

**DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Part 1**

[REG–108054–21]

RIN 1545–BQ07

**Information Reporting and Transfer for Valuable Consideration Rules for Section 1035 Exchanges of Life Insurance and Certain Other Life Insurance Contract Transactions; Hearing****AGENCY:** Internal Revenue Service (IRS), Treasury.**ACTION:** Notice of proposed rulemaking; notice of hearing.

**SUMMARY:** This document provides a notice of public hearing on proposed regulations providing guidance on the application of the transfer for valuable consideration rules and associated information reporting requirements for reportable policy sales of interests in life insurance contracts to exchanges of life insurance contracts qualifying for nonrecognition of gain or loss, as well as to certain acquisitions of interests in life insurance contracts in transactions that qualify as corporate reorganizations.

**DATES:** The public hearing on this proposed regulation has been scheduled for Thursday, September 28, 2023, at 10:00 a.m. ET. The IRS must receive speakers' outlines of the topics to be discussed at the public hearing by Wednesday, August 30, 2023. If no outlines are received by Wednesday, August 30, 2023, the public hearing will be cancelled.

**ADDRESSES:** The public hearing is being held in the Auditorium, at the Internal Revenue Service Building, 1111 Constitution Avenue NW, Washington, DC. Due to security procedures, visitors must enter at the Constitution Avenue entrance. In addition, all visitors must present a valid photo identification to enter the building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 30 minutes before the hearing starts. Participants may alternatively attend the public hearing by telephone.

Send submissions to CC:PA:LPD:PR (REG–108054–21), Room 5205, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday to CC:PA:LPD:PR (REG–108054–21), Couriers Desk, Internal Revenue Service, 1111 Constitution Avenue NW,

Washington, DC 20224 or sent electronically via the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov) (IRS REG–108054–21) (preferred).

**FOR FURTHER INFORMATION CONTACT:**

Concerning the proposed regulations, Allan H. Sakaue, (202) 317–6995; concerning submissions of outlines, the hearing, and/or to be placed on the building access list to attend the public hearing, call Vivian Hayes (202) 317–6901 (not a toll-free number) or by email to [publichearings@irs.gov](mailto:publichearings@irs.gov) (preferred).

**SUPPLEMENTARY INFORMATION:** The subject of the public hearing is the notice of proposed rulemaking (REG–108054–21) that was published in the **Federal Register** on Wednesday, May 10, 2023, (FR 88 30058).

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing must submit an outline of the topics to be discussed and the time to be devoted to each topic by August 30, 2023.

A period of 10 minutes will be allotted to each person for making comments. An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing, and via the Federal eRulemaking Portal ([www.Regulations.gov](http://www.Regulations.gov)) under the title of Supporting & Related Material. If no outline of the topics to be discussed at the hearing is received by August 30, 2023, the public hearing will be cancelled. If the public hearing is cancelled, a notice of cancellation of the public hearing will be published in the **Federal Register**.

Individuals who want to testify in person at the public hearing must send an email to [publichearings@irs.gov](mailto:publichearings@irs.gov) to have your name added to the building access list. The subject line of the email must contain the regulation number REG–108054–21 and the language TESTIFY In Person. For example, the subject line may say: Request to TESTIFY In Person at Hearing for REG–108054–21.

Individuals who want to testify by telephone at the public hearing must send an email to [publichearings@irs.gov](mailto:publichearings@irs.gov) to receive the telephone number and access code for the hearing. The subject line of the email must contain the regulation number REG–108054–21 and the language TESTIFY Telephonically. For example, the subject line may say: Request to TESTIFY Telephonically at Hearing for REG–108054–21.

Individuals who want to attend the public hearing in person without

testifying must also send an email to [publichearings@irs.gov](mailto:publichearings@irs.gov) to have your name added to the building access list. The subject line of the email must contain the regulation number REG–108054–21 and the language ATTEND In Person. For example, the subject line may say: Request to ATTEND Hearing In Person for REG–108054–21. Requests to attend the public hearing must be received by 5:00 p.m. ET by Monday, September 25, 2023.

Individuals who want to attend the public hearing by telephone without testifying must also send an email to [publichearings@irs.gov](mailto:publichearings@irs.gov) to receive the telephone number and access code for the hearing. The subject line of the email must contain the regulation number REG–108054–21 and the language ATTEND Hearing Telephonically. For example, the subject line may say: Request to ATTEND Hearing Telephonically for REG–108054–21. Requests to attend the public hearing must be received by 5:00 p.m. ET by Monday, September 25, 2023.

