine whether or how net economic benefits would change if the sector allocation was changed.

D. Conclusion Regarding the Economic Analysis in Amendment 53

[49] A confidence interval indicates the level of uncertainty in an estimate. The larger the interval, the greater the uncertainty.

The statement in Amendment 28 that "it is not possible to provide policy-relevant rankings of the reallocation alternatives in this amendment based on the expected net economic outcome" was overly broad, and ultimately, incorrect. As demonstrated in the discussion above, this type of net economic benefits analysis has been done regularly since the completion of Amendment 28, and included in a peer review process on several occasions. The economic analysis in Amendment 53 is consistent with these peer reviewed analyses and provides the best available scientific information when conducting the benefit-cost analysis as required by the various authorities identified above.

III. National Standard 4

NS 4 provides, in pertinent part, that "[i]f it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be . . . reasonably calculated to promote conservation." 16 U.S.C. § 1851(a)(4). The NS 4 Guidelines explain that a conservation and management measure "may promote conservation (in the sense of wise use) by optimizing the yield in terms of size, value, market mix, price, or economic or social benefit of the product. 50 C.F.R. § 600.325(c)(3)(ii). NMFS determined that Amendment 53 and the Final Rule were consistent with this requirement because they considered both the biological impacts to the red grouper stock, including preventing overfishing, and the economic and social impacts to fishery participants. 84 *Fed. Reg.* at 25578 (AR 17424). This determination relied, in part, on the conclusion of economic analysis that the adopted allocation would result in the greatest net benefits to the Nation. *Id.*

The D.C. Circuit held that NS 4 applies to Amendment 53 as a whole, not just to the quota allocation component, and "Amendment 53 might be sufficient to promote conservation by substantially reducing catch limits," but this "may well depend on how the Fisheries Service addresses its reliance on the economic analysis it rejected in Final Amendment 28." *A.P. Bell Fish Co.*, 94 F. 4th at 66. The Court directed NMFS to further explain its economic methodology and the effects on NS 4. *Id.* at 67.

As explained in Part II, above, the cost-benefit analysis included in Amendment 53 is consistent with the best scientific information available. Therefore, NMFS has determined that the analysis of NS 4 included in the final rule is appropriate and correctly concludes that Amendment 53 is reasonably calculated to promote conservation (promotes wise use) by addressing both the biological impacts to the red grouper stock, including preventing overfishing, and the economic and social impacts to fishery participants. *See* 87 *Fed. Reg.* at 25578. As stated in response to Comment 8 in the final rule, Amendment 53 promotes conservation of the red grouper stock by reducing the total allowable harvest consistent with the best scientific information available while maintaining the balance between recreational access and commercial harvest. The revised allocation distributed the required reduction in allowable harvest across both sectors, resulting in a reduction of the commercial and recreational ACLs by similar percentages (approximately 20 percent and 18 percent, respectively). This would not have occurred if Amendment 53 and the final rule had maintained the current allocation. Under that alternative, there would have been a decrease in the total ACL and recreational ACL, but an increase in the commercial ACL. *See id.*

IV. National Standard 9

NS 9 requires that conservation and management measures, "to the extent practicable . . . minimize bycatch and . . . to the extent bycatch cannot be avoided, minimize the mortality of such bycatch." 16 U.S.C. § 1851(a)(9) The NS 9 Guidelines explain that a "proposed conservation and management measure that does not give priority to avoiding the capture of bycatch species must be supported by appropriate analyses." *See* 50 C.F.R. § 600.350(d). And, the Guidelines identify several factors that should be considered in determining consistency with NS 9, including: population effects for the bycatch species; changes in the economic, social, or cultural value of fishing activities, and nonconsumptive uses of fishery resources; changes in the distribution of benefits and costs; and social effects. *See id.* at § 600.350(d)(3). Amendment 53 included a Bycatch Practicability Analysis that described the bycatch impacts of the current management measures and recognized that Amendment 53 did not consider other measures to directly reduce bycatch of red grouper and other species. AR at 8180. That analysis also discussed each of the NS 9 factors and concluded that "reducing red grouper ACLs is expected to reduce bycatch and discard mortality, but that this reduction may be partially offset by the regulatory discards that would occur by fishermen that target other species and catch red grouper." AR at 8188.

