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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 648

[Docket No. 131115971-4345-02]

RIN 0648-XC995

Magnuson-Stevens Act Provisions; Fisheries of the Northeastern United States; Northeast Multispecies Fishery; 2014 Sector Operations Plans and Contracts and Allocation of Northeast Multispecies Annual Catch Entitlements

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

ACTION: Final rule.

SUMMARY: We have partially approved 17 sector operations plans and contracts for fishing year 2014, providing allocations of Northeast multispecies (groundfish) to these sectors, and granting 20 regulatory exemptions. Approval of sector operations plans is necessary to allocate quotas to the sectors and for the sectors to operate. The Northeast Multispecies Fishery Management Plan allows limited access permit holders to form sectors, and requires sectors to submit their operations plans and contracts to us, NMFS, for approval or disapproval. Approved sectors are exempt from certain effort control regulations and receive allocations of groundfish based on their members' fishing history.

DATES: Effective May 1, 2014, through April 30, 2015.

ADDRESSES: Copies of each sector's final operations plan and contract, and the environmental assessment (EA), are available from the NMFS Greater Atlantic Regional Fisheries Office: John K. Bullard, Regional Administrator, National Marine Fisheries Service, 55 Great Republic Drive, Gloucester, MA 01930. These documents are also accessible via the Federal eRulemaking Portal: <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Brett Alger, Fishery Management Specialist, phone (978) 675-2153, fax (978) 281-9135. To review Federal Register documents referenced in this rule, you can visit <http://www.nero.noaa.gov/sfd/sfdmultifr.html>.

SUPPLEMENTARY INFORMATION:

Background

Amendment 13 to the FMP (69 FR 22906, April 27, 2004) established a process for forming sectors within the groundfish fishery, implemented restrictions applicable to all sectors, and authorized allocations to a sector of a total allowable catch (TAC) for specific groundfish species. Amendment 16 to the Northeast (NE) Multispecies Fishery Management Plan (FMP) (74 FR 18262, April 9, 2010) expanded sector management, revised the two existing sectors to comply with the expanded sector rules (summarized below), and authorized 17 new sectors. Framework Adjustment (FW) 45 to the FMP (76 FR 23042, April 25, 2011) further revised the rules for sectors and authorized 5 new sectors (for a total of 24 sectors). FW 48 to the FMP (78 FR 26118, May 3, 2013) eliminated dockside monitoring requirements, revised at-sea monitoring (ASM) requirements, removed the prohibition on requesting an exemption to allow access in year-round groundfish closures, and modified minimum fish sizes for several groundfish stocks.

The FMP defines a sector as “[a] group of persons (three or more persons, none of whom have an ownership interest in the other two persons in the sector) holding limited access vessel

permits who have voluntarily entered into a contract and agree to certain fishing restrictions for a specified period of time, and which has been granted a TAC(s) [*sic*] in order to achieve objectives consistent with applicable FMP goals and objectives.” Sectors are self-selecting, meaning each sector can choose its members.

The groundfish sector management system allocates a portion of the Groundfish stocks to each sector. These annual sector allocations are known as annual catch entitlements (ACE), which are a portion of a stock’s annual catch limit (ACL) available to commercial groundfish vessels, based on the collective fishing history of a sector’s members. Currently, sectors may receive allocations of most large-mesh groundfish stocks, with the exception of Atlantic halibut, windowpane flounder, Atlantic wolffish, and ocean pout. A sector determines how to harvest its ACEs and may decide to consolidate operations to fewer vessels.

Because sectors elect to receive an allocation under a quota-based system, the FMP grants sector vessels several “universal” exemptions from the FMP’s effort controls. These universal exemptions apply to: Trip limits on allocated stocks; the Georges Bank (GB) Seasonal Closure Area; groundfish days-at-sea (DAS) restrictions; the requirement to use a 6.5-inch (16.5-cm) mesh codend when fishing with selective gear on GB; portions of the Gulf of Maine (GOM) Rolling Closure Areas; and the ASM coverage rate for sector vessels fishing on a monkfish DAS in the Southern New England (SNE) Broad Stock Area (BSA) with extra-large mesh gillnets. The FMP prohibits sectors from requesting exemptions from permitting restrictions, gear restrictions designed to minimize habitat impacts, and reporting requirements.

Of the 24 approved sectors, we received operations plans and contracts for FY 2014 from 19 sectors. Two sectors that submitted operations plans (Northeast Fishery Sector (NEFS) XII and GB Cod Hook Sector), did not meet the membership requirements; therefore, their proposed

operations plan and contract were disapproved. The remaining five sectors that did not submit operations plans or contracts for FY 2014 were the following: The Tri-State Sector; the State of Maine Permit Bank Sector; the State of New Hampshire Permit Bank Sector; the Commonwealth of Massachusetts Permit Bank Sector; and the State of Rhode Island Permit Bank Sector.

We determined that the remaining 17 sector operations plans and contracts that we have approved, and 20 of the 28 regulatory exemptions requested, are consistent with the goals of the FMP and meet sector requirements outlined in the regulations at § 648.87. These 17 operations plans are similar to previously approved plans, but include new exemption requests. Copies of the operations plans and contracts, and the EA, are available at <http://www.regulations.gov> and from NMFS (see ADDRESSES). Of the 17 approved operations plans and contracts, the Northeast Fishery Sector IV and Sustainable Harvest Sector 3 are approved to operate as lease-only sectors. The Sustainable Harvest Sector 3 operation plan has not explicitly prohibited fishing activity, and it may transfer permits to active vessels.

We intend to consider an additional exemption request to access GB closed areas (Closed Area I and II) later in the year, should results of any approved experimental fishing permits (EFPs) indicate that such an exemption is appropriate. The remaining exemption requests were not approved because they are prohibited; or because they were previously rejected, continue to be of concern, and no new information has been provided that justifies their approval.

Sector Allocations

Based on sector enrollment as of March 6, 2014, we use projected FY 2014 allocations in this final rule. All permits enrolled in a sector, and the vessels associated with those permits, have until April 30, 2014, to withdraw from a sector and fish in the common pool for FY 2014.