Hearings will be made accessible to people with disabilities. To request special assistance during a hearing please contact the Publications and Regulations Branch of the Office of Associate Chief Counsel (Procedure and Administration) by sending an email to [publichearings@irs.gov](mailto:publichearings@irs.gov) (preferred) or by telephone at (202) 317–6901 (not a toll-free number) by Monday, September 25, 2023. Any questions regarding speaking at or attending a public hearing may also be emailed to [publichearings@irs.gov](mailto:publichearings@irs.gov).

**Oluwafunmilayo A. Taylor,**

*Branch Chief, Publications and Regulations Branch, Associate Chief Counsel (Procedure and Administration).*

[FR Doc. 2023–18193 Filed 8–23–23; 8:45 am]

**BILLING CODE 4830–01–P****DEPARTMENT OF COMMERCE****National Oceanic and Atmospheric Administration****50 CFR Part 622**

[Docket No. 230821–0200]

RIN 0648–BM12

**Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Snapper-Grouper Fishery of the South Atlantic; Amendment 52**

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

**ACTION:** Proposed rule; request for comments.

**SUMMARY:** NMFS proposes regulations to implement Amendment 52 to the Fishery Management Plan for the Snapper-Grouper Fishery of the South Atlantic (FMP), as submitted by the South Atlantic Fishery Management Council (the Council). For golden tilefish, this proposed rule would revise the annual catch limits (ACLs), commercial longline component fishing season, and recreational accountability measures (AMs). For blueline tilefish, this proposed rule would reduce the recreational bag limit, modify the possession limits, and revise the recreational AMs. In addition, Amendment 52 would update the acceptable biological catch (ABC), overfishing limit (OFL), and annual optimum yield (OY). The purpose of this proposed rule and Amendment 52 is to respond to the most recent stock assessment for golden tilefish, and to prevent recreational landings from exceeding the recreational annual catch limits (ACLs) for golden tilefish and blueline tilefish.

**DATES:** Written comments must be received on or before September 25, 2023.

**ADDRESSES:** You may submit comments on the proposed rule, identified by “NOAA–NMFS–2023–0082,” by either of the following methods:

- *Electronic Submission:* Submit all electronic public comments via the Federal e-Rulemaking Portal. Go to <https://www.regulations.gov> and enter “NOAA–NMFS–2023–0082”, in the Search box. Click the “Comment” icon, complete the required fields, and enter or attach your comments.

- *Mail:* Submit written comments to Karla Gore, Southeast Regional Office, NMFS, 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 a part of the public record and will generally be posted for public viewing on [www.regulations.gov](http://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).

Electronic copies of Amendment 52, which includes a fishery impact

statement and a regulatory impact review, may be obtained from the Southeast Regional Office website at <https://www.fisheries.noaa.gov/action/amendment-52-changes-catch-levels-allocations-accountability-measures-and-management>.

**FOR FURTHER INFORMATION CONTACT:**

Karla Gore, telephone: 727–824–5305, or email: [karla.gore@noaa.gov](mailto:karla.gore@noaa.gov).

**SUPPLEMENTARY INFORMATION:** The South Atlantic snapper-grouper fishery, which includes golden tilefish and blueline tilefish, is managed under the FMP. The FMP was developed by the Council and implemented through regulations at 50 CFR part 622 under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act).

**Background**

The Magnuson-Stevens Act requires that NMFS and the regional fishery management councils prevent overfishing and achieve, on a continuing basis, the optimum yield (OY) from federally managed fish stocks. These mandates are intended to ensure that 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. To further this goal, the Magnuson-Stevens Act requires fishery managers to minimize bycatch and bycatch mortality to the extent practicable.

All weights described in this proposed rule are in gutted weight unless otherwise specified.

The South Atlantic stock of golden tilefish was first assessed through the Southeast Data, Assessment, and Review (SEDAR) process in 2004 (SEDAR 4). In response to the assessment, the Council submitted management measures in Amendment 13C to the FMP. The final rule to implement Amendment 13C specified a commercial quota for golden tilefish of 295,000 lb (133,810 kg); a commercial trip limit for golden tilefish of 4,000 lb (1,814 kg), and, if 75 percent of the quota is landed on or before September 1, then a reduction of the trip limit to 300 lb (136 kg); and a recreational bag limit of one golden tilefish per person per day included within the five-grouper aggregate bag limit (71 FR 55096, September 21, 2006). The Council submitted sector allocations for golden tilefish in Amendment 17B to the FMP, allocating 97 percent of the ACL to the commercial sector and 3 percent of the ACL to the recreational sector. In addition, for golden tilefish,

Amendment 17B contained management measures that established: a total ACL of 291,566 lb (132,252 kg), a commercial ACL of 282,819 lb (128,285 kg), and a recreational ACL of 1,578 fish; commercial and recreational AMs; and a longline endorsement for the commercial component of golden tilefish (75 FR 82280, December 30, 2010).

