



DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 635

[Docket No. 260213-0045]

RIN 0648-BN68

Atlantic Highly Migratory Species; Revision of the Termination Date for Swordfish and Shark Limited Access Permits

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and
Atmospheric Administration (NOAA), Commerce.

ACTION: Proposed rule; request for comments.

SUMMARY: This proposed rule would revise the regulations regarding the termination date for swordfish and shark limited access permits (LAPs). Currently, when a swordfish or shark LAP is not renewed within a year of the expiration date, the permit terminates and can no longer be renewed or used. This action would remove the termination date and allow permits to be renewed at any time. This action would stop the further loss of swordfish and shark LAPs and may benefit permit holders by providing them the ability to renew their LAPs more than one year past their expiration. This action would have no practical effect on harvest levels of swordfish and shark species and is administrative in nature.

DATES: Written comments must be received by April 9, 2026.

ADDRESSES: A plain language summary of this proposed rule is available at <https://www.regulations.gov/docket/NOAA-NMFS-2025-0036>. You may submit comments on this document, identified by NOAA-NMFS-2025-0036, by electronic submission. Submit all electronic public comments via the Federal e-Rulemaking Portal. Visit <https://www.regulations.gov> and type “NOAA-NMFS-2025-0036” in the Search

box. Click on the “Comment” icon, complete the required fields, and enter or attach your comments.

Instructions: Comments sent by any other method, to any other address or individual, or received after the end of the comment period, may not be considered by NMFS. All comments received are a part of the public record and will generally be posted for public viewing on *www.regulations.gov* without change. All personal identifying information (*e.g.*, name, address), confidential business information, or otherwise sensitive information submitted voluntarily by the sender will be publicly accessible. NMFS will accept anonymous comments (enter “N/A” in the required fields if you wish to remain anonymous).

NMFS will hold one public hearing via conference call/webinar on this proposed rule. For additional details on the public hearing, see the **SUPPLEMENTARY INFORMATION** section of this document.

Copies of this proposed rule and supporting documents, including the Regulatory Impact Review (RIR) and Initial Regulatory Flexibility Analysis (IRFA) for this action, the 2006 Consolidated Atlantic Highly Migratory Species (HMS) Fishery Management Plan (FMP) and its amendments, and the annual HMS Stock Assessment and Fishery Evaluation Reports are available from the HMS Management Division website at *https://www.fisheries.noaa.gov/topic/atlantic-highly-migratory-species* or by contacting Guy DuBeck at *guy.dubeck@noaa.gov* or by phone at 301-427-8503.

FOR FURTHER INFORMATION CONTACT: Guy DuBeck (*guy.dubeck@noaa.gov*) or Karyl Brewster-Geisz (*karyl.brewster-geisz@noaa.gov*) by email or phone at 301-427-8503.

SUPPLEMENTARY INFORMATION:

Federal Atlantic HMS fisheries (tunas, billfish, swordfish, and sharks) are managed under the HMS FMP and its amendments, pursuant to the Magnuson-Stevens

Fishery Conservation and Management Act (Magnuson-Stevens Act; 16 U.S.C. 1801 *et seq.*) and consistent with the Atlantic Tunas Convention Act (ATCA; 16 U.S.C. 971 *et seq.*). HMS are defined at section 3(21) of the Magnuson-Stevens Act (see 16 U.S.C. 1802(21)) and the provisions for their management are at section 304(g)(1) (see 16 U.S.C. 1854(g)(1)). ATCA is the implementing statute for binding recommendations of the International Commission for the Conservation of Atlantic Tunas. HMS implementing regulations are at 50 CFR part 635. The procedures established by the HMS FMP and implemented in the HMS regulations (see § 635.34(b)) allow NMFS to modify permitting requirements, using a framework adjustment implemented by regulation. The regulations regarding the renewal of swordfish and shark LAPs are found at § 635.4(m)(2).