We will publish final sector ACEs and common pool sub-ACL totals, based upon final rosters, as soon as possible after the start of FY 2014.

We calculate the sector's allocation for each stock by summing its members' potential sector contributions (PSC) for a stock and then multiplying that total percentage by the available commercial sub-ACL for that stock, as approved in FW 51 to the FMP (79 FR 22421, April 22, 2014). Table 1 shows the projected total PSC for each sector by stock for FY 2014. Table 2 shows the total percentage of each commercial sub-ACL each sector will receive for FY 2014, based on their preliminary FY 2014 rosters. Table 3 shows the allocations each sector will be allocated for FY 2014, also based on their preliminary FY 2014 rosters. At the start of the fishing year, we provide the final allocations, to the nearest pound, to the individual sectors, and we use those final allocations to monitor sector catch. While the common pool does not receive a specific allocation, the common pool sub-ACLs have been included in each of these tables for comparison.

The Eastern GB cod and haddock allocations are the portion of the overall stock that is allowed to be fished in the Eastern U.S./Canada Area. A sector's Eastern GB cod and haddock allocations are not ACEs. They are established differently than all other sector allocations because the Eastern GB cod and haddock allocations are derived from the negotiated commercial Eastern U.S./Canada Area GB cod TAC and commercial Eastern U.S./Canada GB haddock TAC.

We do not assign an individual permit separate PSCs for the Eastern GB cod or haddock allocations. To determine these allocations, we sum the PSCs that determine a sector's overall allocation of GB cod and GB haddock. Next, we determine what portion each sector is allocated for the entire GB cod and haddock stock, to calculate what allocation they should

receive from the Eastern TACs. For example, if based on their summed PSCs, a sector is allocated 4 percent of the GB cod ACL and 6 percent of the GB haddock ACL, the sector is allocated 4 percent of the commercial Eastern U.S./Canada Area GB cod TAC and 6 percent of the commercial Eastern U.S./Canada Area GB haddock TAC as its Eastern GB cod and haddock allocations, respectively. After the Eastern GB cod and haddock allocations are determined, a sector's Western GB cod and haddock allocations are determined by subtracting the sector's Eastern GB cod and haddock allocations, from the sector's overall GB cod and haddock ACEs. In Table 1, we display the summed PSCs for each sector for GB cod and haddock stocks. In Tables 2 and 3, we display each sector's Eastern and Western GB cod and haddock allocations.

Effective May 1, 2014, sector vessels will be allowed to "convert" their Eastern GB haddock allocation into Western GB allocation (see a detailed discussion of this in the preamble of the FW 51 final rule (79 FR 22421, April 22, 2014).

As in past years, at the start of FY 2014, we will temporarily withhold 20 percent of each sector's FY 2014 allocation until we finalize FY 2013 catch information. Further, we will allow sectors to transfer FY 2013 ACE during the first 2 weeks of the FY 2014, to reduce or eliminate any FY 2013 overages. If necessary, we will reduce any sector's FY 2014 allocation to account for a remaining overage in FY 2013. We will notify the New England Fishery Management Council (Council) and sector managers of this deadline in writing and will announce this decision on our website at <http://www.nero.noaa.gov/>.

Table 1. Cumulative PSC (percentage) each sector would receive by stock for FY 2014.* ^

