agencies to evaluate the potential impacts to indirectly regulated entities.

Some of the actions regulated by the proposed 4(d) rule are likely to involve Federal action agencies. 4(d) rules do not alter any obligations for Federal agencies under section 7 of the Act. Federal agencies, in consultation with the Service, are required to ensure that any action authorized, funded, or carried out by the agency is not likely to destroy or adversely modify critical habitat. Therefore, under section 7, only Federal action agencies are directly subject to the specific regulatory requirements. Consequently, it is our position that only Federal action agencies would be directly regulated during section 7 consultations (regardless of what is prohibited in 4(d) rules). The RFA does not require evaluation of the potential impacts to entities not directly regulated. Moreover, Federal agencies are not small entities. Please see our April 2026 ''Consideration of Economic Impacts for the 4(d) Rule for the Kern Canyon slender salamander'' on *https://www.regulations.gov* for our consideration of impacts to small entities. We certify that, if adopted as proposed, this proposed rule would not have a significant economic impact on a substantial number of small entities. We request information (see Information Requested) to ensure we fully understand the potential impacts of this proposed rule.

List of Subjects in 50 CFR Part 17

Endangered and threatened species, Exports, Imports, Plants, Reporting and recordkeeping requirements, Transportation, Wildlife.

Proposed Regulation Promulgation

Accordingly, we propose further to amend part 17, subchapter B of chapter I, title 50 of the Code of Federal Regulations, as proposed to be amended at 87 FR 63150 (October 18, 2022) and 88 FR 81028 (November 21, 2023) as set forth below:

PART 17—ENDANGERED AND THREATENED WILDLIFE AND PLANTS

■ 1. The authority citation for part 17 continues to read as follows:

Authority: 16 U.S.C. 1361–1407; 1531–1544; and 4201–4245, unless otherwise noted.

■ 2. Further amend § 17.43, as proposed to be amended at 87 FR 63150, by revising paragraph (h) to read as follows:

§ 17.43 Special rules—amphibians.

* * * * *

(h) Kern Canyon slender salamander (*Batrachoseps simatus*).

(1) *Prohibitions.* The following prohibitions that apply to endangered wildlife also apply to the Kern Canyon slender salamander. Except as provided under paragraph (v)(2) of this section and §§ 17.4, it is unlawful for any person subject to the jurisdiction of the United States to commit, to attempt to commit, to solicit another to commit, or cause to be committed, any of the following acts in regard to this species:

(i) Import or export, as set forth at § 17.21(b) for endangered wildlife.

(ii) Take, as set forth at § 17.21(c)(1) for endangered wildlife.

(iii) Possession and other acts with unlawfully taken specimens, as set forth at § 17.21(d)(1) for endangered wildlife.

(iv) Interstate or foreign commerce in the course of a commercial activity, as set forth at § 17.21(e) for endangered wildlife.

(v) Sale or offer for sale, as set forth at § 17.21(f) for endangered wildlife.

(2) *Exceptions from prohibitions.* In regard to this species, you may:

(i) Conduct activities as authorized by a permit under § 17.32.

(ii) Take, as set forth at § 17.21(c)(2) through (c)(4) for endangered wildlife.

(iii) Take, as set forth at § 17.31(b).

(iv)Possess and engage in other acts with unlawfully taken wildlife, as set forth at § 17.21(d)(2) for endangered wildlife.

(v) Take incidental to:

(A) Fuels management activities:

(1) That are conducted or authorized by the Federal agency with jurisdiction over the land where the activities occur. This exception includes fuels management activities developed by a Federal, State, county, or other entity to reduce the risk or severity of fire to protect and maintain habitat that supports the Kern Canyon slender salamander. These activities should be in accordance with established and recognized fuels management plans that include measures to minimize impacts to Kern Canyon slender salamander habitat.

(2) That occur on lands where there is no Federal nexus. This exception applies to those situations, whether currently existing or that may develop in the future, where fuels management activities are essential to reduce the risk of catastrophic wildfire, and when such activities will be carried out in accordance with an established and recognized fuels or land management plan that includes measures to minimize impacts to Kern Canyon slender salamander habitat, and

(B) Grazing activities:

(1) On Federal lands, as long as the grazing activities comply with the standards and guidelines of the Federal agency with jurisdiction over the land where the activities occur.