Statutory Authority

The Magnuson-Stevens Act requires measures necessary for the conservation and management of the fishery to be consistent with the 10 National Standards set forth in section 301(a) (see 16 U.S.C. 1851(a) and 1853(a)(1)(C)). While all of the National Standards are relevant, the following National Standards are particularly relevant based on the objectives of this action: National Standard 1 states that management measures shall prevent overfishing while achieving, on a continuing basis, optimum yield; National Standard 6 states that management measures shall take into account and allow for variations among fisheries, fishery resources, and catches; and National Standard 7 states that management measures shall, where practicable, minimize costs and avoid unnecessary duplication. Additionally, the Magnuson-Stevens Act allows NMFS to require fishing vessels to obtain permits (see section 303(b)(1) or 16 U.S.C. 1853(b)(1)) and allows NMFS to establish a limited access system (see section 303(b)(6) or 16 U.S.C. 1853(b)(6)). Finally, section 304(c) and (g) provides for the promulgation of regulations

to implement an FMP that is prepared by NMFS, such as the HMS FMP (see 16 U.S.C. 1854(c), (g)).

Background

NMFS established LAPs in the 1999 FMP for Atlantic Tunas, Swordfish, and Sharks (64 FR 29090, May 28, 1999). LAPs can be obtained only by transferring an existing permit from a current permit holder. New permits are not issued. LAPs were established to rationalize the harvesting capacity with the available quota, and to reduce latent effort without significantly affecting the livelihoods of those who are substantially dependent on the fisheries. As part of achieving those goals, LAPs were implemented with an annual renewal time period, and permits that were not renewed within one year of expiring became ineligible for renewal and thus effectively were terminated (50 CFR 635.4(m)). The original number of LAPs (see Table 1) was established in 2000. Since that time, the only changes NMFS has made to the termination language were minor revisions that removed outdated text and dates (71 FR 58058, October 2, 2006). As a result, currently, when a swordfish or shark LAP is not renewed within a year of the expiration date, the permit terminates and can never be renewed or used. The LAP program is made up of the following permit categories: Swordfish Directed, Swordfish Incidental, Swordfish Handgear, Shark Directed, Shark Incidental, and Atlantic Tunas Longline category permit.

The expiration date for LAPs is determined by (1) the birth month of the primary mailing recipient when the vessel is owned by (an) individual(s); (2) the date of incorporation when the mailing recipient is a business; and (3) if the vessel is leased, the expiration date will be the last day of the last full month of the lease term. Permit holders receive an email notification to renew permits 60 days prior to the permits' expiration date. After the permit has expired, the permit holder retains the rights to renew or transfer the permit, but the permit is not valid to use to go fishing until it is renewed. Currently, if

the permit is not renewed within a year of the expiration date, the permit terminates and can no longer be renewed, transferred, or used. If the permit is not renewed, or transferred, 30 days prior to the termination date, permit holders receive an email notification from the Permits Office each day for 30 days until the termination date. If the permit is not renewed, or transferred, before the termination date, NMFS considers the permit terminated, and it is no longer renewable or transferable.

In order to provide HMS LAP holders flexible fishing opportunities in multiple fisheries, HMS LAP holders have the option to transfer active permits to a virtual vessel called “NOVESID.” Permits can be renewed on the virtual vessel indefinitely. There is no restriction on the timeframe permits can be issued to the virtual vessel, but permits cannot be used to fish while assigned to the virtual vessel. Permits are valid when they are assigned to a vessel, assigned to a vessel owner, and “fishable” between the permit’s effective date and the expiration date.

Primarily because of the termination date, NMFS has seen a significant decrease in the number of valid swordfish and shark LAPs over time. Between 2000 and 2024, there was an average annual reduction of approximately three percent in the number of LAP holders across the permit categories. The percentage decrease in the number of swordfish and shark LAPs since 2000 is shown in table 1. For comparison, Atlantic Tunas Longline category permits, which do not have a termination date and can be renewed any time after expiration, have had a relatively stable number of permits in the years since implementation. Thus, changes to the Atlantic Tunas Longline category permit regulations are not proposed; the regulations for that permit are mentioned only for reference. There are currently a total of 226 Atlantic Tunas Longline permits.