Sector Name	MRI Count	GB Cod†	GOM Cod	GB Haddock†	GOM Haddock	GB Yellowtail Flounder	SNE/MA Yellowtail Flounder#	CC/GOM Yellowtail Flounder#	American Plaice	Whitch Flounder	GB Winter Flounder	GOM Winter Flounder	Redfish	White Hake	Pollock	SNE/MA Winter Flounder
GB Cod Fixed Gear Sector	110	27.7187652	2.5068706	5.7635716	1.8395884	0.0123886	0.3060998	2.9033038	0.9790070	2.1325916	0.0277426	12.8717032	2.7407884	5.6997809	7.3785136	1.6692625
Maine Coast Community Sector (MCCS)	47	0.2114995	4.6630090	0.0395965	2.6011472	0.0035323	0.6667122	1.0536941	7.6387313	5.0772769	0.0068281	1.9627665	2.5643560	4.4144662	3.8119949	0.1940182
Maine Permit Bank	11	0.1336075	1.1492395	0.0443548	1.1199549	0.0137850	0.0321106	0.3178479	1.1646276	0.7269113	0.0002179	0.4249961	0.8216190	1.6524646	1.6874090	0.0180626
Northeast Coastal Communities Sector (NCCS)	27	0.1740970	0.8501848	0.1216258	0.3597150	0.8393602	0.7302995	0.6251104	0.1589448	0.2206130	0.0685123	0.9278558	0.4319774	0.8134323	0.5074558	0.2996902
Northeast Fishery Sector (NEFS) 1	3	0.0000000	0.0306041	0.0000000	0.0024811	0.0000000	0.0000000	0.0375929	0.0085640	0.0127498	0.0000010	0.0520129	0.0000000	0.0000000	0.0000000	0.0000033
NEFS 2	81	5.7808968	18.2446046	10.6924724	16.3588365	1.9075770	1.4248602	19.3055237	7.8675431	12.8010638	3.2168483	18.4274024	14.7422925	5.9407394	11.2577262	3.2653448
NEFS 3	78	1.2612072	14.4191404	0.1460681	9.2842531	0.0098398	0.3590667	8.8639321	4.0567458	2.8387311	0.0266284	9.4935548	1.3430784	4.7490064	6.8097303	0.7726008
NEFS 4	50	4.1381240	9.5914098	5.3164106	8.3526592	2.1621402	2.3750667	5.4681958	9.2934517	8.4953936	0.6942616	6.2374853	6.6411228	8.0567318	6.1393473	1.2931355
NEFS 5	32	0.7979991	0.0133177	1.0545222	0.2901758	1.6118660	23.2082206	0.4835766	0.4950357	0.6677514	0.5161382	0.0663284	0.0768672	0.1217510	0.1058620	12.6787289
NEFS 6	22	2.8659400	2.9524674	2.9238881	3.8473961	2.7015724	5.3083842	3.7414306	3.8821159	5.2012950	1.5099866	4.5507864	5.3094704	3.9113417	3.2932033	1.9420660
NEFS 7	22	4.6649273	0.3897190	4.6164917	0.4691433	10.0783940	4.1080098	2.3462826	3.5281719	3.2394525	12.9721033	0.7508559	0.5856567	0.8216469	0.7097297	5.1540039
NEFS 8	20	6.1422466	0.4600415	5.9985552	0.2009146	11.2622229	6.0476051	6.3971200	1.7169131	2.5705446	15.5471714	3.1621940	0.5496173	0.5130669	0.6068766	10.1280189
NEFS 9	60	14.2444086	1.7349389	11.6052277	4.7950694	26.7868494	8.0107461	10.4132360	8.2740946	8.2768532	39.5057397	2.4349381	5.8311941	4.1532226	4.2265969	18.6655066
NEFS 10	43	0.7286659	5.2095482	0.2513744	2.5327740	0.0170099	0.5511594	12.6728872	1.7036605	2.3939180	0.0138532	17.8357434	0.5456655	0.8941782	1.3881624	0.7337771
NEFS 11	56	0.4067456	13.6235002	0.0381361	3.2095989	0.0015465	0.0196885	2.5860325	2.1010485	2.0740601	0.0033948	2.2490781	1.9850728	4.8338743	9.4360794	0.0217399
NEFS 13	53	7.9163672	0.9481422	15.9577164	0.9882535	24.7284783	18.7771592	5.0289858	5.1397617	6.1955135	7.2595811	2.3399439	3.9806140	1.7387059	2.2694485	10.9846917
New Hampshire Permit Bank	4	0.0021248	1.1371624	0.0002596	0.0311224	0.0000206	0.0000204	0.0217996	0.0284913	0.0061599	0.0000060	0.0602536	0.0193957	0.0812698	0.1108496	0.0000791
Sustainable Harvest Sector 1	117	20.6543341	19.6606617	34.3375612	42.7121538	14.1011734	8.4061446	13.2169833	39.5137017	34.4472276	17.3117144	10.3753856	51.2964331	50.7701107	39.5589945	19.5502425
Sustainable Harvest Sector 3	13	0.2524345	0.1480278	0.3784477	0.0651533	2.1517974	2.3273643	1.1105795	0.6105928	0.6159958	0.5523792	1.3156641	0.1711486	0.1479781	0.0493450	1.2106040
Common Pool	524	1.9056090	2.2674102	0.7137198	0.9396095	1.6104464	17.3412825	3.4058855	1.8387968	2.0058973	0.7668921	4.4610515	0.3636302	0.6862322	0.6526747	11.4184235

* The data in this table are based on preliminary FY 2014 sector rosters.

^ Percentages have been rounded to seven decimal places. In some cases, this table shows a sector allocation of 0 percent of an ACE, but that sector may actually be allocated a small amount of that stock.

† For FY 2014, 8.37 percent of the GB cod ACL would be allocated for the Eastern U.S./Canada Area, while 58.27 percent of the GB haddock ACL would be allocated for the Eastern U.S./Canada Area.

SNE/MA Yellowtail Flounder refers to the SNE/Mid-Atlantic stock. CC/COM Yellowtail Flounder refers to the Cape Cod/GOM stock.

Table 2. Proposed ACE (in 1,000 lbs), by stock, for each sector for FY 2014.*#^

Sector Name	GB Cod-East	GB Cod-West	GOM Cod	GB Haddock-East	GB Haddock-West	GOM Haddock	GB Yellowtail Flounder	SNE/MA Yellowtail Flounder	CC/GOM Yellowtail Flounder	American Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	Redfish	White Hake	Pollock	SNE/MA Winter Flounder
GB Cod Fixed Gear Sector	90	991	46	1271	911	9	0	4	31	30	29	2	203	638	538	2151	45
MCCS	1	8	85	9	6	13	0	8	11	233	68	1	31	597	416	1111	5
Maine Permit Bank	0	5	21	10	7	5	0	0	3	35	10	0	7	191	156	492	0
NCCS	1	6	16	27	19	2	5	9	7	5	3	5	15	101	77	148	8
NEFS 1	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0
NEFS 2	19	207	334	2358	1689	79	11	18	204	240	172	240	290	3434	560	3282	87
NEFS 3	4	45	264	32	23	45	0	4	94	124	38	2	150	313	448	1985	21
NEFS 4	14	148	176	1173	840	41	12	30	58	283	114	52	98	1547	760	1790	34
NEFS 5	3	29	0	233	167	1	9	289	5	15	9	39	1	18	11	31	338
NEFS 6	9	102	54	645	462	19	15	66	40	118	70	113	72	1237	369	960	52
NEFS 7	15	167	7	1018	729	2	57	51	25	107	44	968	12	136	77	207	137
NEFS 8	20	220	8	1323	948	1	63	75	68	52	35	1160	50	128	48	177	270
NEFS 9	46	509	32	2560	1834	23	150	100	110	252	111	2948	38	1358	392	1232	498
NEFS 10	2	26	95	55	40	12	0	7	134	52	32	1	281	127	84	405	20
NEFS 11	1	15	249	8	6	16	0	0	27	64	28	0	35	462	456	2751	1
NEFS 13	26	283	17	3519	2521	5	139	233	53	157	83	542	37	927	164	662	293
New Hampshire Permit Bank	0	0	21	0	0	0	0	0	0	1	0	0	1	5	8	32	0
Sustainable Harvest Sector 1	67	738	360	7573	5426	207	79	105	140	1204	463	1292	163	11948	4788	11533	522
Sustainable Harvest Sector 3	1	9	3	83	60	0	12	29	12	19	8	41	21	40	14	14	32
Sectors Total	320	3506	1788	21898	15688	480	552	1028	1020	2991	1318	7405	1505	23207	9367	28964	2363
Common Pool	6	68	41	157	113	5	9	216	36	56	27	57	70	85	65	190	305

*The data in this table are based on preliminary FY 2014 sector rosters.