In 2011, a new stock assessment was completed for golden tilefish (SEDAR 25 2011) and the Council submitted Regulatory Amendment 12 to the FMP in response to the assessment. In Regulatory Amendment 12, the total ACL was set at 558,036 lb (253,121 kg), the existing allocations were applied to revise the sector ACLs to 541,295 lb (245,527 kg) for the commercial sector and 3,019 fish for the recreational sector, and the recreational annual catch target and sector AMs were revised (77 FR 61295, October 9, 2012). In Amendment 18B to the FMP, the golden tilefish commercial ACL was divided between two commercial fishing gear components, assigning 75 percent of the ACL to the longline component with a 4,000 lb (1,814 kg) trip limit and 25 percent of the ACL to the hook-and-line component with a 500 lb (227 kg) trip limit (78 FR 23858, April 23, 2013).

In 2016, an update to the SEDAR 25 stock assessment indicated that golden tilefish were undergoing overfishing (SEDAR 25 Update 2016). Following two interim rules that immediately aimed to reduce the overfishing (83 FR 65, January 2, 2018; 83 FR 28387, June 19, 2018), Regulatory Amendment 28 to the FMP implemented long-term measures that reduced the golden tilefish ACLs. The existing allocations were applied to revise the sector ACLs to 331,740 lb (150,475 kg) for the commercial sector (further divided with 75 percent to the longline component and 25 percent to the hook-and-line component) and 2,316 fish for the recreational sector (83 FR 62508, December 4, 2018).

The Council submitted Amendment 52 to the FMP in response to a new stock assessment for golden tilefish. The new assessment, SEDAR 66, was completed in 2020 and it indicated that the stock was not undergoing overfishing and was not overfished. SEDAR 66 includes recreational landings estimates using the Marine Recreational Information Program (MRIP) Fishing Effort Survey (FES) as discussed below. The revised catch levels recommended by the Council in Amendment 52 and in this proposed rule are based on their SSC’s recommended ABC and the results of SEDAR 66. The Council received the

results of the assessment and the SSC's recommendations for the OFL and ABC at the June 2021 Council meeting.

In response to golden tilefish longline vessel fishermen's concerns about avoiding oversupplying the market in the first part of January and allowing commercial longline vessels to remain fishing for golden tilefish during the Lenten season when prices tend to be relatively high, this proposed rule would change the starting date of the fishing season for the commercial longline component from January 1st to January 15th.

As for blue-line tilefish, revising certain management measures would help keep the recreational sector within its ACL because the recreational landings for blue-line tilefish managed under the FMP exceeded the recreational ACL every year from 2015–2020. The most recent stock assessments for blue-line tilefish were completed in 2017 and did not indicate that the stock was undergoing overfishing or was being overfished.

NMFS has preliminarily determined that the actions in Amendment 52 and this proposed rule are based on the best scientific information available and are intended to achieve OY while minimizing, to the extent practicable, adverse social and economic effects pending further review following public comment.

#### **Management Measures Contained in This Proposed Rule**

For golden tilefish, this proposed rule would revise the sector ACLs, commercial component quotas, commercial longline component fishing season, and recreational AMs. For blue-line tilefish, this proposed rule would revise the recreational bag and possession limits and recreational AMs.

##### *Golden Tilefish Total ACL*

As implemented through Regulatory Amendment 28 to the FMP, the current total ACL and annual OY for golden tilefish are equal to the current ABC of 342,000 lb (155,129 kg) (83 FR 62508, December 4, 2018). In Amendment 52, the ABC would be revised based on SEDAR 66 and the recommendation of the SSC, and the ABC, ACL, and annual OY would be set equal to each of these values.

Amendment 52 would revise the total ACL and annual OY equal to the recommended ABC of 435,000 lb (197,313 kg) for 2023; 448,000 lb (203,209 kg) for 2024; 458,000 lb (207,745 kg) for 2025; 466,000 lb (211,374 kg) for 2026 and subsequent fishing years.