Table 1 – Comparison of swordfish and shark LAPs issued to present

	Directed Swordfish LAP	Incidental Swordfish LAP	Swordfish Handgear LAP	Directed Shark LAP	Incidental Shark LAP
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Number of Permits in 2000	240	203	125	287	585
Number of Permits in 2024	167	63	75	194	221
Permits Terminated	73	140	50	93	364
Percentage Decrease	30%	69%	40%	32%	62%

Several of these permits were designed to be held in combination to reduce regulatory discards. For example, Atlantic Tunas Longline category permits cannot be used unless the vessel has also been issued both a Swordfish (Directed or Incidental) and Shark (Directed or Incidental) LAP. Similarly, a Swordfish Directed or Incidental LAP cannot be used unless the vessel has also been issued both an Atlantic Tunas Longline category permit and a Shark (Directed or Incidental) LAP. The combination of these three permits is often referred to as a “tri-pack.” Requiring this combination minimizes regulatory discards by allowing for the retention of species that might otherwise have to be discarded if they were caught incidental to catching the target species. For example, tunas and sharks are commonly caught when pelagic longline fishing for swordfish; if the vessel was issued only a swordfish permit, then any tunas and sharks caught would need to be discarded. However, some of the permits do not need to be used in combination with other permits. Specifically, Swordfish Handgear and Shark (Directed or Incidental) LAPs can be used without a combination of permits. For Swordfish Handgear and Shark (Directed or Incidental) LAPs, NMFS decided that a combination of permits is not required because use of these permits is less likely to result in regulatory discards of other species. For example, fishermen targeting sharks with bottom longline gear rarely interact with swordfish or tuna.

Among other concerns regarding impacts on the swordfish and shark fisheries if the number of permits continue to decline, NMFS is also concerned that the continued

decline in the number of available swordfish and shark LAPs as a result of the termination date will result in difficulties for Atlantic Tunas Longline category permit holders to find swordfish and shark LAPs to complete their required permit tri-pack and continue fishing for tunas with pelagic longline. Additionally, one of the original intentions for establishing LAPs was to rationalize harvest of the quota at the time. However, currently, the swordfish and shark quotas are not being fully harvested and the swordfish stock is rebuilt. Therefore, NMFS believes that the goal of rationalizing the harvest of the quota has been achieved. To address these concerns, NMFS is conducting this rulemaking to stop the further decline in swordfish and shark LAPs.

This rulemaking would also simplify regulations by removing an unnecessary restriction.

Proposed Swordfish and Shark LAP Revisions

As described in the RIR and IRFA, NMFS analyzed several alternatives for this action and prefers Alternative 3. Under Alternative 3, swordfish and shark LAPs would no longer terminate, beginning on the effective date of the final rule. Removing the termination date for these permits would benefit permit holders by conserving the ability to renew their permits more than one year past their expiration, and should stop the decline in LAP numbers in the future. Under this alternative, Atlantic Tunas Longline category permit holders could also benefit if the number of tri-pack permits stopped decreasing. Additionally, because the number of permits would become more stable, NMFS believes that the ability to harvest the quotas based on availability of permits would also remain stable. Because this alternative would not increase the number of permits available, this alternative is not expected to affect fishing effort or the amount of tunas, swordfish, or sharks caught; rather, this alternative is administrative in nature. Furthermore, this alternative may also reduce administrative burden on NMFS by removing the need to send reminder emails to permit holders to renew their permits

before termination and notify permit holders of termination dates. Lastly, unlike under Alternative 2, Alternative 3 would not have NMFS reissue permits that terminated before the final rule effective date. Although there might be some permits that are terminated between the proposed rule publication date and the effective date of the final rule, NMFS expects that number to be minimal and considers that providing advance notice of the change would be more fair and less confusing to permit holders overall. Permit records indicate that up to 28 currently-expired LAPs could terminate between September 2025 and January 2026 if the permit holders do not initiate the paperwork to renew them. However, based on previous trends, the number of permits that could terminate during this time period would likely be lower as most permit holders usually renew their permits. Specifically, between 2020 and 2024, on average four LAPs were terminated each year. Thus, if this action finalizes next year, then NMFS expects that under this alternative approximately four LAPs may be terminated under the existing regulations prior to the effective date of this action.

