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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 679

RIN 0648-BD74

Fisheries of the Exclusive Economic Zone Off Alaska; Fishery Management Plan for Groundfish of the Gulf of Alaska

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

ACTION: Notice of availability of a proposed fishery management plan amendment; request for comments.

SUMMARY: NMFS announces that the North Pacific Fishery Management Council (Council) has submitted Amendment 96 to the Fishery Management Plan for Groundfish of the Gulf of Alaska (GOA FMP) for review by the Secretary of Commerce (Secretary). Amendment 96 would revise the sablefish individual fishing quota program (IFQ Program) to allow Gulf of Alaska Community Quota Entities (CQEs) to transfer and hold small blocks of sablefish quota share (QS). Amendment 96 would allow CQEs to acquire additional QS and facilitate sustained participation by CQE community residents in the IFQ Program. This action is necessary to promote the goals and objectives of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), the GOA FMP, and other applicable laws.

DATES: Comments on Amendment 96 must be received by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments on this document, identified by NOAA–NMFS–2013–0161, by any of the following methods:

- Electronic Submission: Submit all electronic public comments via the Federal e Rulemaking Portal. Go to www.regulations.gov/#!docketDetail;D=NOAA-NMFS-2013-0161, click the “Comment Now!” icon, complete the required fields, and enter or attach your comments.
- Mail: Submit written comments to Glenn Merrill, Assistant Regional Administrator, Sustainable Fisheries Division, Alaska Region, NMFS, Attn: Ellen Sebastian. P.O. Box 21668, Juneau, AK 99802–1668.

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

Electronic copies of the Regulatory Impact Review (RIR) and the Initial Regulatory Flexibility Analysis (IRFA) for Amendment 96 are available from <http://www.regulations.gov> or from the NMFS Alaska Region Web site at <http://alaskafisheries.noaa.gov>.

FOR FURTHER INFORMATION CONTACT: Peggy Murphy, 907-586-7228.

SUPPLEMENTARY INFORMATION: The Magnuson-Stevens Act requires that each regional fishery management council submit any FMP or FMP amendment it prepares to the Secretary for review and approval, disapproval, or partial approval. The Magnuson-Stevens Act also requires that NMFS, upon receiving an FMP amendment, immediately publish a notice in the Federal Register that the amendment is available for public review and comment. This notice announces that proposed Amendment 96 to the GOA FMP is available for public review and comment.

Amendment 96 to the GOA FMP would revise the IFQ Program for sablefish fisheries in the Gulf of Alaska. The IFQ Program for the fixed-gear commercial fisheries for halibut and sablefish in waters in and off Alaska is a limited access privilege program implemented in 1995 (58 FR 59375, November 9, 1993). The IFQ Program limits access to the halibut and sablefish fisheries to those persons holding QS in specific management areas. The amount of halibut and sablefish that each QS holder may harvest is calculated annually and issued as IFQ in pounds.

In 2002, the Council recommended revisions to IFQ Program regulations and policy to allow a non-profit entity to hold QS on behalf of residents of specific rural communities located adjacent to the coast of the GOA. In 2004, NMFS implemented the Council's recommendations as Amendment 66 to the GOA FMP (69 FR 23681, April 30, 2004). Amendment 66 implemented the community quota entity program (CQE Program) to allow these communities to form non-profit corporations called CQEs to transfer and hold catcher vessel QS under the IFQ Program. GOA CQEs that transfer and hold QS on behalf of an eligible community may lease the resulting annual IFQ to fishermen who are residents of the community. The GOA CQE Program was developed

to allow a distinct set of small, remote, coastal communities in Southeast and Southcentral Alaska to transfer and hold halibut and sablefish QS for use by community residents in order to help minimize adverse economic impacts of the IFQ Program on such communities and provide for the sustained participation of the communities in the IFQ fisheries.

Amendment 96 is specific to the GOA CQE Program and does not affect the Aleutian Islands CQE Program. Where the terms “CQE” or “CQE Program” are used in this notice, they are specifically referring to the regulations and management measures applicable to the GOA CQE Program, and not to the Aleutian Islands CQE Program.

The CQE Program includes a number of management provisions that originated from the IFQ Program structure and affect the use of CQE-held QS and the annual IFQ derived from the QS. The provisions relevant to Amendment 96 include management area and vessel size category designations for QS; QS use caps; and QS blocks. Under some of these provisions, a CQE has the same privileges and is held to the same limitations as individual QS holders in the IFQ fishery. For example, CQE-held QS is subject to the same IFQ regulatory area use cap that applies to non-CQE held QS. In other instances, the CQE is subject to less restrictive provisions than individual, non-CQE QS holders. For example, a community resident leasing IFQ from a CQE may fish the IFQ derived from QS assigned to a larger vessel size category on a smaller size category of catcher vessel. In other instances, the CQE must operate under more restrictive provisions than individual, non-CQE QS holders, in part to protect existing QS holders and preserve “entry-level” opportunities for new entrants.

Amendment 96 would amend the GOA FMP to remove the restriction on CQEs transferring and holding sablefish QS blocks that are less than a minimum size. The IFQ Program initially issued QS in blocks. A block is a consolidation of QS units that cannot be subdivided upon transfer. The CQE Program prohibits CQEs from holding “small blocks” of QS in GOA IFQ regulatory areas. The amount of QS units that comprise a small block in each IFQ regulatory area in the GOA is specified for the sablefish fishery in regulations at 50 CFR 679.41.