#Numbers are rounded to the nearest thousand lbs. In some cases, this table shows an allocation of 0, but that sector may be allocated a small amount of that stock in tens or hundreds pounds.

^ The data in the table represent the total allocations to each sector. NMFS will withhold 20 percent of a sector's total ACE at the start of the FY.

Table 3. Proposed ACE (in metric tons), by stock, for each sector for FY 2014.*#^

Sector Name	GB Cod-East	GB Cod-West	GOM Cod	GB Haddock-East	GB Haddock-West	GOM Haddock	GB Yellowtail Flounder	SNE/MA Yellowtail Flounder	CC/GOM Yellowtail Flounder	American Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	Redfish	White Hake	Pollock	SNE/MA Winter Flounder
GB Cod Fixed Gear Sector	41	449	21	577	413	4	0	2	14	14	13	1	92	290	244	976	20
MCCS	0	3	39	4	3	6	0	4	5	106	31	0	14	271	189	504	2
Maine Permit Bank	0	2	10	4	3	2	0	0	2	16	4	0	3	87	71	223	0
NCCS	0	3	7	12	9	1	2	4	3	2	1	2	7	46	35	67	4
NEFS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEFS 2	9	94	151	1070	766	36	5	8	92	109	78	109	132	1558	254	1489	40
NEFS 3	2	20	120	15	10	20	0	2	42	56	17	1	68	142	203	901	9
NEFS 4	6	67	80	532	381	18	6	13	26	128	52	24	45	702	345	812	16
NEFS 5	1	13	0	105	76	1	4	131	2	7	4	17	0	8	5	14	153
NEFS 6	4	46	25	293	210	8	7	30	18	54	32	51	33	561	167	435	23
NEFS 7	7	76	3	462	331	1	26	23	11	49	20	439	5	62	35	94	62
NEFS 8	9	100	4	600	430	0	29	34	31	24	16	526	23	58	22	80	123
NEFS 9	21	231	14	1161	832	11	68	45	50	114	50	1337	17	616	178	559	226
NEFS 10	1	12	43	25	18	6	0	3	61	24	15	0	127	58	38	184	9
NEFS 11	1	7	113	4	3	7	0	0	12	29	13	0	16	210	207	1248	0
NEFS 13	12	128	8	1596	1144	2	63	106	24	71	38	246	17	421	74	300	133
New Hampshire Permit Bank	0	0	9	0	0	0	0	0	0	0	0	0	0	2	3	15	0
Sustainable Harvest Sector 1	31	335	163	3435	2461	94	36	47	63	546	210	586	74	5419	2172	5231	237
Sustainable Harvest Sector 3	0	4	1	38	27	0	5	13	5	8	4	19	9	18	6	7	15
Sectors Total	145	1590	811	9933	7116	218	250	466	463	1357	598	3359	683	10527	4249	13138	1072
Common Pool	3	31	19	71	51	2	4	98	16	25	12	26	32	38	29	86	138

*The data in this table are based on preliminary FY 2014 sector rosters.

#Numbers are rounded to the nearest metric ton, but allocations are made in pounds. In some cases, this table shows a sector allocation of 0 metric tons, but that sector may be allocated a small amount of that stock in pounds.

^ The data in the table represent the total allocations to each sector. NMFS will withhold 20 percent of a sector's total ACE at the start of the FY.

Sector Operations Plans and Contracts

We received 19 sector operations plans and contracts by the September 3, 2013, deadline. Each sector elected to submit a single document that is both its contract and operations plan. Therefore, these submitted operations plans not only contain the rules under which each sector would fish, but also provide the legal contract that binds each member to the sector. The GB Cod Hook Sector and NEFS XII submitted operations plans for FY 2014, however, no members elected to join these sectors, therefore, they do not qualify as sectors for FY 2014, and their operations plan are disapproved. All sectors proposed operations plans are for FY 2014 only. Each sector's operations plan, and sector members, must comply with the regulations governing sectors (§ 648.87). In addition, each sector and sector member must conduct fishing activities as detailed in its approved operations plan.

Participating vessels are required to comply with all pertinent Federal fishing regulations, except as specifically exempted and detailed in the letter of authorization (LOA) issued by the Regional Administrator. If, during a fishing year, a sector requests an exemption that we have already approved, or proposes a change to administrative provisions, we may amend the sector operations plans. Should any amendments require modifications to LOAs, we would include these changes in updated LOAs and provide the updated LOAs to the appropriate sector's members.

Each sector is required to ensure that it does not exceed its ACE during the FY. Sector vessels are required to retain all legal-sized allocated groundfish stocks, unless a sector is granted an exemption allowing its member vessels to discard legal-sized unmarketable fish at sea. Catch (defined as landings and discards) of all allocated groundfish stocks by a sector's vessels count against the sector's ACEs. Catch from a sector trip (e.g., not fishing under provisions of a

regulatory groundfish exempted fishery or with exempted gear) also targeting dogfish, monkfish, skate, or lobster (with non-trap gear) would be deducted from the sector's ACE, because these trips use gear capable of catching groundfish. This includes trips that have declared into Exemption 18 (below), since vessels fishing under this sector exemption, i.e., vessel fishing with both small mesh and large mesh during the same trip, are considered a sector trip for purposes of monitoring ACE. Alternatively, catch from a trip in an exempted fishery (and fishing outside of a sector trip) does not count against a sector's allocation, and is counted instead against a separate "other" sub-component ACL.