Other Alternatives Analyzed

In addition to the proposed measures, NMFS analyzed two other alternatives for the revisions to the termination date for swordfish and shark LAPs. Alternative 1, the no action alternative, would maintain the current regulations that allow the swordfish and shark LAPs to terminate if not renewed within one year of expiring. NMFS anticipates that maintaining the current regulations would result in a continued decrease in the number of valid LAPs (see table 1), and therefore this alternative would not meet the objective of this proposed rule. Additionally, the decrease in number of permit holders maintaining valid shark and swordfish LAPs and therefore actively participating in the fishery, and the decrease in number of LAPs available, could contribute to uncertainty in the fishery and prevent the current fishermen from feeling confident in the future of the fishery. Furthermore, a decreasing number of swordfish and shark LAPs could further

any discrepancies in permit numbers between permit types and cause difficulty for Atlantic Tunas Longline category permit holders to obtain the required tri-pack permits to fish with pelagic longline gear. Additionally, the original rationale for implementing the termination date of the LAPs was to rationalize fishing capacity within the established quota, however, some of those fishery quotas are no longer limited and terminating LAPs may contribute to the continued under-harvesting of some fishery quotas (*e.g.*, swordfish).

Alternative 2 is similar to the preferred Alternative 3 in that the termination date would be removed from the regulations. The primary difference is that under this alternative, after the final rule is effective, NMFS would reissue any permits that terminated between the publication date of the proposed rule and the effective date of the final rule. As such, Alternative 2 would stop the estimated annual economic loss from termination of swordfish and shark LAPs faster than Alternative 3. In addition, allowing some LAPs to be reinstated after termination could potentially increase the number of LAPs that are retained through this action by a *de minimis* amount and allow LAP holders to remain in the fishery. Based on the annual average of four LAPs terminations from 2020 to 2024, NMFS expects approximately four LAPs would be eligible for reinstatement under this alternative if this action finalizes next year.

However, this alternative could be perceived as unfair to permit holders who had their permit terminate shortly before publication of the proposed rule. In addition, reinstating permits that are already considered terminated could be confusing to the public and raise significant logistical issues. For example, the permit may have terminated because the original permit holder might have intentionally not renewed their permit because they no longer wanted to be part of the fishery, the permit holder may have passed away and the heirs may not have wanted to be part of the fishery, or, in cases where the permit holder was a company, the company may have been dissolved.

Request for Comments

NMFS is requesting comments on this proposed rule, which may be submitted via <https://www.regulations.gov> or at a public hearing. NMFS solicits comments on this action by April 9, 2026 (see **DATES** and **ADDRESSES** sections).

During the comment period, NMFS will hold one public hearing via webinar for this proposed action, as shown in table 2. Requests for sign language interpretation or other auxiliary aids should be directed to Guy DuBeck at guy.dubeck@noaa.gov or 301-427-8503, at least 7 days prior to the meeting. In addition, any requests for in-person public hearings during the comment period should be directed to Guy DuBeck at guy.dubeck@noaa.gov or 301-427-8503.