(2) On lands where there is no Federal nexus. Such activities will be carried out in accordance with best management practices that include appropriate grazing standards and guidelines and measures to minimize impacts to Kern Canyon slender salamander habitat (especially riparian areas).

Brian R. Nesvik,

Director, U.S. Fish and Wildlife Service.

[FR Doc. 2026–13719 Filed 7–6–26; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

[Docket No. 260630–0157]

RIN 0648–BO10

Reef Fish Fishery of the Gulf of America; Amendment 62

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

ACTION: Proposed rule; request for comments.

SUMMARY: NMFS proposes to implement management measures described in Amendment 62 to the Fishery Management Plan for the Reef Fish Resources of the Gulf (FMP) (Amendment 62), as prepared and submitted by the Gulf Council (Council). This proposed rule and Amendment 62 would revise the catch limits and sector allocations for Gulf of America (Gulf) red grouper, based on the best scientific information available. Additionally, this proposed rule would remove the shallow-water grouper (SWG) recreational seasonal closure, from February 1 through March 31, in Gulf Federal waters seaward of the 20-fathom boundary.

DATES: Written comments on the proposed rule must be received on or before August 6, 2026.

ADDRESSES: A plain language summary of this proposed rule is available at *https://www.regulations.gov/docket/NOAA-NMFS-2026-0991.* You may submit comments on this document, identified by [NOAA–NMFS–2026–0991], 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–2026–0991] in the Search box. Click on the ''Comment'' icon, complete the required fields, and enter or attach your comments.

Mail: Send written comments to Daniel 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) 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 62 is available from *https://www.regulations.gov* or from the Southeast Regional Office website at: *https://www.fisheries.noaa.gov/action/amendment-62-gulf-red-grouper-management-measures.* Amendment 62 includes an environmental assessment, a Regulatory Flexibility Act (RFA) analysis, regulatory impact review, and fishery impact statement.

FOR FURTHER INFORMATION CONTACT: Daniel 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 the Council and NMFS, 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) (16 U.S.C. 1801 *et seq.*).

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, recreational opportunities, and protecting marine ecosystems.

This action is taken under the statutory authority of Magnuson-Steven Act section 303(a)(15), which requires fishery management plans to establish annual catch limits and accountability measures to prevent overfishing, and section 303(b)(2), which allows the designation of zones where, and periods when, fishing may be limited or not permitted.

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

The current catch limits for red grouper were set in 2022 (87 FR 40742, July 8, 2022). The current Gulf red grouper overfishing limit (OFL) and acceptable biological catch (ABC) are 5.99 million lb (2.72 million kilogram (kg)) and 4.96 million lb (2.25 million kg), respectively. The total annual catch limit (ACL) is set equal to the ABC, and is allocated 59.3 percent to the commercial sector and 40.7 percent to the recreational sector. This allocation was specified in Amendment 53 to the FMP and is informed, in part, by Marine Recreation Information Program—Fishing Effort Survey (MRIP–FES) recreational data (84 FR 25573, May 2, 2022). The current maximum sustainable yield (MSY) proxy for red grouper is based on the yield associated with a fishing mortality rate (F) that would result in a spawning stock biomass (SSB) of 30 percent of the spawning potential ratio (SPR)($F_{30\%SPR}$), where SPR is the ratio of the SSB to its unfished state. A proxy for MSY is used when there is insufficient data to directly determine the MSY.

The most recent stock assessment for red grouper (Southeast Data, Assessment, and Review (SEDAR) 88) was completed in 2025. SEDAR 88 used updated recreational catch and effort data produced by the Florida State Reef Fish Survey (SRFS). To obtain complete estimates of recreational catch for the stock assessment, SRFS combined private recreational landings and discard estimates with charter vessel catch informed by estimates from MRIP–FES, as well as headboat catch informed by the Southeast Region Headboat Survey. Thus, when ''SRFS'' is referred to in this proposed rule with respect to management of the red grouper stock and SEDAR 88, it encompasses all of these sources of recreational data combined. The stock assessment results indicated an increase in the red grouper stock size relative to the previous assessment (SEDAR 61, 2019). Based on its review of SEDAR 88, the Council's Scientific and Statistical Committee (SSC) determined that the Gulf red grouper stock was not overfished or undergoing overfishing and recommended increases to the OFL and ABC. However, because SEDAR 88 used different recreational data than the previous assessment, the current and proposed OFL and ABC are not directly comparable.