A primary purpose of QS blocks was to conserve small blocks of QS that could be transferred at a relatively low cost by crew members and new entrants to the IFQ fisheries. Smaller blocks of QS are typically designated for vessels of a smaller size category: category C in the sablefish fishery. New entrants tend to own or hold smaller category C vessels. Because blocks were structured to be limited in size, blocked QS typically is less expensive and more affordable for new entrants. The IFQ Program also limits the number of blocks individual QS holders and CQEs may transfer and hold in order to prevent unrestricted transferring of the type of QS that is most useful and affordable for new entrants to purchase.

When the CQE Program was developed, the Council and NMFS were concerned that CQEs would try to acquire as much of the most affordable QS as they were allowed to hold and that gains in CQE holdings could reflect losses of QS holdings among residents of the same CQE communities. The Council and NMFS were also concerned that CQEs might have greater access to capital than would individuals, so they could buy up blocks of QS that are most in demand by non-CQE fishermen with small operations. The Council and NMFS determined it was appropriate to restrict CQEs from transferring

or holding small blocks of QS to preserve fishing opportunities for new entrants in certain IFQ regulatory areas.

CQEs participating in the CQE Program have made little progress towards reaching the regulatory limits on the maximum amount of QS that may be transferred or IFQ that may be harvested. Since implementation of the CQE program in 2004, only two of the 45 communities eligible for the CQE program have formed CQEs, transferred QS, and harvested the resulting IFQ. These two CQEs do not hold sablefish QS. Based on a review of the CQE Program in 2010, the Council determined that lack of participation in the CQE Program can be attributed to limited availability of QS for transfer, increased market prices for halibut and sablefish QS, and limited viable options for financing QS transfer. However, the Council also noted that the current prohibition on CQEs' transferring and holding blocks of QS of less than a minimum size may contribute to their low participation in the CQE Program. Given these factors, the Council and NMFS determined it was appropriate to relieve the prohibitions on CQEs' transferring or holding small blocks of QS.

The Council adopted Amendment 96 on April 6, 2013. Amendment 96 would remove the restriction on CQEs' transferring and holding small blocks of QS and allow all CQEs to transfer any size block of sablefish QS to hold for use by eligible community members. The objectives of Amendment 96 are to provide CQE communities in the GOA with increased opportunity to transfer and hold QS, and sustain participation of CQE community residents in the IFQ fisheries.

In proposing Amendment 96, the Council and NMFS considered the current participation of CQE and non-CQE QS holders in the IFQ fishery, and the potential

changes in access to QS, effects on the QS market, and social and economic tradeoffs. Given the reasons for low participation in the CQE Program described above, the Council and NMFS determined it is unlikely that CQEs would transfer the maximum amount of QS made available by Amendment 96. Thus, small block halibut QS would continue to be available to non-CQE participants in the IFQ sablefish fishery. The Council and NMFS determined that removing the small block restriction from the CQE Program could improve the ability of CQEs to obtain the most affordable blocks of QS without negatively impacting the ability of non-CQE fishery participants to obtain the similar size blocks of QS.

An RIR/IRFA was prepared for Amendment 96 that describes the CQE Program, the purpose and need for this action, the management alternatives evaluated to address this action, the economic and socioeconomic effects of the alternatives, and the potential adverse economic impacts on small entities directly regulated by the proposed rule (see ADDRESSES).

Amendment 96 and its proposed implementing regulations are designed to comply with the Magnuson-Stevens Act, the national standards, and other applicable law. The proposed amendment and implementing regulations particularly address National Standard 8, which provides that conservation and management programs shall, consistent with the conservation requirements of the Act, take into account the importance of fishery resources to communities in order to provide for the sustained participation of such communities, and to the extent practicable, minimize adverse economic impacts on such communities.

The IFQ Program for Pacific halibut is implemented under the authority of the Northern Pacific Halibut Act of 1982. The Council does not have a halibut fishery management plan. The Council and Secretary, however, consider the impacts of all the IFQ management measures on fishery-dependent communities. If Amendment 96 is approved, then regulations affecting the halibut and sablefish IFQ Program would be implemented in one rule. Amendment 96 is intended to promote the goals and objectives of the Magnuson-Stevens Act, the GOA FMP, and other applicable laws.

Public comments are being solicited on proposed Amendment 96 to the GOA FMP through the end of the comment period stated in this notice of availability (see DATES). A proposed rule that would implement Amendment 96 will be published in the Federal Register for public comment, following NMFS's evaluation of the proposed rule under the Magnuson-Stevens Act. Public comments, whether specifically directed to the amendment or the proposed rule, must be received, not just postmarked or otherwise transmitted, by 5 p.m., A.l.t., on the last day of the comment period (see DATES). Comments received by the end of the comment period will be considered in the approval/disapproval decision on Amendment 96. Comments received after that date will not be considered in the decision to approve or disapprove Amendment 96.

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

Dated: July 22, 2014

Alan D. Risenhoover,
Director, Office of Sustainable Fisheries,
National Marine Fisheries Service.

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