Table 2 – Date and time of upcoming public hearing webinar

Date and Time	Webinar Information
April 2, 2026, 2 pm – 4 pm ET	https://www.fisheries.noaa.gov/action/comments-requested-proposed-removal-swordfish-and-shark-limited-access-permit-termination

The public is reminded that NMFS expects participants at the public hearing to conduct themselves appropriately. At the beginning of the public hearing, a representative of NMFS will explain the ground rules (*e.g.*, alcohol is prohibited from the hearing room, attendees will be called to give their comments in the order in which they registered to speak, each attendee will have an equal amount of time to speak, and attendees should not interrupt one another). At the beginning of the webinar, the moderator will explain how the webinar will be conducted and how and when participants can provide comments. The NMFS representative(s) will attempt to structure the webinar so that all attending members of the public will be able to comment, if they so choose, regardless of the controversial nature of the subject(s). Attendees are expected to respect the ground rules, and if they do not, they may not be allowed to speak during the webinar.

Classification

NMFS is issuing this rule pursuant to section 304(c) and (g) of the Magnuson-Stevens Act. The NMFS Assistant Administrator has determined that this proposed rule is consistent with the HMS FMP and its amendments, other provisions of the Magnuson-Stevens Act, ATCA, and other applicable law, subject to further consideration after public comment.

This proposed rule has been determined to be not significant for purposes of Executive Order 12866.

This proposed rule is not an Executive Order 14192 regulatory action because this rule is not significant under Executive Order 12866.

Pursuant to the National Environmental Policy Act (NEPA), NMFS has preliminarily determined that the proposed action falls within categorical exclusion Category A1. This Category currently reads, “an action that is a technical correction or a change to a fishery management action or regulation, which does not result in a substantial change in any of the following: fishing location, timing, effort, authorized gear types, or harvest levels.” This category of actions does not normally have a significant effect on the quality of the human environment, is not connected to a larger action, and does not involve extraordinary circumstances precluding use of the categorical exclusion. As such, NMFS has preliminarily determined that this action is categorically excluded from further NEPA review. On June 28, 2025, NOAA released a notice soliciting comments on proposals to establish new categorical exclusions (CEs) and amend existing CEs (90 FR 35494). This notice included proposed changes to Category A1 to increase clarity on its scope and purpose. The comment period on changes to CEs ended on August 27, 2025. Once the NEPA CEs language is finalized, NMFS will update this information as appropriate.

An IRFA was prepared, as required by section 603 of the Regulatory Flexibility Act (RFA). The IRFA describes the economic impact that this proposed rule, if adopted,

would have on small entities. A description of the action, why it is being considered, and the legal basis for this action are contained at the beginning of this section in the preamble and in the **SUMMARY** section of the preamble. A summary of the analysis follows. A copy of this analysis is available from NMFS (see **ADDRESSES** section).

Section 603(b)(1) requires agencies to describe the reasons why the action is being considered. The purpose of this proposed rulemaking is to prevent the further decline in the number of swordfish and shark LAPs by enhancing current permit holders' ability to renew their permits. Additionally, this rule would conserve opportunities for permit holders to renew their swordfish and shark LAPs to use with their Atlantic Tunas Longline category permits for tuna fishing, which requires a permit tri-pack. This action is consistent with the objectives of the HMS FMP and its amendments, the Magnuson-Stevens Act, and other applicable laws. Implementation of the proposed rule would further the management goals and objectives stated in the HMS FMP and its amendments.

Section 603(b)(2) of the RFA requires agencies to state the objectives of, and legal basis for, the proposed action. As described above, the objective of this proposed rulemaking is to stop the further decline in swordfish and shark LAP holders. The legal basis for the proposed rule is the Magnuson-Stevens Act (16 U.S.C. 1801 *et seq.*) and consistent with the ATCA (16 U.S.C. 971 *et seq.*).