##### *Golden Tilefish Sector Allocations and ACLs*

Amendment 52 would revise the sector allocations and sector ACLs for golden tilefish. The current sector ACLs for golden tilefish are based on the commercial and recreational allocations of the total ACL at 97 percent and 3 percent, respectively. The current allocations are based on the allocation formula  $ACL = ((\text{mean landings } 2006\text{--}2008) * 0.5)) + ((\text{mean landings } 1986\text{--}2008) * 0.5))$  adopted by the Council in the Comprehensive ACL Amendment to the FMP, which considered past and present participation (77 FR 15915, March 16, 2012). The Council established those allocations based on balancing long-term catch history with more recent catch history and believed that approach to be a fair and equitable method to allocate fishery resources.

The revised golden tilefish sector allocations in Amendment 52 would result in commercial and recreational allocations of 96.70 percent and 3.30 percent, respectively. The revised sector allocations were achieved by applying the allocation formula (described above) to the recreational MRIP FES estimates used in SEDAR 66. Utilizing these revised recreational estimates would result in a slight shift of allocation to the recreational sector, with the percentages of annual catch increasing from the current 3 percent to the proposed 3.30 percent. The limited recreational effort for, and harvest of, golden tilefish, were considered in determining that allocating 3.30 percent of the revised total ACL for golden tilefish to the recreational sector is a fair and equitable allocation that is reasonably calculated to promote conservation and does not give any entity an excessive share of harvest privileges based on the historical and current harvest of golden tilefish. In addition, this allocation division would encourage a rational and well-managed use of the golden tilefish resource, which optimizes social and economic benefits.

This proposed rule would revise the commercial ACLs (commercial sector hook-and-line and longline components combined) to be 420,645 lb (190,801 kg) for 2023; 433,216 lb (196,503 kg) for 2024; 442,886 lb (200,890 kg) for 2025; and 450,622 lb (204,399 kg) for the 2026 and subsequent fishing years.

This proposed rule would revise the recreational ACLs (in numbers of fish) to be 2,559 for the 2023 fishing year; 2,635 for the 2024 fishing year; 2,694 for the 2025 fishing year; 2,741 for the 2026 and subsequent fishing years.

##### *Golden Tilefish Commercial Component Allocations*

As discussed above, the commercial ACL is allocated between two gear components: 25 percent is allocated to the hook-and-line component and 75 percent to the longline component (77 FR 23858, April 23, 2013). The allocation percentages between the hook-and-line and longline components were not modified in Amendment 52. However, this proposed rule would revise the hook-and-line and longline component ACLs (quotas) based on the revised commercial ACL. The commercial hook-and-line ACL would be 105,161 lb (47,700 kg) for 2023; 108,304 lb (49,126 kg) for 2024; 110,722 lb (50,223 kg) for 2025; and 112,656 lb (51,100 kg) for 2026 and subsequent fishing years.

The ACLs for the longline component would be 315,484 lb (143,101 kg) for 2023; 324,912 lb (147,378 kg) for 2024; 332,165 lb (150,668 kg) for 2025; and 337,967 lb (153,299 kg) for the 2026 and subsequent fishing years.

##### *Golden Tilefish Commercial Longline Component Fishing Season*

This proposed rule would change the start date for the fishing season for the commercial longline component from January 1st to January 15th. A closed season would be established for the commercial longline component annually from January 1 through January 14. Starting the commercial season on January 15th for the longline component would help to avoid oversupplying the market in the first part of January and would allow commercial longline vessels to remain fishing for golden tilefish during the Lenten season when prices tend to be relatively high.

##### *Blue-line Tilefish Recreational Bag and Possession Limits*

In August 2016, Regulatory Amendment 25 to the FMP established the current recreational bag limit of three fish per person per day (81 FR 45245, July 13, 2016). As discussed above, recreational landings for blue-line tilefish have exceeded the recreational ACL every year from 2015–2020. This proposed rule would reduce the recreational bag limit for blue-line tilefish from three to two fish per person per day to help prevent recreational landings from exceeding the recreational ACL in future fishing years.

Additionally, the captain and crew of a for-hire vessel with a valid Federal South Atlantic Charter/Headboat Snapper-Grouper Permit are currently allowed to retain bag limit quantities of

all snapper-grouper species during the open recreational season. In addition to reducing the recreational bag and possession limits to two fish per person per day, this proposed rule would prohibit the retention of blueline tilefish by the captain and crew in Amendment 52. A bag limit of two blueline tilefish per person per day and prohibiting retention of the bag limit by captain and crew would result in an overall 12.2 percent reduction in harvest for the recreational sector. The measures to reduce the blueline tilefish bag limit from three to two fish per person per day and prohibit the retention of the bag limit by for-hire captain and crew would, in combination, be expected to keep the recreational landings of blueline tilefish within the recreational ACL.