For FYs 2010 and 2011, there was no requirement for an industry-funded ASM program, and NMFS was able to fund an ASM program with a target ASM coverage rate of 30 percent of all trips. In addition, we provided 8-percent observer coverage through the Northeast Fishery Observer Program (NEFOP), which helps to support the Standardized Bycatch Reporting Methodology (SBRM) and stock assessments. This resulted in an overall target coverage rate of 38 percent, between ASM and NEFOP, for FYs 2010 and 2011. For FY 2012, we conducted an analysis to determine the total coverage that would be necessary to achieve the same level of precision as attained by the 38-percent total coverage target used for FY's 2010 and 2011, and ultimately set a target coverage rate of 25 percent for FY 2012, which was 17 percent ASM, and 8 percent NEFOP. For FY 2013, we conducted the same analysis, and set a target coverage rate of 22 percent for FY 2013, which was 14 percent ASM, and 8 percent NEFOP. Since the beginning of FY 2012, industry was required to pay for ASM coverage, while we continued to fund NEFOP. However, we were able to fund both ASM and NEFOP in FY 2012 and 2013. As announced on February 21, 2014, NMFS will cover the ASM costs for groundfish sectors to meet the requirements under the NE Multispecies FMP in FY 2014, as well.

Amendment 16 regulations require NMFS to specify a level of ASM coverage that is sufficient to at least meet the same coefficient of variation (CV) specified in the SBRM and also to accurately monitor sector operations. FW 48 clarified that the SBRM CV level should be met at the overall stock level. The appropriate level of ASM coverage meets the CV requirement specified in the SBRM and minimizes the cost burden to sectors and NMFS to the extent practicable, while still providing a reliable estimate of overall catch by sectors needed for monitoring ACEs and ACLs. Based on this standard, NMFS has determined that the appropriate target coverage rate for FY 2014 is 26 percent. Using both NEFOP and ASM, we expect to cover 26 percent of all FY 2014 sector trips. Discards derived from these observed and monitored trips will be used to calculate discards for unobserved sector trips. We have published a more detailed summary of the supporting information, explanation and justification for this decision at:

http://www.nero.noaa.gov/ro/fso/reports/Sectors/ASM/FY2014_Multispecies_Sector_ASM_Requirements_Summary.pdf

The draft operations plans submitted in September 2013 included industry-funded ASM plans for FY 2014. However, because NMFS will be funding and operating ASM for sectors in FY 2014, we have removed these ASM plans from the final sector operations plans.

Each sector contract details the method for initial ACE sub-allocation to sector members. For FY 2014, each sector has proposed that each sector member could harvest an amount of fish equal to the amount each individual member's permit contributed to the sector. Each sector operations plan submitted for FY 2014 states that the sector would withhold an initial reserve from the sector's ACE sub-allocation to each individual member to prevent the sector from exceeding its ACE. A sector and sector members can be held jointly and severally liable for

ACE overages, discarding legal-sized fish, and/or misreporting catch (landings or discards). Each sector contract provides procedures to enforce the sector operations plan, explains sector monitoring and reporting requirements, presents a schedule of penalties for sector plan violations, and provides sector managers with the authority to issue stop fishing orders to sector members who violate provisions of the operations plan and contract.

Sectors are required to monitor their allocations and catch. To help ensure a sector does not exceed its ACE, each sector operations plan explains sector monitoring and reporting requirements, including a requirement to submit weekly catch reports to us. If a sector reaches an ACE threshold (specified in the operations plan), the sector must provide sector allocation usage reports on a daily basis. Once a sector's allocation for a particular stock is caught, that sector is required to cease all fishing operations in that stock area until it acquires more ACE, unless that sector has an approved plan to fish without ACE for that stock. ACE may be transferred between sectors, but transfers to or from common pool vessels is prohibited. Within 60 days of when we complete year-end catch accounting, each sector is required to submit an annual report detailing the sector's catch (landings and discards), enforcement actions, and pertinent information necessary to evaluate the biological, economic, and social impacts of each sector.

Approved FY 2013 Exemptions

Previously Approved Exemptions Approved for FY 2014 (1-16)

We approved exemptions from the following requirements for FY 2014, all of which have been previously requested and approved: (1) 120-day block out of the fishery required for Day gillnet vessels, (2) 20-day spawning block out of the fishery required for all vessels, (3) prohibition on a vessel hauling another vessel's gillnet gear, (4) limits on the number of gillnets

that may be hauled on GB when fishing under a groundfish/monkfish DAS, (5) limits on the number of hooks that may be fished, (6) DAS Leasing Program length and horsepower restrictions, (7) prohibition on discarding, (8) daily catch reporting by sector managers for sector vessels participating in the Closed Area (CA) I Hook Gear Haddock Special Access Program (SAP), (9) powering vessel monitoring systems (VMS) while at the dock, (10) prohibition on fishing inside and outside of the CA I Hook Gear Haddock SAP while on the same trip, (11) prohibition on a vessel hauling another vessel's hook gear, (12) the requirement to declare intent to fish in the Eastern U.S./Canada SAP and the CA II Yellowtail Flounder/ Haddock SAP prior to leaving the dock, (13) gear requirements in the Eastern U.S./Canada Area, (14) seasonal restrictions for the Eastern U.S./Canada Haddock SAP, (15) seasonal restrictions for the CA II Yellowtail Flounder/Haddock SAP, and (16) sampling exemption. These exemptions were used consistent with the purpose for which they were approved and benefitted sector operations. The rationale for their approval remains valid. A detailed description of the previously approved exemptions and rationale for their approval can be found in the applicable final rules identified in Table 4 below:

Table 4. Exemptions from Previous FYs to be Approved in FY 2014

Exemptions	Rulemaking	Publication Date	Citation
1-9, 13	FY 2011 Sector Operations Final Rule	April 25, 2011	76 FR 23076
10-12	FY 2012 Sector Operations Final Rule	May 2, 2012	77 FR 26129
14-16	FY 2013 Sector Operations Interim Final Rule	May 2, 2013	78 FR 25591
NE Multispecies FR documents can be found at http://www.nero.noaa.gov/sfd/sfdmultifr.html			

Please note that on March 17, 2014, NMFS published a proposed rule (79 FR 14635) that proposes to modify the reporting requirements for vessels declared to fish in the Eastern U.S./Canada Area. These proposed requirements, if approved, may affect vessels using Exemption 12 above, which allows a vessel to flex at-sea into portions of the Eastern

U.S./Canada Area, by declaring either the Eastern U.S./Haddock SAP or the CA II Yellowtail Flounder/Haddock SAP. A final rule for that action is expected sometime in May 2014.