Based on the results of SEDAR 88 indicating the stock size has increased, the Council requested that NMFS take emergency action (based on social and economic justification) to increase the red grouper catch limits for the 2025 fishing season (90 FR 37804, August 6, 2025). Because initial projections from SEDAR 88 assumed that any management action initiated by the Council would begin in 2027, the assessment projections required updating to reflect management actions that would begin in 2025. Using these updated projections, the Council's SSC recommended an OFL of 10.64 million lb (4.83 million kg) and an ABC of 8.28 million lb (3.76 million kg).

The SSC's OFL recommendation is consistent with its recommendation to change the current MSY proxy to a more conservative value. As explained above, the current MSY proxy is the yield at $F_{30\%SPR}$. The SSC recommended a more conservative MSY proxy of the yield at $F_{40\%SPR}$. An SPR of 40 percent is more conservative than an SPR of 30 percent because it means that the spawning biomass is closer to the level of an unfished population (40 percent of the level of the unfished population as opposed to 30 percent). The SSC concluded that certain biological and ecological characteristics of red grouper support more conservative management. For example, red grouper 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. The SSC determined that accounting for the complex life history of red grouper is imperative when recommending the revised F_{msy} proxy and thus the OFL. The SSC has, in recent years, recommended setting an MSY proxy of $F_{40\%SPR}$ for hermaphroditic groupers like gag, scamp and yellowmouth grouper, and also yellowedge grouper. Based on their recent management advice to the Council for grouper species with similar life history characteristics to red grouper, the SSC concluded that an $F_{40\%SPR}$ as the proxy for F_{MSY} was appropriate.

Commercial harvest of Gulf red grouper has been managed under the

Grouper-Tilefish Individual Fishing Quota (IFQ) Program since the program was implemented by Amendment 29 to the FMP in 2010 (74 FR 44732, August 31, 2009). The IFQ program serves as the commercial accountability measure (AM) for red grouper. The commercial quota for red grouper is set 5 percent less than the commercial ACL to allow for multi-use allocation with gag to reduce discards and allow commercial fishermen to better use the allocation they have in a given fishing year. Red grouper multi-use allocation can 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 of 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.

The recreational sector is managed using an ACL and ACT, and both in-season and post-season AMs. 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 recreational ACL in a fishing year, the post-season AM requires NMFS to maintain the recreational ACT and shorten the duration of the following fishing year by the amount necessary to ensure landings do not exceed the recreational ACT, unless NMFS determines that managing to the ACT in the following year is unnecessary. If red grouper is overfished and landings exceed the recreational ACL, then both the recreational ACL and ACT must be reduced in the following year by the amount of the previous year's recreational overage. This proposed rule and Amendment 62 would not revise the recreational AMs.

Recreational harvest triggered in-season closures of the red grouper recreational season in each year from 2021 through 2024. In each of those 4 years, both the recreational ACT and ACL were exceeded, resulting in implementation of the post-season AM in 3 of the 4 following years to shorten the red grouper season as required. The post-season AM for the 2025 recreational season, which was triggered by the 2024 overage of the recreational ACL, was not implemented because the emergency action increased the red grouper catch limits.

For the commercial sector, the 5 percent buffer between the commercial ACL and ACT would be retained in this proposed rule to account for the gag multi-use allocation of the IFQ program. For the recreational sector, this proposed rule would maintain the current 9 percent buffer between the recreational ACL and ACT that was set in Amendment 53. This recreational buffer would be maintained because the use of more precise SRFS data to monitor recreational landings and the substantial increase in the recreational ACL are expected to prevent future recreational ACL overages.