#### *Golden Tilefish and Blueline Tilefish Recreational AMs*

This proposed rule would also revise the recreational AMs for golden tilefish and blueline tilefish. The current recreational AMs for golden tilefish were established through the final rule for Amendment 34 to the FMP (81 FR 3731, January 22, 2016). The current recreational AMs for blueline tilefish were established through the final rule for Amendment 32 to the FMP (80 FR 16583, March 30, 2015). The current AMs for both species include an in-season closure for the remainder of the fishing year if recreational landings reach or are projected to reach their respective recreational ACL. The current post-season AMs state if the recreational ACL is exceeded, then during the following fishing year, recreational landings will be monitored for a persistence in increased landings and during that following fishing year, if the total ACL is exceeded and the species is overfished, the length of the recreational fishing season is reduced and the recreational ACL is reduced by the amount of the recreational ACL overage.

This proposed rule would revise the recreational AMs for both golden tilefish and blueline tilefish to remove the current in-season closure if the recreational ACL is reached or is projected to be reached, and the post-season AM that is tied to the overfished status of the stock. The revised recreational AM would have NMFS projecting the length of the recreational season based on catch rates from the previous fishing year to determine when the recreational ACL would be expected to be met. NMFS would announce the length of the recreational season and its ending date annually in the **Federal Register**.

The current AMs would be revised because of the time delay of when recreational landings information becomes available to use for in-season actions for species with short fishing seasons or relatively small amounts of fish. For blueline tilefish, the current recreational fishing season is 4 months long, from May through August, and the recreational ACL for golden tilefish is 2,316 fish. In these circumstances, the current in-season AMs would not be effective in keeping landings from exceeding the recreational ACL. As previously discussed, the recreational landings for blueline tilefish exceeded the recreational ACL every year from 2015–2020. The golden tilefish recreational ACL has also frequently been exceeded, with the recreational sector exceeding its ACL every year since 2010, except for 2014 and 2017.

The current post-season recreational AMs that would apply corrective action for ACL overages were not being triggered because they were tied to a determination that the stock was overfished, and neither blueline nor golden tilefish is considered to be overfished. Consequently, any overages of the recreational ACL would be likely to continue to occur.

In addition, the Magnuson-Stevens Act Guidelines under National Standard 1 advise Councils to reevaluate the system of ACLs and AMs when overages of a stock's ACL occur more than once in 4 consecutive years. The purpose of the revised AMs is to prevent recreational landings from exceeding the respective recreational ACLs for both golden tilefish and blueline tilefish. The revised recreational AMs would be more effective at restraining landings to the recreational ACL. For blueline tilefish, Amendment 52 would both modify the recreational AM and reduce the recreational retention limit to further ensure recreational landings would not exceed the ACL. Amendment 52 and this proposed rule would not adjust commercial AMs for either species.

#### **Management Measures in Amendment 52 Not Codified by This Proposed Rule**

In addition to the measures within this proposed rule, Amendment 52 would revise the OFL and update other biological reference points and revise the ABC, OY, and sector allocations for golden tilefish.

#### *Golden Tilefish ABC and Annual OY*

The current OFL and ABC are inclusive of MRIP Coastal Household Telephone Survey (CHTS) estimates of private recreational and charter landings. The Council's SSC reviewed

the latest stock assessment (SEDAR 66) and recommended new ABC levels as determined by SEDAR 66. The assessment and associated ABC recommendations incorporated the revised estimates for recreational catch and effort from the MRIP Access Point Angler Intercept Survey (APAIS) and the updated FES. MRIP began incorporating a new survey design for APAIS in 2013 and replaced the CHTS with FES in 2018. Prior to the implementation of MRIP in 2008, recreational landings estimates were generated using the Marine Recreational Fisheries Statistics Survey (MRFSS). As explained in Amendment 52, total recreational fishing effort estimates generated from MRIP FES are generally higher than both the MRFSS and MRIP CHTS estimates. This difference in estimates is because MRIP FES is designed to measure fishing activity more accurately and not because there was a sudden increase in fishing effort. The MRIP FES is considered a more reliable estimate of recreational effort by the Council's SSC, the Council, and NMFS, and is a more robust method when compared to the MRIP CHTS method. The new ABC recommendations within Amendment 52 also represent the best scientific information available as determined by the SSC.