Section 603(b)(3) of the RFA requires agencies to provide a description of and, where feasible, an estimate of the number of small entities to which the proposed rule would apply. For RFA compliance purposes, NMFS established a small business size standard of \$11 million in annual gross receipts for all businesses in the commercial fishing industry (North American Industry Classification System (NAICS) code 11411) for RFA compliance purposes. NMFS completed a review of the small business size standard on November 24, 2025 (90 FR 52917) that resulted in maintaining the existing

size standard. NMFS considers all HMS permit holders to be small entities because they each had average annual receipts of less than \$11 million for commercial fishing. The 2022 total ex-vessel annual revenue for the swordfish and shark fisheries was approximately \$13 million. Since a small business is defined as having annual receipts not in excess of \$11 million, each individual swordfish and shark fishing entity would fall within the small business definition. In addition, all HMS swordfish and shark commercial permit holders have self-certified that they are small businesses. Thus, all of the entities affected by this rulemaking are considered to be small entities for the purposes of the RFA. As of 2024, this proposed rule would apply to the approximately 167 directed commercial swordfish LAP holders, 63 incidental commercial swordfish LAP holders, 75 commercial swordfish handgear LAP holders, 194 directed commercial shark LAP holders, and 221 incidental commercial shark LAP holders. Not all permit holders are active in the fishery in any given year. For more information regarding the distribution of these permits across states and territories please see the HMS Stock Assessment and Fishery Evaluation Report.

Section 603(b)(4) of the RFA requires agencies to describe any new reporting, record-keeping, and other compliance requirements. This proposed rule does not contain any new collection of information, reporting, or record-keeping requirements.

Under section 603(b)(5) of the RFA, agencies must identify, to the extent practicable, relevant Federal rules which duplicate, overlap, or conflict with the proposed action. Fishermen, dealers, and managers in these fisheries must comply with a number of international agreements, domestic laws, and other fishery management measures. These include, but are not limited to, the Magnuson-Stevens Act, ATCA, the High Seas Fishing Compliance Act, the Marine Mammal Protection Act, the Endangered Species Act, the National Environmental Policy Act, the Paperwork Reduction Act, and the

Coastal Zone Management Act. This proposed action has been determined not to duplicate, overlap, or conflict with any Federal rules.

Under section 603(c) of the RFA, agencies must describe any significant alternatives to the proposed rule which accomplish the stated objectives of applicable statutes and which minimize any significant economic impact of the proposed rule on small entities. Specifically, the RFA (5 U.S.C. 603(c)(1)-(4)) lists four general categories of significant alternatives to assist an agency in the development of significant alternatives. These categories of alternatives are: (1) establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) use of performance rather than design standards; and, (4) exemptions from coverage of the rule, or any part thereof, for small entities.

Regarding the first, second, and fourth categories, all of the businesses impacted by this proposed rule are considered small entities, and thus the requirements are already designed for small entities. Regarding the third category, NMFS does not know of any performance or design standards that would satisfy the aforementioned objectives of this rulemaking. As described below, NMFS analyzed several different alternatives in this proposed rulemaking and provides rationales for identifying the preferred alternatives to achieve the desired objectives.

Under Alternative 1, the no action alternative, NMFS would maintain the current management measures and procedures that terminate swordfish and shark LAPs when the permit is not renewed within a year of its expiration date. As described in table 1 above, a number of swordfish and shark LAPs have been terminated over the years and will likely continue over time under this alternative. Based on approximate permit values, the estimated annual loss of swordfish and shark LAPs to termination is valued at \$243,023

(see the documents containing the RIR and IRFA). The highest value lost annually is from Swordfish Handgear LAPs (\$76,125) due to the higher approximate value of their permits. Even though incidental swordfish LAPs terminate at the highest annual rate, the economic annual loss of \$27,972 is the smallest due to the lower value of their permits. Under this alternative, NMFS anticipates the continued decrease in the number of LAPs and the decrease in the number of permit holders maintaining valid shark and swordfish LAPs and therefore actively participating in the fishery. This, along with the decrease in number of LAPs available to new entrants into the fishery, could contribute to uncertainty in the future of HMS fisheries. Since the swordfish and shark quotas are not currently being fully harvested and the swordfish stock is rebuilt, NMFS believes that the goal of rationalizing the harvest of the quota appears to have been met, and the need for a termination date for the swordfish and shark LAPs is no longer needed.