In 2013, NMFS implemented a framework action under the FMP that established the current SWG recreational seasonal closure (78 FR 33259, June 4, 2013). The seasonal closure is effective from February 1 through and March 31, annually, in Gulf Federal waters seaward of a line approximating the 20-fathom boundary (50 CFR 622.34(d)). In the Gulf, the SWG species are gag, red grouper, black grouper, scamp, yellowfin grouper, and yellowmouth grouper. The closure was established to provide protection for spawning SWG species in deeper Gulf waters while allowing recreational harvest to occur shoreward of the 20-fathom boundary. Although this proposed rule would eliminate this closure, all SWG species except red grouper have other seasonal closure regulations in effect, or in development, which are expected to prohibit their recreational harvest during February and March beginning in 2027. Gulf gag has a recreational seasonal closure in effect from January through August (50 CFR 622.34(e)). On March 18, 2026, NMFS published a proposed rule that would create recreational seasonal closure for black grouper, yellowfin grouper, scamp, and yellowmouth grouper from January through June (91 FR 12989). If that proposed rule is finalized, red grouper would be the only SWG species affected by the removal of the current SWG recreational seasonal closure. However, as described in Amendment 62, the current seasonal closure may be redirecting red grouper recreational effort inshore and therefore reducing the overall benefit of the closure to the red grouper stock. Additionally, red grouper that are shoreward of the current closure boundary are generally smaller in size and therefore discards may be increased due to the red grouper minimum size limit. The Council determined that it was appropriate to recommend removal of the February through March recreational closure given the increase to the stock size as indicated by SEDAR 88 and the increased catch limits in this proposed rule.

Management Measures Contained in This Proposed Rule

This proposed rule would revise the Gulf red grouper commercial and recreational ACLs, the commercial quota, and the recreational ACT. In addition, this proposed rule would remove the SWG recreational seasonal closure of February through March seaward of the 20-fathom boundary.

Catch Limits

The proposed rule would increase the commercial ACL from 2.94 million lb (1.33 million kg) to 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 commercial quota would increase from 2.79 million lb (1.27 million kg) to 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.

The proposed rule would increase the recreational ACL from 2.02 million lb (0.92 million kg) to 2.11 million lb (0.96 million kg) for 2026, 2.37 million lb (1.08 million kg) for 2027, and 2.63 million lb (1.19 million kg) for 2028 and subsequent years. The recreational ACT would increase from 1.84 million lb (0.83 million kg) to 1.92 million lb (0.87 million kg) for 2026, 2.16 million lb (0.98 million kg) for 2027, and 2.39 million lb (1.08 million kg) for 2028 and subsequent years. The current and proposed recreational catch limits are not directly comparable because of the recreational datasets used in the prior and current assessments, but the proposed catch limits are increases from the current values.

SWG Recreational Seasonal Closure

This proposed rule would remove the recreational seasonal closure from February through March for SWG species in Gulf Federal waters seaward of a line approximating the 20-fathom boundary. Although this proposed rule would eliminate this closure, as previously noted, all SWG species except red grouper have other seasonal closure regulations in effect, or in development, which prohibit their recreational harvest during this time period.

Management Measures in Amendment 62 That Would Not Be Codified by This Proposed Rule

In addition to the measures that would be codified through this proposed rule, Amendment 62 would update the MSY proxy, the OFL, the ABC and the sector allocations for Gulf red grouper. NMFS published a notice of availability of Amendment 62 on April 2, 2026, (91 FR 16623) and will approve, partially approve, or disapprove the amendment within 30 days after the public comment period ends (July 1, 2026).

MSY Proxy, OFL and ABC

Amendment 62 would revise the MSY proxy, OFL, and ABC for red grouper based on the Council's SSC recommendations and consistent with SEDAR 88. The MSY proxy would be defined as the yield at $F_{40\%SPR}$. The OFL would be 10.64 million lb (4.83 million kg), and the ABC would be 8.28 million lb (3.76 million kg). The total ACL would be 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). The Council determined that a phase-in approach to increasing the total catch limits over several years would be appropriate, as the SSC receives an annual interim stock analysis for red grouper and could advise the Council if the increases to the total ACL were no longer warranted.