The OY for golden tilefish would be specified on an annual basis and would be set equal to the ABC and total ACL in accordance with the guidance provided in the Magnuson-Stevens Act National Standard 1 Guidelines at 50 CFR 600.310(f)(4)(iv).

#### **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 52, 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.

The Magnuson-Stevens Act provides the legal basis for this proposed rule. No duplicative, overlapping, or conflicting Federal rules have been identified. The objective of this proposed rule is to base conservation and management measures for golden and blueline tilefish on the best scientific information available and achieve OY, consistent with the Magnuson-Stevens Act and its National Standards.

The Chief Counsel for Regulation of the Department of Commerce has

certified to the Chief Counsel for Advocacy of the Small Business Administration that this proposed rule, if adopted, will not have a significant economic impact on a substantial number of small entities. A description of the factual basis for this determination follows. All monetary estimates in the following analysis are in 2020 dollars.

This proposed rule would revise the ABC, annual OY, and total ACL for South Atlantic golden tilefish. The current ABC, annual OY, and total ACL are 342,000 lb (155,129 kg). The recreational component of the current total ACL is based on MRIP CHTS data. This proposed rule would change these values to 435,000 lb (197,313 kg) in 2023, 448,000 lb (203,209 kg) in 2024, 458,000 lb (207,745 kg) in 2025, and 466,000 lb (211,374 kg) in 2026 and subsequent fishing years. The recreational component of the proposed total ACL is based on MRIP FES data. This proposed rule would also revise the commercial and recreational allocations of the total ACL for South Atlantic golden tilefish from 97 percent commercial and 3 percent recreational to 96.70 percent commercial and 3.30 percent recreational. In addition, this proposed rule would change the start date of the fishing season for the longline component of the commercial sector from January 1 to January 15. Each of these actions would regulate, and are expected to directly affect, commercial fishing businesses that commercially harvest South Atlantic golden tilefish. The average number of commercial fishing vessels that harvested South Atlantic golden tilefish between 2016 and 2020 was 106 vessels per year. Of those 106 vessels, 20 vessels specifically used longline gear to harvest South Atlantic golden tilefish on average per year.

Although the proposed changes to the total ACL and sector allocations also regulate for-hire fishing businesses that harvest golden tilefish by limiting their aggregate harvest, the analysis assumes that changes in the recreational portion of the total ACL would only affect catch per trip, not the overall number of target trips taken by for-hire fishing businesses, because of the relatively low bag limit for golden tilefish and the relatively large number of substitute target species for golden tilefish. Because for-hire fishing activity is not expected to change, the profits of for-hire businesses are not expected to change because of these actions.

This proposed rule would also modify the recreational AMs for golden tilefish and blueline tilefish. AMs do not regulate or directly affect for-hire fishing

businesses. Thus, those actions are not germane under the Regulatory Flexibility Act (RFA). This proposed rule would also reduce the bag limit for blueline tilefish from 3 fish to 2 fish per angler per day and prohibit captain and crew on for-hire fishing trips from retaining the recreational bag limit. Recreational bag limits regulate the harvesting behavior of recreational anglers, including for-hire captain and crew, not the behavior of for-hire fishing businesses. Recreational anglers are not considered entities under the RFA, and thus the effects of those actions are also not germane to this analysis.

For RFA purposes, NMFS has established a small business size standard for businesses, including their affiliates, whose primary industry is commercial fishing (50 CFR 200.2). A business primarily involved in the commercial fishing industry 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 its combined annual receipts (revenue) do not exceed \$11 million for all its affiliated operations worldwide. NMFS does not possess ownership data to determine whether commercial fishing vessels harvesting South Atlantic golden tilefish may be affiliated. Thus, each vessel is assumed to represent a single commercial fishing business. From 2016 through 2020, the maximum annual gross revenue earned by a single commercial fishing vessel that harvested South Atlantic golden tilefish was about \$581,344. Based on this information, all commercial fishing businesses regulated by this proposed rule are determined to be small entities for the purpose of this analysis.

This proposed rule, if implemented, is expected to regulate all 106 commercial fishing vessels that commercially harvest South Atlantic golden tilefish. These vessels represent about 17 percent of all commercial fishing vessels with South Atlantic snapper grouper permits. Therefore, this proposed rule is expected to affect a substantial number of small entities.

