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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

[Docket No. 260819-0006]

RIN 0648-BO31

Fisheries of the Caribbean, Gulf of America, and South Atlantic; Extension of the Commercial Shrimp Permit Moratorium in the Gulf of America

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

ACTION: Proposed rule; request for comments.

SUMMARY: NMFS issues this proposed rule and seeks public comment on a management measure proposed in Amendment 19 to the Fishery Management Plan for the Shrimp Fishery of the Gulf (Shrimp FMP) and this proposed rule. If implemented by NMFS, Amendment 19 and this proposed rule would extend the moratorium on the issuance of new commercial shrimp permits in the Gulf of America (Gulf). NMFS implemented the existing shrimp permit moratorium, which is set to expire after October 26, 2026, to stabilize fishing effort and prevent overcapacity in the Gulf shrimp fishery. This proposed rule would extend this permit moratorium for an additional 10 years.

DATES: Written comments on the proposed rule must be received no later than [**INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER**].

ADDRESSES: A plain language summary of this proposed rule is available at *https://www.regulations.gov/docket/NOAA-NMFS-2026-1387*. You may submit

comments on this document, identified by NOAA-NMFS-2026-1387, by either of the following methods:

- *Electronic Submission:* Submit all electronic public comments via the Federal e-Rulemaking Portal. Visit *https://www.regulations.gov* and type NOAA-NMFS-2026-1387 in the Search box. Click on the "Comment" icon, complete the required fields, and enter or attach your comments.

- *Mail:* Submit all written comments to Frank Helies, NMFS Southeast Regional Office, 263 13th Avenue South, St. Petersburg, FL 33701.

Instructions: Comments sent by any other method, to any other address or individual, or received after the end of the comment period will not be considered by NMFS. All comments received are part of the public record and will generally be posted for public viewing on *https://www.regulations.gov* without change. All personal identifying information, 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.

An electronic copy of Amendment 19 is available from *https://www.regulations.gov* or from the NMFS Southeast Regional Office website at *https://www.fisheries.noaa.gov/action/amendment-19-shrimp-permit-moratorium.* Amendment 19 includes a Regulatory Flexibility Act (RFA) analysis, regulatory impact review, and fishery impact statement.

FOR FURTHER INFORMATION CONTACT: Rich Malinowski, NMFS Southeast Regional Office, telephone: 727-824-5305, or email: *rich.malinowski@noaa.gov*.

SUPPLEMENTARY INFORMATION: The shrimp fishery in the Gulf is managed under the Shrimp FMP. The Shrimp FMP was prepared by NMFS and the Gulf Fishery Management Council (Council), and is implemented by NMFS through regulations at 50

CFR part 622 under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). This action is proposed under the statutory authority of the Magnuson-Stevens Act section 303(b)(6).

Background

Prior to 2001, approximately 4,000 vessels fished for shrimp annually in Federal waters of the Gulf. To improve the collection of fishing effort and catch data, NMFS implemented a Federal permit requirement for all vessels harvesting shrimp commercially from Gulf Federal waters through the final rule for Amendment 11 to the Shrimp FMP (67 FR 51074, August 7, 2002). Between 2002 and 2006, NMFS issued permits to approximately 2,951 vessels. During that time, the shrimp fishery experienced economic losses, primarily because of high fuel costs and reduced shrimp prices caused by competition from imports. These economic losses resulted in the exodus of vessels from the fishery and reduced fishing effort. Despite this exodus, the fishery remained overcapitalized, with more vessels than needed to harvest the available shrimp resources at the most profitable level. To prevent effort from returning to former levels that further reduced or removed profitability for the fleet overall, the Council recommended a 10-year moratorium on the issuance of new Federal commercial shrimp vessel permits through Amendment 13 to the Shrimp FMP, while still allowing for permit transferability. NMFS implemented the final rule for the moratorium on October 26, 2006 (71 FR 56039, September 26, 2006), and issued 1,933 vessel permits under the qualifying criteria of the 2006 rule by 2008.