Sector Allocations

Currently, the commercial sector is allocated 59.3 percent and the recreational sector is allocated 40.7 percent of the total ACL based on each sector's average landings from 1986 through 2005 (including MRIP–FES recreational harvest estimates). Amendment 53 set this allocation to maintain historical fishing practices. The allocation was based on the original reference years (1986 through 2005) for red grouper landings but with updated recreational landings using the MRIP–FES dataset, which was used in the stock assessment that informed the catch levels in Amendment 53. Amendment 62 would update the commercial-recreational allocation using the same reference period (1986–2005), but based on SRFS estimated recreational harvest. This results in a commercial allocation of 68.2 percent and a recreational allocation of 31.8 percent of the total ACL. SRFS recreational landings estimates are lower than those produced by MRIP–FES. 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 from the commercial sector to the recreational sector.

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

The Magnuson-Stevens Act provides the legal 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. This proposed rule contains no information collection requirements under the Paperwork Reduction Act of 1995.

The Senior Lead Counsel for Regulation of the Department of Commerce certified to the Chief Counsel for Advocacy of the Small Business Administration that this proposed rule, if adopted, would not have a significant economic impact on a substantial number of small entities. A description of the factual basis for this determination follows. A copy of the full analysis is available from NMFS (see **ADDRESSES**). All monetary estimates in the following analysis are in 2024 dollars.

A description of this proposed rule, why it is being considered, and the objectives of this proposed rule are contained in the **SUMMARY** and **SUPPLEMENTARY INFORMATION** sections of this proposed rule.

Amendment 62 and this proposed rule would revise the Gulf red grouper OFL, ABC, and total ACL. This proposed rule would also revise the Gulf red grouper sector allocations from 59.3 percent allocated to the commercial sector and 40.7 percent recreational sector to 68.2 percent allocated to the commercial sector and 31.8 percent recreational sector. Additionally, this proposed rule would eliminate the February 1 through March 31 recreational closed season for SWG in Federal waters seaward of the 20-fathom boundary.

This proposed rule would apply to all commercial fishing businesses, charter vessel and headboat (for-hire) fishing businesses, and recreational fishers (anglers) that fish for Gulf red grouper in Federal waters. The proposed rule would also apply to red grouper IFQ shareholders. None of the proposed changes would directly apply to federally-permitted dealers. Any change in the supply of Gulf red grouper available for purchase by dealers as a result of this proposed rule, and associated economic effects, would be an indirect effect of the proposed rule and would therefore fall outside the scope of the RFA.

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 Federal commercial Gulf reef fish permits. In order to commercially harvest Gulf 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 percent of those held red grouper shares. During the same period, there were 324 federally-permitted commercial reef fish vessels, on average each year, with reported landings of red grouper in the Gulf. Their average annual vessel-level gross revenue from all species for 2020 through 2024 was approximately $137,779 and Gulf red grouper landings accounted for approximately 34 percent of this revenue. From 2020 through 2024, the maximum annual revenue from all species reported by a single one of the commercial vessels that landed Gulf red grouper was approximately $1.24 million in 2022. Economic profits for these commercial vessels are estimated to be 28.1 percent of their annual gross revenue, on average, or $38,716 per vessel during this period. Although many fishing businesses own only 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 is expected to result in an overestimate of the actual number of businesses directly regulated by this proposed rule. Additionally, 150 IFQ shareholder accounts, on average from 2020 through 2024, possessed red grouper shares but did not report any landings of red grouper. The account holders either transferred red grouper allocation only or were inactive. It is assumed that each of these accounts is independently owned by a single business as well. Revenue and cost data are not collected directly from IFQ shareholders; therefore, estimates of economic profits for the Gulf red grouper IFQ commercial fishing businesses that did not report landings are unavailable.

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 the commercial fishing businesses directly regulated by this proposed rule are believed to be small entities based on the NMFS size standard.

This proposed rule would also apply to for-hire businesses. For-hire businesses sell fishing services to recreational anglers. As of August 26, 2021, there were 1,273 valid or renewable Gulf reef fish charter vessel/headboat permits. NMFS estimates that the average charter vessel operating in the Gulf receives approximately $107,000 in gross revenue and $32,000 in net income annually. The average headboat receives approximately $325,000 in gross revenue and $95,000 in net income annually. In the Gulf, headboats cater to large, diverse groups of individual anglers and typically market multi-species trips rather than targeting a single stock. Therefore, NMFS assumes that no headboat trips would be gained or lost due the proposed rule and headboats would not experience any direct economic impacts.

