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3510-22-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

RIN 0648-BO32

Reef Fish Fishery of the Gulf of America; Amendment 63

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

ACTION: Announcement of availability of fishery management plan amendment; request for comments.

SUMMARY: The Gulf Council (Council) has submitted Amendment 63 to the Fishery Management Plan for the Reef Fish Resources of the Gulf (FMP) (Amendment 63) for review, approval, and implementation by NMFS. If approved, Amendment 63 would, for red grouper in the Gulf of America (Gulf), establish a commercial quota pool under a 3-year pilot program within the Grouper-Tilefish Individual Fishing Quota (IFQ) program. The purpose of Amendment 63 is to test whether a new method of distributing a portion of the red grouper commercial quota improves access to red grouper commercial allocation within the IFQ program, reduces bycatch and discards of IFQ species, and enhances economic profitability for quota pool participants.

DATES: Written comments on Amendment 63 must be received no later than [*INSERT DATE 60 CALENDAR DAYS AFTER DATE OF PUBLICATION IN THE* ***FEDERAL REGISTER***].

ADDRESSES: A plain language summary of Amendment 63 is available at *https://www.regulations.gov/docket/NOAA-NMFS-2026-2938*. You may submit comments on this document, identified by NOAA-NMFS-2026-2938, by either of the following methods:

- *Electronic Submission*: Submit comments electronically via the Federal e-Rulemaking Portal. Visit *https://www.regulations.gov* and type NOAA-NMFS-2026-2938 in the Search box. Click on the "Comment" icon, complete the required fields, and enter or attach your comments.
- *Mail*: Send written comments to Dan Luers, 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 may 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, *e.g.*, name, address, *etc.*, 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 63 is available from *https://www.regulations.gov* or from the Southeast Regional Office website at: *https://www.fisheries.noaa.gov/action/gulf-amendment-63-red-grouper-commercial-quota-pool-under-grouper-tilefish-individual*.

Amendment 63 includes an environmental assessment, Regulatory Flexibility Act analysis, regulatory impact review, and fishery impact statement.

FOR FURTHER INFORMATION CONTACT: Dan Luers, NMFS Southeast Regional Office, telephone: 727-824-5305, or email: *Daniel.Luers@noaa.gov*.

SUPPLEMENTARY INFORMATION: The Gulf reef fish fishery, which includes red grouper is managed under the FMP. The FMP was prepared by NMFS and the Council, approved by the Secretary of Commerce, 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). The Magnuson-Stevens Act requires each regional fishery management council to submit any FMP or FMP amendment to the Secretary for review and approval, partial approval, or disapproval. The Magnuson-Stevens Act also requires that NMFS, upon receiving an FMP or FMP amendment, publish an announcement in the **Federal Register** notifying the public that the FMP or amendment is available for review and comment.

Background

The Magnuson-Stevens Act requires NMFS, with advice from the regional fishery management councils, to prevent overfishing and achieve, on a continuing basis, the optimum yield from federally managed fish stocks. These mandates are intended to ensure fishery resources are managed for the greatest overall benefit to the Nation, particularly with respect to providing food production and recreational opportunities, and protecting marine ecosystems.

Unless otherwise noted, all weights in this notice are in pounds (lb), gutted weight.

Anyone commercially fishing for red grouper must possess a Federal commercial vessel permit for Gulf reef fish 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) times the commercial annual quota for red grouper. IFQ allocation may be transferred among eligible IFQ participants. For Gulf red grouper, the commercial quota is equivalent to the commercial annual catch target (ACT) and is 5 percent less than the commercial annual catch limit (ACL). The difference between the commercial ACL and commercial quota allows for multi-use allocation. Red grouper multi-use allocation may, under certain conditions, be used to possess, land, or sell either red grouper or

gag, which is also managed under the IFQ program. The IFQ program acts as the commercial accountability measure for red grouper.