Under Alternative 2, NMFS would revise the regulations to prevent the LAPs from terminating, and, after the rule is effective, NMFS would reissue any permits that terminated between the date this proposed rule published and the effective date of the final rule. Under this alternative, permit holders would retain their ability to renew their permits that lapsed during the period between the publication of this proposed rule and the effective date of the final rule. Thus, this alternative would stop the estimated annual economic loss from termination of swordfish and shark LAPs of \$243,023 (see the RIR and IRFA document). Under this alternative, NMFS would reissue any permits that may have terminated between the proposed rule publication and final rule implementation dates. Reinstating permits that are already terminated could raise logistical issues and take time, which could increase NMFS' administrative burden.

Under Alternative 3, the preferred alternative, NMFS would revise the regulations to prevent the LAPs from terminating after the final rule becomes effective. This alternative would avoid possible confusion and fairness concerns that could arise from

reissuing permits that were previously considered terminated. This alternative would stop the estimated annual economic loss from termination of swordfish and shark LAPs of \$243,023 (see the RIR and IRFA document). However, some LAPs may be terminated in the time between when the proposed rule publishes and 30 days after the final rule publishes, potentially resulting in slightly lower economic benefits compared to Alternative 2.

This proposed rule contains no information collection requirements under the Paperwork Reduction Act of 1995.

List of Subjects in 50 CFR Part 635

Fisheries, Fishing, Fishing vessels, Foreign relations, Imports, Penalties, Reporting and recordkeeping requirements, Statistics, Treaties.

Dated: February 17, 2026.

Sarah Malloy,

Acting Deputy Assistant Administrator for Regulatory Programs,

National Marine Fisheries Service.

For the reasons set out in the preamble, NMFS proposes to amend 50 CFR part 635 as follows:

PART 635—ATLANTIC HIGHLY MIGRATORY SPECIES

1. The authority citation for part 635 continues to read as follows:

Authority: 16 U.S.C. 971 *et seq.*; 16 U.S.C. 1801 *et seq.*

2. In § 635.4, revise paragraph (m)(2) to read as follows:

§ 635.4 Permits and fees.

* * * * *

(m) * * *

(2) *Shark and swordfish permits.* A vessel owner must obtain the applicable LAP(s) issued pursuant to the requirements in paragraphs (e) and (f) of this section and/or a Federal commercial smoothhound permit issued under paragraph (e) of this section; or an HMS Commercial Caribbean Small Boat permit issued under paragraph (o) of this section, if: The vessel is used to fish for or take sharks commercially from the management unit; sharks from the management unit are retained or possessed on the vessel with an intention to sell; or sharks from the management unit are sold from the vessel. A vessel owner must obtain the applicable LAP(s) issued pursuant to the requirements in paragraphs (e) and (f) of this section, a Swordfish General Commercial permit issued under paragraph (f) of this section, an Incidental HMS Squid Trawl permit issued under paragraph (n) of this section, an HMS Commercial Caribbean Small Boat permit issued under paragraph (o) of this section, or an HMS Charter/Headboat permit with a commercial sale endorsement issued under paragraph (b) of this section, which authorizes a Charter/Headboat to fish commercially for swordfish on a non for-hire trip subject to the retention limits at § 635.24(b)(4) if: The vessel is used to fish for or take swordfish commercially from the management unit; swordfish from the management unit are retained or possessed on the vessel with an intention to sell; or swordfish from the management unit are sold from the vessel. The commercial retention and sale of swordfish from vessels issued an HMS Charter/Headboat permit with a commercial sale endorsement is permissible only when the vessel is on a non for-hire trip. Only the person or entity holding a shark and/or swordfish LAP is eligible to renew that LAP. A swordfish or shark LAP that has been in a non-active permitted status for at least one year as of [30 days after publication of final rule] may not be renewed. Transferors may not renew LAP(s) that have been transferred according to the procedures in paragraph (l) of this section.

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