For other industries, the Small Business Administration has established size standards for all major industry sectors in the U.S., including for-hire businesses (NAICS code 487210). A business primarily involved in for-hire fishing 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 annual receipts (*i.e.,* revenue) not in excess of $14.0 million for all its affiliated operations worldwide. Based on this information, all for-hire fishing businesses regulated by this proposed rule are determined to be small businesses for the purpose of this analysis.

This proposed rule would revise the total ACL for Gulf red grouper. Specifically, the proposed rule sets the total ACL for Gulf red grouper at 6.62 million lb (3.00 million kg) in 2026, 7.45 million lb (3.38 million kg) in 2027, and 8.28 million lb (3.76 million kg) in 2028 and subsequent years. This proposed rule would also revise the Gulf red grouper sector allocations to be 68.2 percent of the total ACL for the commercial sector and 31.8 percent of the total ACL for the recreational sector. The proposed rule would increase the commercial ACL from 2.94 million lb (1.33 million kg) to 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. This proposed rule would increase the commercial quota from 2.79 million lb (1.27 million kg) to 4.28 million lb (1.94 million kg) in 2026, 4.83 million lb (2.19 million kg) in 2027, and 5.37 million lb (2.44 million kg) in 2028 and subsequent years. Relative to the status quo, NMFS expects 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 would likely decrease. When accounting for potential ex-vessel price changes, the overall change in ex-vessel revenue and profits is positive. NMFS estimates the expected change in ex-vessel revenue resulting from the proposed changes to the total red grouper ACL to be $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. These changes in net benefits equate to approximately a 6 percent increase in baseline annual revenue and profits per active vessel. However, substantial uncertainty exists regarding the commercial sector's actual capacity to harvest the increased amount of the red grouper commercial quota. In recent years, the commercial sector has consistently underutilized the commercial quota. Because of this historical underutilization, the increases to annual revenue and profits, as described above, should be interpreted as an upper bound of potential economic benefits. Therefore, NMFS does not anticipate that this proposed rule would have a significant positive or negative economic impact on any small commercial entities.

This proposed rule could potentially affect prices for red grouper IFQ shares and annual allocations by expanding the available commercial supply. While these precise fluctuations cannot be quantified with current data, annual allocation transfer prices are anticipated to decrease. This would directly lower operating costs for the estimated 30 percent of commercial fishing accounts that rely entirely on transferred allocation to harvest red grouper.

Because the estimated red grouper ex-vessel own-price flexibility is relatively inflexible (−0.533), the market price has historically shown resilience to supply increases. Consequently, the downward pressure on allocation prices might be limited, allowing a realized increase in transfer volume to offset lower per-pound prices and yield higher overall proceeds for IFQ shareholders. However, these revenue projections depend heavily on the fleet's capacity to actually harvest the expanded quota; if the new quota is significantly underutilized, allocation transfer prices could experience a downward trend without the offsetting financial benefit of increased transfer volumes. With respect to long-term IFQ share values, prices would be expected to increase if prospective buyers anticipate higher future earnings from these expanded quotas. If low utilization rates persist or if buyers remain skeptical about future market stability, permanent share values may stabilize or decrease. Regardless of the market-driven indirect effects on allocation and share prices, the proposed rule would directly increase the volume of quota pounds, a marketable asset, distributed to IFQ shareholder accounts.

This proposed rule would set the Gulf red grouper recreational ACL at 2.11 million lb (0.96 million kg) for 2026, 2.37 million lb (1.08 million kg) for 2027, and 2.63 million lb (1.19 million kg) for 2028 and subsequent years. The recreational ACT would be set at 1.92 million lb (0.87 million kg) for 2026, 2.16 million lb (0.98 million kg) for 2027, and 2.39 million lb (1.08 million kg) for 2028 and subsequent years. NMFS expects that under the proposed recreational catch limits, annual target trips of charter vessels for Gulf red grouper would increase during the months of July through December. In 2026, under the proposed red grouper recreational ACL, a short recreational in-season closure is anticipated to occur on December 28, as a result of the recreational ACL being projected to be reached, but in subsequent years, no closure would be expected. Overall, this proposed rule is expected to increase charter vessels' target trips of red grouper by 33,779 in 2026 and 34,359 in 2027, 2028 and subsequent years. In the long-term, because factors of production, such as labor and capital, can be used elsewhere in the economy, NMFS expects only short-term changes to economic profits. NMFS expects the increase of 33,779 additional directed red grouper recreational angler trips in 2026 to increase annual net revenue for charter vessels by approximately $5,776,209. NMFS expects the 34,359 additional directed angler trips in 2027, 2028, and subsequent years to increase net revenue for charter vessels by approximately $5,875,389. Divided by the number of Gulf reef fish charter vessel/headboat permits, this results in an average per vessel increase in annual net revenue of approximately $4,537 in 2026 and $4,615 in 2027, 2028, and subsequent years. Because the count of Gulf reef fish charter vessel/headboat permits includes for-hire vessels that function primarily as headboats, and not all permitted vessels may be active, the estimated average increase in annual net revenue per charter business may be an underestimation.