Share Ownership and Patterns of Allocation Distribution

To hold red grouper shares or allocation, a person must have an IFQ shareholder account. Shareholder accounts (also referred to in this notice as IFQ accounts) are capable of holding shares but may hold only allocation. In the annual Gulf of America Grouper-Tilefish Individual Fishing Quota Report, IFQ accounts with shares are categorized by share volume: small shareholders hold less than 0.05 percent of shares, medium shareholders hold between 0.05 and 1.4999 percent of shares, while large shareholders hold equal to or greater than 1.5 percent of shares. For red grouper, and trending overall within the IFQ program, the percentage of shares held by small and medium shareholder accounts have decreased over time while the percentage of shares owned by larger shareholder accounts have increased. The number of IFQ accounts that hold commercial allocation but no shares has also increased since the start of the IFQ program. IFQ accounts that only hold allocation may be related to accounts that hold shares, as industry will often hold their shares in separate accounts for business reasons.

Amendment 62 to the FMP

The Southeast Data, Assessment, and Review (SEDAR) 88 (2025) stock assessment for Gulf red grouper indicated that the red grouper stock was not overfished or undergoing overfishing, and that the size of the stock increased relative to the previous assessment (SEDAR 61, 2019). Based on its review of SEDAR 88, the Council's Standing Scientific and Statistical Committee recommended increases to the Gulf red grouper overfishing limit and acceptable biological catch (ABC).

Based on the results of SEDAR 88 and the SSC's advice, the Council recommended and NMFS implemented Amendment 62 (91 FR 63502, October 6, 2026), effective October 2, 2026. Among other measures, the final rule implementing Amendment 62 increased the Gulf red grouper total ACL, the sector ACLs, the commercial quota, and the recreational ACT. The total ACL is 6.62 million lb (3.00 million kg) in 2026 (80 percent of the ABC), 7.45 million lb (3.38 million kg) in 2027 (90 percent of the ABC), and 8.28 million lb (3.76 million kg) in 2028 and subsequent years (100 percent of the ABC). Amendment 62 set the commercial ACLs at 4.51 million lb (2.05 million kg) for 2026, 5.08 million lb (2.30 million kg) for 2027, and 5.65 million lb (2.56 million kg) for 2028 and subsequent years. The current commercial quotas are set at 4.28 million lb (1.94 million kg) for 2026, 4.83 million lb (2.19 million kg) for 2027, and 5.37 million lb (2.44 million kg) for 2028 and

subsequent years. For comparison, the commercial quota before the implementation of Amendment 62 was 2.79 million lb (1.27 million kg).

In anticipation of the substantial commercial quota increase in Amendment 62 and the desire to improve opportunity for participants to enter the IFQ program and reduce red grouper bycatch, the Council initiated development of Amendment 63. Amendment 63 would establish a pilot program to test a new method to improve access to red grouper allocation for some participants in the IFQ program, determine if the program can reduce bycatch and discards of IFQ species, and determine if a commercial quota pool enhances economic profitability for its participants.

Actions Contained in Amendment 63

Amendment 63 would establish a 3-year commercial quota pool pilot program for red grouper, set quota pool eligibility criteria, and set the distribution method of the red grouper quota pool allocation.

Gulf Red Grouper Commercial Quota Pool

The commercial quota pool would be a 3-year pilot program in effect during the 2027, 2028, and 2029 fishing years. The red grouper commercial quota pool would be in effect through December 31, 2029.

The allocation for the quota pool would be equal to 50 percent of the commercial quota that is greater than 4.28

million lb (1.94 million kg), which is the 2026 commercial quota in Amendment 62. Using the commercial quotas for the 2027 through 2029 fishing years, the resulting total available red grouper commercial quota pool allocation would be 275,000 lb (124,738 kg) in 2027, and 545,000 lb (247,208 kg) in 2028 and 2029.

As described in Amendment 63, quota pool allocation is non-transferable and must be used by eligible participants before they use any other red grouper allocation.

Commercial Quota Pool Eligibility

To be eligible to receive red grouper commercial quota pool allocation, IFQ shareholder account holders would need to possess a valid or renewable Federal commercial reef fish permit and have total red grouper commercial landings of at least 500 lb (227 kg) for each 2-year reference period. The 2-year landing eligibility reference periods are January 1, 2025, through December 31, 2026, for the 2027 fishing year; January 1, 2026, through December 31, 2027, for the 2028 fishing year; and January 1, 2027, through December 31, 2028, for the 2029 fishing year. NMFS would annually determine eligibility to participate in the red grouper commercial quota pool based on permit status and meeting the landings criteria.