Exemptions of Concern that are Approved for FY 2014 (17-20)

17. Limits on the Number of Gillnets Imposed on Day Gillnet Vessels

The FMP limits the number of gillnets a Day gillnet vessel may fish in the groundfish regulated mesh areas (RMA) to prevent an uncontrolled increase in the number of nets being fished, thus undermining applicable DAS effort controls. The limits are specific to the type of gillnet within each RMA: 100 gillnets (of which no more than 50 can be roundfish gillnets) in the GOM RMA (§ 648.80(a)(3)(iv)); 50 gillnets in the GB RMA (§ 648.80(a)(4)(iv)); 75 gillnets in the Southern New England (SNE) RMA (§ 648.80(b)(2)(iv)(B)); and 75 gillnets in the Mid-Atlantic (MA) RMA (§ 648.80(c)(2)(v)(B)). An exemption from these net restrictions was previously approved in FYs 2010, 2011, and 2012, which allowed sector vessels to fish up to 150 nets (any combination of flatfish or roundfish nets) in any RMA to provide greater operational flexibility to sector vessels in deploying gillnet gear. Although sectors requested that the 150-net limit be continued in FY 2013, effort analysis of all sector vessels from previous fishing years using gillnet gear, indicated an increase in gear used with no corresponding increase in catch efficiency. Based on the concern of this exemption potentially having an impact on protected species and GOM spawning cod, beginning in FY 2013, we restricted its use to seasons with minimal cod spawning in the GOM, i.e., late spring. Therefore, a vessel fishing in the GOM RMA was able to use this exemption seasonally, but was restricted to the 100-net gillnet limit in blocks 124 and 125 in May, and in blocks 132 and 133 in June. A vessel fishing in GB RMA, SNE RMA, MA RMA, and the GOM RMA outside of these times and areas did not have this

additional restriction. For FY 2014, we proposed this same exemption, including the GOM seasonal restrictions that we approved in FY 2013.

We received two comments pertaining to the exemption. One commenter pointed out that effort controls are no longer a concern in a fishery that is managed through a hard quota (e.g., ACLs). Although hard quotas may allow for more flexibility and may reduce the need for some effort controls, restrictions such as net limits may still be necessary to mitigate impacts to protected resources, spawning fish, and gear conflicts. The second commenter supported the exemption as proposed and recognized the need to restrict nets seasonally in the GOM to address impacts on cod spawning. Both commenters highlighted the recent efforts to increase pinger compliance for gillnet gear.

Based on the comments received and the concern for protected species and spawning cod, we have approved this exemption as proposed for FY 2014. Gillnet vessels will be restricted to a 150 gillnet limit in the GB, SNE, MA, and GOM RMAs, with the exception that in blocks 124 and 125 in May, and in blocks 132 and 133 in June, the vessel will be restricted to a 100-gillnet limit.

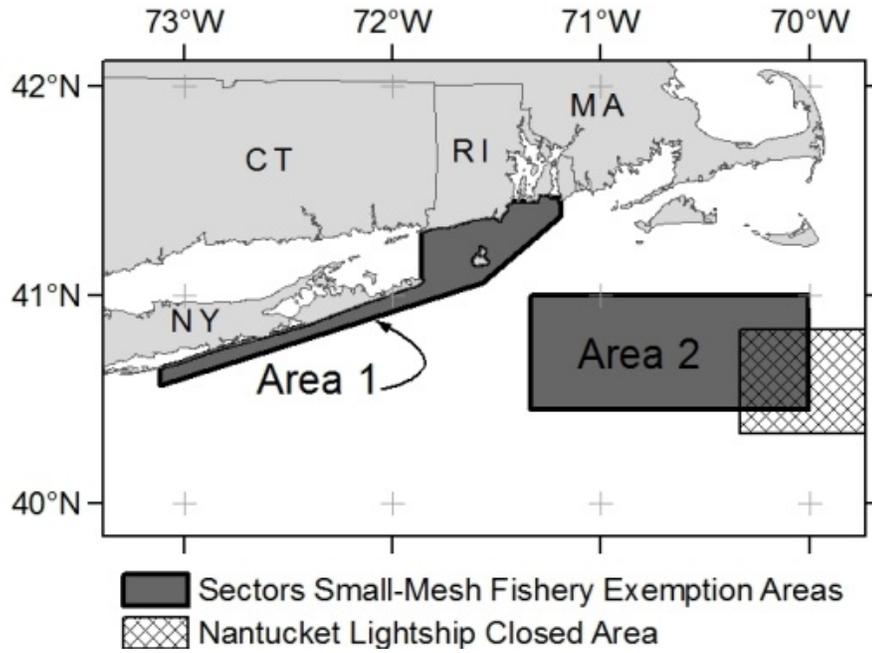
18. Prohibition on Combining Small-Mesh Exempted Fishery and Sector Trips

We received an exemption request in FY 2013 to allow sector vessels to fish in small-mesh exempted fisheries (e.g., whiting, squid) and in the large-mesh groundfish fishery on the same trip. A full description of the request and relevant regulations is in the FY 2013 Sector proposed rule (78 FR 16220, see page 16230, March 14, 2013). In summary, we raised several concerns about the exemption, including the ability to monitor these trips, the impacts that the exemption could have on juvenile fish, and the enforceability of using multiple mesh sizes on the same trip (i.e., participating in multiple directed fisheries on a single trip). We received

comments in support of and against the exemption request. Ultimately, it was disapproved in the FY 2013 Sector interim final rule (78 FR 25591, May 2, 2013) for the concerns stated above.

For FY 2014, we proposed a similar exemption that would allow vessels to possess and use small-mesh and large-mesh trawl gear on a single trip within portions of the SNE RMA with modifications intended to address our concerns. First, we proposed modifications developed by sectors to address some of the concerns from FY 2013, sectors proposed restricting vessels using this exemption to fishing with smaller mesh in two discrete SNE areas that have been shown to have minimal amounts of regulated species and ocean pout. The map (Figure 1) and coordinates for these two areas are shown below.