The Council subsequently considered the need to continue limiting access to the fishery in Amendment 17A to the Shrimp FMP. The Council recommended extending the permit moratorium unchanged for an additional 10 years to maintain stability and prevent overcapacity in the shrimp fishery. The Council chose not to permanently limit access to the fishery at that time because economic conditions could change in the future. On

August 22, 2016, NMFS implemented the final rule continuing the moratorium for an additional 10 years, through October 26, 2026 (81 FR 47733, July 22, 2016). Based on the rationale explained further in Amendment 19, the Council recommended continuing the permit moratorium for an additional 10 years to maintain stability and prevent overcapacity in the shrimp fishery.

Only a valid Gulf shrimp permit can be used to commercially harvest Gulf shrimp. A shrimp vessel permit remains valid if it is renewed and is renewable within 1 year of its expiration date. After 1 year from the expiration date with no renewal, a permit is terminated and permanently removed from the pool of available permits. From 2019 through 2023, the average annual number of vessels with valid Gulf shrimp moratorium permits was 1,376, though the number of vessels with permits declined each year during this time. In 2024, 1,287 moratorium permits were valid or renewable. Accordingly, since NMFS renewed the 1,933 shrimp vessel permits in 2008, the number of permits has decreased by 646. NMFS has permanently removed those 646 permits from the permit pool.

Management Measure Contained in this Proposed Rule

NMFS seeks public comment on the following management measure in this proposed rule.

If implemented by NMFS, Amendment 19 and this proposed rule would extend the moratorium on the issuance of new commercial shrimp vessel permits in the Gulf for an additional 10 years or through October 26, 2036. The purpose of this proposed rule is to continue limiting the total number of permits. Gulf shrimp stocks are currently healthy, but the previously mentioned non-regulatory issues continue to hinder the profitability of the commercial shrimp fleet and to cause the decline in shrimping effort throughout the Gulf.

NMFS expects this proposed rule would continue to result in positive impacts for those who hold Federal Gulf commercial shrimp permits because the permits would retain value as a limited asset, which would be lost if the moratorium were to expire. Permits would continue to be transferable, allowing for entry to and exit from the shrimp fishery. While new entrants would be required to pay more for a moratorium permit versus an open access permit, NMFS expects the benefits of this action to current permit holders would outweigh the cost to any new entrants. The cost of acquiring a shrimp moratorium permit, when compared to similar limited access commercial permits in other fisheries, is comparably low. For example, from 2022 through 2024, the median price to transfer a Federal Gulf shrimp permit was $5,250, when other permits can be several times more expensive.

Extending the moratorium would also provide the Council with time to re-evaluate the minimum shrimp permit threshold for optimizing yield in the fishery in light of new science and the current economic condition of the fishery. The Council established a threshold of 1,072 Gulf shrimp permits in Amendment 17B to the Shrimp FMP, and currently there are approximately 1,200 valid or renewable Gulf shrimp permits (82 FR 60564, December 21, 2017). The minimum permit threshold represents the predicted number of vessels needed to achieve aggregate optimum yield in the fishery, while accounting for high shrimp catch per unit effort and landings, and reducing the risk of exceeding thresholds of sea turtle and juvenile red snapper bycatch.

To further gauge industry's perspective on this issue, NMFS also requests public comment on an alternative option for implementing a shorter moratorium extension, for example, a 5-year extension, which would expire after October 26, 2031. A shorter timeframe would encourage the Council and NMFS to reconsider the need for the moratorium at an earlier point in time once the Council completes its re-evaluation of the appropriateness of the current minimum shrimp permit threshold. However, it should be

noted that the moratorium could be eliminated at any time through a new FMP amendment and rulemaking.