The proposed action to revise the ABC, annual OY, and total ACL for South Atlantic golden tilefish from 342,000 lb (155,129 kg) based on MRIP CHTS data, to 435,000 lb (197,313 kg) in 2023, 448,000 lb (203,209 kg) in 2024, 458,000 lb (207,745 kg) in 2025, and 466,000 lb (211,374 kg) in 2026 and subsequent fishing years based on MRIP FES data is expected to benefit commercial fishing vessels that harvest South Atlantic golden tilefish. Specifically, commercial landings of South Atlantic golden tilefish averaged 335,285 lb (152,083 kg) per year from

2016 through 2020. The proposed total ACLs would increase the commercial ACL from 2023 through 2026 by an average of 105,102 lb (47,673 kg) per year. Because the commercial sector typically harvests all or almost all its ACL, it is assumed that the proposed commercial ACLs would be fully harvested. Given an average ex-vessel price of \$4.71 per pound, annual gross revenue is expected to increase by approximately \$495,030 per year on average. Because economic profit is approximately 4 percent of annual gross revenue for the affected fleet of commercial vessels, economic profit is expected to increase by about \$19,801, or by approximately \$187 per vessel. Average annual economic profit for these vessels is approximately \$3,309 per vessel. Thus, this proposed action is expected to increase these commercial fishing vessels' economic profits by about 5.7 percent.

The proposed action to reduce the commercial allocation of the total ACL for South Atlantic golden tilefish from 97 percent to 96.70 percent is expected to have minor adverse effects on commercial fishing vessels. Even though the proposed commercial ACLs for 2023 through 2026 are higher than the current commercial ACL of 331,740 lb (150,475 kg), as well as the average commercial landings from 2016 through 2020, the reduction in the commercial allocation of the total ACL would be expected to reduce landings from what they would have been if the commercial allocation remained at 97 percent. However, the average reduction in commercial landings under the proposed commercial allocation of 96.70 percent is only 1,355 lb (615 kg) per year on average from 2023 through 2026. This reduction in landings would be expected to reduce gross revenue by \$6,383 per year, and thus economic profit by \$255 per year. On a per vessel basis, the reductions in gross revenue and economic profit are only \$60.00 and \$2.40 per year. Thus, economic profit per commercial fishing vessel is expected to be reduced by less than 0.01 percent on average per year as a result of reducing the commercial allocation of the total ACL. These minor adverse effects are significantly outweighed by the positive effects of the proposed action to change the total ACL.

The proposed action to change the starting date of the fishing season for the longline component of the commercial sector from January 1 to January 15 is expected to benefit vessels that harvest South Atlantic golden tilefish using longline gear. Starting the longline season at a later date is expected to shift some of the longline landings of South

Atlantic golden tilefish from January to March and April. From 2016 through 2020, the average ex-vessel price of South Atlantic golden tilefish in January was only \$4.53 per pound. However, the average ex-vessel price was \$4.86 per pound in March and \$5.10 per pound in April. By shifting a higher proportion of the landings into March and April, gross revenue from commercial golden tilefish landings by longline vessels is expected to increase by approximately \$27,475 per year on average. Economic profit is therefore expected to increase by about \$1,100 per year on average. From 2016 through 2020, average gross revenue was approximately \$106,479 per year while average economic profit per year was about \$4,259 per commercial longline vessel. Given that 20 vessels harvested South Atlantic golden tilefish per year on average during this time, gross revenue and economic profit per vessel are expected to increase by \$1,374 and \$55, respectively. Thus, the proposed change in the starting date for the longline season from January 1 to January 15 is expected to increase annual economic profit by about 1.3 percent on average per vessel.

Based on the information above, although a substantial number of small entities would be affected by this proposed rule, this proposed rule would not have a significant economic impact on those entities. Because this proposed rule, if implemented, would not have a significant economic impact on a substantial number of small entities, an initial regulatory flexibility analysis is not required and none has been prepared.

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

#### List of Subjects in 50 CFR Part 622

Blueline tilefish, Commercial, Fisheries, Fishing, Golden tilefish, Recreational, South Atlantic.

Dated: August 21, 2023.

#### 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 MEXICO, AND SOUTH ATLANTIC

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

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

■ 2. In § 622.183, add paragraph (b)(10) to read as follows:

#### § 622.183 Area and seasonal closures.

\* \* \* \* \*

(b) \* \* \*

(10) *Golden tilefish commercial longline component.* The golden tilefish commercial longline component in or from the South Atlantic EEZ is closed from January 1 through January 14, each year. During a closure, no vessel with a valid or renewable golden tilefish longline endorsement as described at 50 CFR 622.191(a)(2)(ii), and no person, may fish for, harvest or possess golden tilefish from the South Atlantic EEZ with longline gear on board.