Figure 1 – Sectors Small-Mesh Exemption Areas 1 and 2



Sector Small-Mesh Fishery Exemption Area 1 is bounded by the following coordinates connected in the order listed by straight lines, except where otherwise noted:

Point	N. Latitude	W. Longitude	Note
A	40°39.2'	73°07.0'	
B	40°34.0'	73°07.0'	
C	41°03.5'	71°34.0'	
D	41°23.0'	71°11.5'	
E	41°27.6'	71°11.5'	(1)
F	41°18.3'	71°51.5'	
G	41°04.3'	71°51.5'	(2)
A	40°39.2'	73°07.0'	

¹ From POINT E to POINT F along the southernmost coastline of Rhode Island and crossing all bays and inlets following the COLREGS Demarcation Lines defined in 33 CFR part 80.

²From POINT G back to POINT A along the southernmost coastline of Long Island, NY and crossing all bays and inlets following the COLREGS Demarcation Lines defined in 33 CFR part 80.

Sector Small-Mesh Fishery Exemption Area 2 is bound by the following coordinates connected in the order listed by straight lines:

Point	N. Latitude	W. Longitude
H	41°00.0'N	71°20.0'W
I	41°00.0'N	70°00.0'W
J	40°27.0'N	70°00.0'W
K	40°27.0'N	71°20.0'W
H	41°00.0'N	71°20.0'W

Sectors also proposed that one of the following trawl gear modifications would be required for use when using small mesh in these two areas: Drop chain sweep with a minimum of 12 inches (30.48 cm) in length; a large-mesh belly panel with a minimum of 32-inch (81.28-cm) mesh size; or an excluder grate secured forward of the codend with an outlet hole forward of the grate with bar spacing of no more than 1.97 inches (5.00 cm) wide. These gear modifications, when fished properly, have been shown to reduce the catch of legal and sub-legal groundfish stocks. Requiring these modifications is intended to also reduce the incentive for a

sector vessel to target groundfish when fishing with small mesh on these trips. Finally, sectors requested subjecting a vessel using this exemption to the same NEFOP and ASM coverage as a standard groundfish trip (i.e., a total of 26 percent in FY 2014).

In addition to the sector's requested restrictions, and to better address some of our monitoring and enforcement concerns, we also proposed that the vessel: declare its intent to use the exemption prior to leaving the dock via a Trip Start Hail through VMS; fish first as a groundfish sector trip using a regulated groundfish mesh net (large-mesh net); and, once finished with the large-mesh portion of the trip, submit a report listing all kept fish on board at that time. Once this report is sent, the vessel could then deploy its net with mesh size less than the regulated groundfish mesh net (small-mesh net), with one of the required trawl gear modifications stated above, in either Sector Small-Mesh Fishery Exemption Areas 1 or 2 (see map), outside of the Nantucket Lightship CA, at which point, the large mesh could not be redeployed. Any legal-sized allocated groundfish stocks caught during these small-mesh hauls must be landed and the associated landed weight (dealer or vessel trip report (VTR)) will be deducted from the sector's ACE.

We received two comments in support of the approval of the exemption as proposed. Both commenters are supportive of all catch from the small-mesh portion of the trip being attributed to the sector's ACE. One commenter supported a mid-year revocation of the exemption if it is deemed necessary and feels that the exemption will not be used at a large enough scale to have impacts on NMFS and its ASM monitoring resources.

Based on the comments received, we have approved this exemption as proposed for FY 2014. In this final rule, we want to remind sectors of the requirements of this exemption, the

monitoring and enforcement concerns that remain, and the potential need to train some at-sea monitors in order to support the use of this exemption.

Each vessel will be required to declare its intent to fish in this exemption using a small-mesh net to target non-regulated groundfish species (e.g., whiting) and/or other small-mesh species (e.g., squid) for a portion of the trip by submitting a Trip Start Hail through its VMS unit prior to departing port by checking the box under 4c. “Other Exemption (when directed by NMFS)”; this declaration will be used for monitoring and enforcement purposes. Once a vessel declares into the exemption, it must adhere to all of the requirements of the exemption, even if a decision is made during the trip to not deploy small mesh. Trips declaring this exemption must first fish as sector groundfish trip with large mesh nets. During the large-mesh portion of the trip, all small-mesh nets must be stowed in accordance with the regulations. Once the groundfish trip (with large mesh) is finished, the vessel is required to submit a Multispecies Catch Report via VMS stating kept fish (in lb) of all species on board at that time. The Catch Report is intended to be a hail weight of what is on board the vessel prior to deploying small mesh and entering the small-mesh areas, to inform those monitoring and enforcing the exemption. Once the Catch Report is sent, the vessel can then deploy its small-mesh net as modified by one of the following trawl gear modifications: Drop chain sweep with a minimum of 12 inches (30.48 cm) in length; a large-mesh belly panel with a minimum of 32-inch (81.3-cm) mesh size; or an excluder grate secured forward of the codend with an outlet hole forward of the grate with bar spacing of no more than 1.97 inches (5.00 cm) wide, in either Small-Mesh Fishery Exemption Areas 1 or 2 (see map above), outside of the Nantucket Lightship CA, at which point, the large mesh can not be redeployed.

Although vessels will be allowed to fish with small mesh for non-groundfish species under this exemption, this trip will be considered a sector trip for purposes of monitoring groundfish catch. Therefore, any legal-sized allocated groundfish stocks caught during these small-mesh hauls must be landed, and the associated landed weight (dealer or vessel trip report (VTR)) will be deducted from the sector's ACE. Any allocated groundfish species caught that are sub-legal, must be discarded, per the requirements of a commercial groundfish trip, and these too will be deducted from the sector's ACE. For trips that are observed using this exemption, observed discards will be attributed to the vessel, similar to standard groundfish trips. We will use observed trips to estimate discards from unobserved trips, similar to standard groundfish trips. Vessels declaring this exemption will have their trips assessed using a new discard strata (i.e., area fished and gear type) and will be treated separately from sector trips that do not declare this exemption. After one year, an analysis will be conducted to determine whether large-mesh hauls on these trips should continue as a separate discard stratum.