While the proposed increase to the red grouper recreational ACL is expected to increase charter vessel revenues, there is uncertainty regarding the effort response of these charter vessels and the actual generation of new distinct red grouper trips. Rather than resulting in entirely new red grouper target effort, the increase in the red grouper recreational ACL and longer fishing season may instead result in joint targeting of multiple reef fish species simultaneously, or merely a shift in existing effort away from other grouper species. Because of these confounding targeting dynamics and data limitations, the projected increases in charter vessels' net benefits should be considered an upper bound of potential economic effects and actual benefits are likely to be much smaller. Therefore, NMFS does not anticipate that this proposed rule would have a significant positive or negative economic impact on any small for-hire entities.

This proposed rule also eliminates the February 1 through March 31 recreational closed season for SWG in Gulf Federal waters seaward of a line approximating 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. As explained in the Background section above, all SWG species except red grouper have other seasonal closure regulations in effect, or in development, which prohibit their recreational harvest during this time period. Thus, NMFS expects only the private angling component and the for-hire component specifically targeting and/or catching red grouper would be affected by this change. 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.

Based on the above analysis, this proposed rule, if implemented, would not be expected to impose direct costs or other regulatory burdens on the small entities it would apply to. Although the proposed rule is projected to result in an increase in net benefits for both the commercial sector and for-hire component of the recreational sector, these net benefits are not economically significant in terms of altering overall vessel profitability or changing operational structures, particularly when accounting for baseline catch uncertainties. As such, this proposed rule would not have a significant economic impact on a substantial number of small entities. As a result, an initial regulatory flexibility analysis is not required, and none has been prepared.

List of Subjects in 50 CFR Part 622

Commercial, Fisheries, Fishing, Gulf, Recreational, Red grouper, Reef fish.

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

Dated: June 30, 2026.

Kelly Denit,

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 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.*

§ 622.34 [Amended]

■ 2. In § 622.34, remove and reserve paragraph (d).

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

§ 622.39 Quotas.

* * * * *

(a) * * *

(1) * * *

(iii) * * *

(C) *Red grouper.*

(*1*) For fishing year 2026—4.28 million lb (1.94 million kg).

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

(*3*) For fishing year 2028 and subsequent years—5.37 million lb (2.44 million kg).

* * * * *

■ 4. In § 622.41, revise paragraph (e)(1) and (e)(2)(iv) to read as follows:

§ 622.41 Annual catch limits (ACLs), annual catch targets (ACTs), and accountability measures (AMs).

* * * * *

(e) * * *

(1) *Commercial sector.* The IFQ program for groupers and tilefishes in the Gulf of America serves as the accountability measure for commercial red grouper. The commercial ACT for red grouper is equal to the applicable quota specified in § 622.39(a)(1)(iii)(C). The commercial ACL for red grouper, in gutted weight, is 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.

(2) * * *

(iv) The recreational ACL for red grouper, in gutted weight, is 2.11 million lb (0.96 million kg) for 2026, 2.37 million lb (1.08 million kg) for 2027, and 2.63 million lb (1.19 million kg) for 2028 and subsequent years. The recreational ACT for red grouper, in gutted weight, is 1.92 million lb (0.87 million kg) for 2026, 2.16 million lb (0.98 million kg) for 2027, and 2.39 million lb (1.08 million kg) for 2028 and subsequent years.

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[FR Doc. 2026–13682 Filed 7–6–26; 8:45 am]

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