■ 3. In § 622.187, add paragraph (b)(2)(iv) to read as follows:

#### § 622.187 Bag and possession limits.

\* \* \* \* \*

(b) \* \* \*

(2) \* \* \*

(iv) No more than two fish may be blueline tilefish. However, no blueline tilefish may be retained by the captain or crew of a vessel operating as a charter vessel or headboat. The bag limit for such captain and crew is zero.

\* \* \* \* \*

■ 4. In § 622.190, revise paragraph (a)(2) to read as follows:

#### § 622.190 Quotas.

\* \* \* \* \*

(a) \* \* \*

(2) *Golden tilefish.* (i) *Commercial sector (hook-and-line and longline components combined).*

(A) For the 2023 fishing year—420,645 lb (190,801 kg).

(B) For the 2024 fishing year—433,216 lb (196,503 kg).

(C) For the 2025 fishing year—442,886 lb (200,890 kg).

(D) For the 2026 and subsequent fishing years—450,622 lb (204,399 kg).

(ii) *Hook-and-line component.*

(A) For the 2023 fishing year—105,161 lb (47,700 kg).

(B) For the 2024 fishing year—108,304 lb (49,126 kg).

(C) For the 2025 fishing year—110,722 lb (50,223 kg).

(D) For the 2026 and subsequent fishing years—112,656 lb (51,100 kg).

(iii) *Longline component.*

(A) For the 2023 fishing year—315,484 lb (143,101 kg).

(B) For the 2024 fishing year—324,912 lb (147,378 kg).

(C) For the 2025 fishing year—332,165 lb (150,668 kg).

(D) For the 2026 and subsequent fishing years—337,967 lb (153,299 kg).

\* \* \* \* \*

■ 5. Amend § 622.193 by:

■ a. Revising paragraphs (a)(1)(iii), (a)(2);

■ b. Adding new paragraph (a)(3); and

■ c. Revising paragraph (z)(2).

The revisions and addition read as follows:

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

(a) \* \* \*

(1) \* \* \*

(iii) If all commercial landings of golden tilefish, as estimated by the SRD, exceed the commercial ACL (including both the hook-and-line and longline component quotas) specified in § 622.190(a)(2)(i), and the combined commercial and recreational ACL specified in paragraph (a)(3) of this section is exceeded during the same fishing year, and golden tilefish are overfished based on the most recent Status of U.S. Fisheries Report to Congress, the AA will file a notification with the Office of the Federal Register to reduce the commercial ACL for that following fishing year by the amount of the commercial ACL overage in the prior fishing year.

(2) *Recreational sector.* The recreational ACL for golden tilefish is 2,559 fish for the 2023 fishing year; 2,635 fish for the 2024 fishing year; 2,694 for the 2025 fishing year; 2,741 fish for the 2026 and subsequent fishing years. NMFS will project the length of the recreational fishing season based on catch rates from the previous fishing year and when NMFS projects the recreational ACL specified in this paragraph (a)(2) is expected to be met, and annually announce the recreational fishing season end date in the **Federal Register**. On and after the effective date of the recreational closure notification, the bag and possession limit for golden tilefish in or from the South Atlantic EEZ is zero.

(3) *Combined commercial and recreational ACL.* The combined commercial and recreational ACL is 435,000 lb (197,313 kg), gutted weight, for the 2023 fishing year; 448,000 lb (203,209 kg), gutted weight, for the 2024 fishing year; 458,000 lb (207,745 kg), gutted weight, for the 2025 fishing year; and 466,000 lb (211,374 kg), gutted weight, for the 2026 and subsequent fishing years.

\* \* \* \* \*

(z) \* \* \*

(2) *Recreational sector.* The recreational ACL for blueline tilefish is 116,820 lb (52,989 kg), round weight. NMFS will project the length of the recreational fishing season based on catch rates from the previous fishing year and when NMFS projects the

recreational ACL specified in this paragraph (z)(2) is expected to be met, and annually announce the recreational fishing season end date in the **Federal**

**Register.** On and after the effective date of the recreational closure notification, the bag and possession limit for blueline

tilefish in or from the South Atlantic EEZ is zero.

\* \* \* \* \*

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