To account for any inadvertent exclusion of an otherwise eligible quota pool participant, an appeals process would be established. For each year of the red

grouper commercial quota pool program, up to 10 percent of the available quota pool allocation would be initially withheld by NMFS to evaluate appeals. Appeals of decisions regarding eligibility to participate in the red grouper commercial quota pool would be evaluated by the NMFS National Appeals Office (*https://www.fisheries.noaa.gov/national/rules-regulations/appeals*). Persons seeking to appeal an eligibility decision would have to submit their appeal within 30 days from the date on the initial administrative determination and notification provided by NMFS. The only issues that could be appealed would be a person's Federal commercial reef fish permit status as of January 1 of the distribution year (2027, 2028, or 2029), share status as of January 1 of the distribution year, and a person's red grouper commercial landings during the applicable reference period. A person's Federal commercial reef fish permit status would be determined through information in the NMFS Southeast Regional Office permits system. A person's red grouper commercial landings information and share status would be determined through information as entered in the Catch Share Online System (*https://secatchshares.fisheries.noaa.gov*). No hardship appeals would be considered. By April 1 of the distribution year, NMFS would resolve any appeals and distribute any remaining red grouper commercial quota to eligible

participants as described under the *Distribution of Commercial Quota Pool Allocation* discussion in this notice.

Distribution of Commercial Quota Pool Allocation

During the 3-year commercial quota pool pilot program, available red grouper commercial quota pool allocation would be distributed to eligible IFQ shareholder accounts near the beginning of the fishing year. NMFS would distribute 50 percent of the quota pool allocation to the eligible IFQ accounts with red grouper shares and 50 percent to eligible IFQ accounts with no red grouper shares. During each year of the quota pool, red grouper commercial quota pool allocation would be distributed to each eligible IFQ account proportionally based on red grouper commercial landings over the same 2-year moving reference period used to determine quota pool eligibility.

2027 Red Grouper Commercial Quota Retention Framework Action

As discussed, Amendment 63 would establish the red grouper commercial quota pool that would begin in 2027. However, the time needed to review, approve, and implement Amendment 63 would not allow NMFS to implement the quota pool until after the annual distribution of allocation to the red grouper IFQ shareholders on January 1, 2027. In the IFQ program, NMFS is not able to redistribute commercial allocation after it has been distributed for a fishing year. Therefore, the Council prepared a framework action

under the FMP that would allow NMFS to withhold distribution of 275,000 lb (124,738 kg) of the red grouper 2027 commercial quota, which is the amounted need to implement Amendment 63 in 2027. If a final rule to implement Amendment 63 is not effective by May 1, 2027, NMFS would distribute withheld red grouper allocation to the current shareholders based on their current shares held as of the date of distribution. NMFS published a proposed rule to implement this framework action on September 10, 2026 (91 FR 57532) and is working on the final rule.

Proposed Rule for Amendment 63

A proposed rule to implement Amendment 63 has been drafted. In accordance with the Magnuson-Stevens Act, NMFS is evaluating the proposed rule to determine whether it is consistent with the FMP, the Magnuson-Stevens Act, and other applicable law. If that determination is affirmative, NMFS will publish the proposed rule in the **Federal Register** for public review and comment.

Consideration of Public Comments

The Council submitted Amendment 63 for review, approval, and implementation by the Secretary. Comments on Amendment 63 must be received no later than [*INSERT DATE 60 CALENDAR DAYS AFTER DATE OF PUBLICATION IN THE* ***FEDERAL REGISTER***]. Comments received during the respective comment periods, whether specifically directed to Amendment 63 or the proposed rule, will be considered by NMFS in the

decision to approve, partially approve, or disapprove, Amendment 63. Comments received after the comment periods will not be considered by NMFS in this decision. All comments received by NMFS on the amendment or the proposed rule during their respective comment periods will be addressed in the final rule.

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

Dated: November 23, 2026.

Shannon Bettridge,

Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

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