In the final rule, NMFS also considered the factors in the NS 9 Guidelines and determined that Amendment 53 and the final rule minimized bycatch and bycatch mortality to extent practicable. *See* 87 Fed. Reg. at 25579. In doing so, NMFS relied, in part, on the conclusion of the economic analysis that the revised allocation would result in the greatest net benefits to the nation. However, NMFS also noted that reduction in the total allowable harvest was required regardless of the allocation and failing to adjust the allocation to reflect the updated recreational data would result in the reduction being borne entirely by the recreational sector, resulting in disproportionate economic and social impacts. *See id.* Therefore, NMFS concluded that given the numerous factors that must be considered when selecting an appropriate allocation, Amendment 53 was consistent with NS 9. *See id.*

As with its evaluation of NS 4, the D.C. Circuit noted NMFS's reliance on the economic analysis and indicated that NMFS "may need to revisit whether further bycatch minimization is not practicable and provide additional support." *A.P. Bell Fish Co.*, 94 F. 4th at 66. The Court also noted that NMFS did not consider measures to directly reduce bycatch but instead "referenced the potential future use of measures that had already proved insufficient including 'catch limits, in-season and post-season accountability measures, season and area closures, a minimum size limit, and a recreational bag limit,' as well as gear requirements." *Id.* at 66-67 (alteration in original, internal citation omitted). The Court recognized that NMFS "reasoned that bycatch will decrease because overall catch limits are being reduced" but stated that "this approach suggests that virtually any allocation that reduces a catch limit will satisfy [NS] 9, at least so long as [NMFS] reasonably concludes that additional measures were not practicable," and concluded that NMFS "appears not to have explained how that is a reasonable application of [NS] 9." *Id.* at 67.

In Part II of this appendix, NMFS reviewed the cost-benefit analysis included in Amendment 53 and concluded that it is consistent with the best scientific information available. Therefore,

NMFS has determined that it was appropriate to consider the results of this analysis in evaluating whether Amendment 53 was consistent with NS 9. However, as explained above, the economic analysis was not the only factor NMFS considered in making this determination. NMFS reviewed the factors set out in the NS 9 Guidelines and concluded that under the circumstances presented, which required measures to reduce total harvest regardless of the allocation between the commercial and recreational sectors, that the management measures in Amendment 53 did minimize bycatch and bycatch mortality to the extent practicable by balancing the differences between the commercial and recreational sectors, and the competing objectives articulated in the National Standards. 87 *Fed. Reg.* at 22578-79; *see also* 50 C.F.R. § 600.350(d)(2) ("In analyzing measures, including the status quo, Councils should assess the impacts of minimizing bycatch and bycatch mortality, as well as consistency of the selected measure with other national standards and applicable laws.").

With respect to the current management measures identified by the D.C. Circuit (catch limits, in-season and post-season accountability measures, season and area closures, a minimum size limit, a recreational bag limit, and gear requirements), it is unclear in what respect the Court determined that they "had already proved insufficient." The Bycatch Practicability Analysis in Amendment 53 described the current commercial and recreational management measures included in the Reef Fish FMP that impact bycatch and bycatch mortality in the directed red grouper fishery. AR at 80176-80. This analysis did not conclude that all of these measures were intended to reduce bycatch or bycatch mortality, and then failed to do so. Nor was there evidence in the record at the time that Amendment 53 was completed and implemented that indicated that these measures failed to constrain recreational harvest to the recreational ACL. *See* 87 Fed. Reg. at 25581 (response to comment 17); AR at 7993 (Table 2.1.3 in Amendment 53).

The D.C. Circuit also questioned whether NMFS explained how it was "reasonable" to suggest that "virtually any allocation that reduces a catch limit will satisfy [NS] 9, at least so long as [NMFS] reasonably concludes that additional measures were not practicable." Of note, it was not the allocation alone that reduced the catch limits adopted in Amendment 53. The stock status, as determined by the assessment, was the main driver of the required reduction. AR at 7978 ("The assessment concluded that red grouper in the Gulf is not overfished and overfishing is not occurring, but the stock remained below [the target] spawning stock biomass. . . ."); AR at 7988 (noting that the total ACL would be reduced under any of that under any of the allocation alternatives, including maintaining the historic percentages). Further, the Circuit Court's characterization of NMFS' obligation with respect to NS 9 identified the salient issue--whether NMFS "reasonably conclude[d] that additional measures were not practicable." NMFS did that in approving and implementing Amendment 53. Consistent with the Congressional findings in the Magnuson-Stevens Act and the definition of "optimum," NMFS recognized that management measures should account for the characteristics of both the commercial and recreational sectors. *See* 16 U.S.C. § 1801(a)(13) ("While both provide significant cultural and economic benefits to the Nation, recreational fishing and commercial fishing are different activities. Therefore, science-based conservation and management approaches should be adapted to the characteristics of each sector."); 16 U.S.C. § 1802(33) (defining optimum, in pertinent part, as "the amount of fish" that "will provide the greatest overall benefit to the Nation, particularly with respect to food production and recreational opportunities."); 87 *Fed. Reg.* at 25577, 25579. These different characteristics impact fishing practices that generally result in more discards by the recreational

sector. However, both sectors provide important benefits to the Nation. *See* 50 CFR § 600.310(e)(3)(iii)(A)(1) and (2). Therefore, NMFS accounted for the sectors' different economic, social, and cultural goals and objectives in evaluating compliance with all of the with the national standards, including whether Amendment 53 minimized bycatch to the extent practicable, and determined that Amendment 53 complied with that directive. 87 *Fed. Reg.* at 22579.