Classification

Pursuant to section 304(b)(1)(A) of the Magnuson-Stevens Act, the NMFS Assistant Administrator has determined that this proposed rule is consistent with Amendment 19, the Shrimp FMP, other provisions of the Magnuson-Stevens Act, 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 (E.O.) 12866.

An initial regulatory flexibility analysis (IRFA) was prepared, as required by section 603 of the Regulatory Flexibility Act (RFA). The IRFA describes the economic impact this proposed rule, if adopted, would have on small entities. A description of this proposed rule, why it is being considered, and the objectives of this proposed rule are contained earlier in the **SUPPLEMENTARY INFORMATION** section of this proposed rule. A copy of the full analysis is available from NMFS (see the **ADDRESSES** section). All monetary estimates in the following analysis are in 2023 dollars.

The Magnuson-Stevens Act provides the statutory basis for this proposed rule. No duplicative, overlapping, or conflicting Federal rules have been identified. In addition, no new reporting, record-keeping, or other compliance requirements are introduced by this proposed rule.

Amendment 19 and this proposed rule address the expiration of the Federal shrimp permit moratorium in the Gulf by proposing to extend the moratorium for 10 years, to expire after October 26, 2036, for commercial shrimp vessels in the Gulf. The moratorium, first established for 10 years through Amendment 13 to the Shrimp FMP, and then renewed for another 10 years through Amendment 17A to the Shrimp FMP, is

set to expire after October 26, 2026. The moratorium was implemented to create stability and prevent overcapacity in the Gulf shrimp fishery.

This proposed rule is expected to directly regulate all federally permitted commercial fishing businesses that participate in the Gulf shrimp fishery. None of the proposed changes would directly apply to federally permitted dealers or processors. Any change in the supply of shrimp available for purchase by dealers or processors because of the proposed rule, and associated economic effects, would be indirect effects of the proposed rule and would therefore fall outside the scope of the RFA. Additionally, as described in the Regulatory Impact Review of Amendment 19, by extending the moratorium, this proposed rule would be expected to increase barriers to entry for new participants compared with the status quo in which the moratorium would expire. The number of small entities that would intend to enter the Federal Gulf shrimp fishery in the future and their operating characteristics are unknown and cannot be estimated with available data.

From 2019 through 2023, the average annual number of vessels with valid Gulf shrimp moratorium permits was 1,376, though the number of vessels with permits declined each year during this time. As of December 31, 2024, there were 1,287 vessels with valid or renewable Gulf shrimp moratorium permits. From 2019 through 2023, the average number of vessels with valid permits that actively fished (*i.e.*, had landings) in the Gulf shrimp fishery was 932. On average (2019 through 2023), each active shrimp vessel with a Federal Gulf shrimp permit earned $332,653 in gross revenue per year from commercial fishing operations. Net cash flow per vessel was $21,249 and net operating revenue per vessel was $4,810, on average, during this period. Average annual net cash flow and net revenue from operations for average active vessels were positive and increasing through 2021; however, both turned negative in 2022 and remained so in 2023. In 2023, average net cash flow per vessel was -$4,885 and average net operating

revenue per vessel was -$14,635. These numbers correspond with deteriorating economic conditions for the shrimp fishery seen in recent years, including low shrimp prices, increased foreign competition, and rising operating costs. From 2019 through 2023, the maximum annual gross revenue earned by a single federally permitted commercial shrimp vessel was approximately $1.51 million in 2020.

NMFS does not possess complete ownership data for businesses and vessels that participate in the Federal Gulf shrimp fishery. Therefore, it is not currently feasible to accurately determine affiliations between these particular businesses. As a result of the incomplete ownership data, for purposes of this analysis, it is assumed that each of the aforementioned vessels is independently owned by a single business, which is expected to result in an overestimate of the actual number of businesses directly regulated by this proposed rule. Thus, this proposed rule is estimated to directly regulate up to 1,287 businesses in the commercial Gulf shrimp fishing industry.

For RFA purposes only, NMFS has established a small business size standard for businesses, including its affiliates, whose primary industry is commercial fishing (see 50 CFR 200.2). A business primarily engaged in commercial fishing (North American Industry Classification System 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 rule are believed to be small entities based on the NMFS size standard. No other small entities that would be directly affected by this proposed rule have been identified.

The proposed extension of the moratorium on the issuance of new Federal shrimp permits would preserve the asset value of the permits to existing commercial fishing businesses that currently hold Federal shrimp permits. It would also prevent costs

associated with overcapitalization and increased competition within the shrimp industry under open access, which would reduce profitability for commercial fishing businesses. These effects cannot be quantified with existing data. In summary, the proposed extension of the moratorium would improve the economic profitability of shrimp harvesters relative to the status quo in which the moratorium is set to expire after October 26, 2026. The extension of the moratorium would also increase barriers to entry for new participants relative to the status quo. However, factors such as increasing fuel prices, decreasing shrimp prices, and increased competition with imports are assumed to have a greater influence than the cost of a permit on the decision to enter the shrimp fishery.

Two alternatives to the proposed action to extend the Gulf Federal shrimp permit moratorium for 10 years were considered. The first alternative, the no action alternative, would allow the moratorium to expire after October 26, 2026. This alternative would revert the commercial shrimp fishery to open access. Under this alternative, Federal shrimp permits would cease to have any market value. From 2022 through 2024, the median price of a Federal Gulf shrimp permit was estimated to be $5,250. Although the number of potential permit buyers is not known, this loss in asset value would constitute adverse economic effects borne by current permit holders. Reverting to open access would, however, make it cheaper for new participants to obtain a permit and enter the fishery. This alternative was not selected because reverting to open access would fail to accomplish the intent of the moratorium, which was to help stabilize the shrimp fishery and prevent overcapacity. Open access would directly eliminate permit asset value and lead to broader negative impacts on fleet profitability, including overcapitalization, heightened competition, reduced catch per unit effort, and increasing the risk of exceeding thresholds of sea turtle and juvenile red snapper bycatch.

The second alternative would establish a limited access program for commercial shrimp vessels in the Gulf, replacing the open access permit and temporary moratorium

with a new limited access permit. The only operational difference between the current open access permit with the moratorium and a new limited access permit is that the limited access permit would not have an expiration date. Current permit holders would receive the limited access permit if the vessel has a valid or renewable Federal Gulf commercial shrimp permit on October 26, 2026. The new Federal Gulf commercial shrimp vessel limited access permits would still need to be renewed every year, and all previous renewal, transfer, and reporting requirements would still be in effect. This alternative would provide long-term fleet stability and preserve permit asset value similar to the proposed rule, but without a built-in regulatory expiration date. Under this alternative, the previously described barriers to entry for new participants would be extended indefinitely. This alternative was not selected because establishing a limited access program without a mandatory sunset provision reduces the administrative imperative for timely, structured re-evaluations of fleet capacity. A fixed 10-year moratorium ensures that the Council and NMFS re-assess the appropriate threshold number of permits in a timely manner, incorporating updated scientific information, revised effort thresholds for fish bycatch and evolving protected species take limits.

This proposed rule does not contain a change to a collection of information requirement for purposes of the Paperwork Reduction Act of 1995. The existing collection of information requirements would continue to apply under the Office of Management and Budget Control Number 0648-0205, Southeast Region Permit Family of Forms.

List of Subjects in 50 CFR Part 622

Fisheries, Fishing, Recordkeeping and reporting, Shrimp.

Dated: August 19, 2026.

Samuel D. Rauch III,

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 622 as follows:

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

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

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

2. Amend § 622.50, by revising the section heading and introductory paragraph (b) to read as follows:

§ 622.50 Permits, permit issuance moratorium, permit endorsement, and transit provision.

* * * * *

(b) *Moratorium on commercial vessel permits for Gulf shrimp.* The provisions of this paragraph (b) are applicable through October 26, 2036.

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