We will closely monitor all vessels that declare into this exemption. If under this exemption it is determined that there is a negative impact on groundfish stocks, non-compliance with the requirements, negative impacts on the NEFOP's resources and/or ability to monitor the use of the exemption (i.e., not enough observed trips using the exemption), the Regional Administrator could rescind approval of this exemption.

19. Exemption from the 6.5-inch (16.5-cm) Mesh Size for Directed Redfish Trips

Minimum mesh size restrictions (§ 648.80(a)(3)(i), (a)(4)(i), (b)(2)(i), and (c)(2)(i)) were implemented under previous groundfish actions to reduce overall mortality on groundfish stocks, change the selection pattern of the fishery to target larger fish, improve survival of sublegal fish, and allow sublegal fish more opportunity to spawn before entering the fishery. Beginning in FY

2012, sectors were allowed to use a 6-inch (15.2-cm) mesh codend to target redfish in the GOM. Subsequently, based on catch information from ongoing redfish research showing areas with large amounts of redfish, at the end of FY 2012 and into FY 2013 sectors were allowed to use a 4.5-inch (11.4-cm) mesh codend to target redfish. To date, the exemption has required 100-percent monitoring with either an ASM or observer onboard every trip, primarily because of concerns over a greater retention of sub-legal groundfish, as well as non-allocated species and bycatch, and to ensure compliance with the intent of the exemption, which is to target redfish. Additionally, the thresholds were monitored at the sub-trip level, whereby hauls using mesh 4.5 inches (11.4 cm) up to 6.5 inches (16.5 cm) were monitored separately from hauls not using the exemption (i.e., hauls using mesh 6.5 inches (16.5 cm) and greater). While this provided additional flexibility to switch codends during the trip and, therefore, allowed vessels to switch between using and not using the exemption on a given trip, it added an additional layer of monitoring for these trips. Having monitors on every redfish exemption trip has allowed NMFS to observe changes in catch rates of target and non-target species when using different codend mesh sizes, helping to ensure that we can monitor the use of the exemption (i.e., accurately monitor catch thresholds), when requested to do so, on a haul-by-haul level.

Table 5. Redfish Exemptions from Previous FYs

Exemptions	Rulemaking	Date	Citation
6.0 inch with 100% NMFS-funded coverage	FY 2012 Sector Operations Final Rule	May 2, 2012	77 FR 26129
4.5 inch with 100% NMFS-funded coverage	FY 2012 Redfish Exemption Final Rule	March 5, 2013	78 FR 14226
4.5 inch with 100% Industry-funded coverage	FY 2013 Sector Operations Interim Final Rule	May 2, 2013	78 FR 25591
NE Multispecies FR documents can be found at http://www.nero.noaa.gov/sfd/sfdmultifr.html			

As of the end of FY 2012, 14 trips had used the exemption allowing a 4.5-inch (11.4-cm) mesh codend, and all trips were monitored by either a federally funded NEFOP observer or ASM. While most trips were effectively able to target redfish and minimize groundfish discards, not all trips were able to meet the target and bycatch thresholds. The thresholds were defined as

catching no lower than 80 percent redfish of the total groundfish catch on hauls using the exemption, and having no more than 5 percent discard of total groundfish, including redfish, for hauls using the exemption. In preparation for the FY 2013 rule, we raised numerous concerns about the impacts of implementing additional monitoring requirements and using federally funded monitoring for the exemption. We found that allowing trips that are randomly selected for federally funded NEFOP or ASM coverage provided an incentive to take an exemption trip when selected for coverage, thereby reducing the number of observers/monitors available to cover standard sector trips (i.e., trips not utilizing this exemption). If fewer observers/monitors deploy on standard sector trips, then the exemption undermines both the ability to meet required coverage levels and the reliability of discard rates calculated for unobserved standard sector trips. Therefore, beginning in FY 2013, we required sectors using this exemption to pay for 100 percent of the at-sea cost for a monitor on all redfish exemption trips. To date, no sector has submitted an ASM proposal to monitor trips using this exemption in FY 2013 and, therefore, no trips have used the exemption in FY 2013.

For FY 2014, we proposed an exemption that would allow vessels to use a 6-inch (15.2-cm) or larger mesh codend nets to target redfish when fishing in the Redfish Exemption Area (see below). Sectors requested subjecting a vessel using this exemption to the same NEFOP and ASM coverage as standard groundfish trips (i.e., a total of 26 percent in FY 2014). We believe that the standard target coverage is appropriate because based on our review of fishing trips using a 6-inch (15.2-cm) or large mesh codend, there are fewer concerns regarding the retention of sub-legal groundfish and non-allocated species. In addition, we would monitor the exemption for an entire trip, rather than for part of a trip. That is, regardless of how many 6-inch (15.2-cm) or 6.5-inch (16.5-cm) mesh codend hauls are made on a given trip, it would not change the

applicability of any restrictions associated with the exemption (e.g., thresholds). This approach would allow vessels to retain the flexibility to switch codends during a redfish trip and allow us to monitor the thresholds at the trip level versus the haul level. Because a 6-inch (15.2-cm) mesh and a 6.5-inch (16.5-cm) mesh codend net fall under the same “large” mesh category for both stock assessments and the SBRM, there is less concern for monitoring the differences in selectivity and bycatch patterns compared to trips that had previously been allowed the use of a 4.5-inch (11.4-cm) mesh codend net, which is under a different category for stock assessments and the SBRM.

We received three comments in support of the approval of the exemption as proposed. They were all supportive of monitoring thresholds to ensure that vessels target redfish and are aware that in-season revocation of the exemption is possible, should it be deemed necessary. One of commenters stated she recognized the enforcement concerns about a vessel potentially using multiple mesh sizes in multiple areas, but appreciated the flexibility given through this exemption.

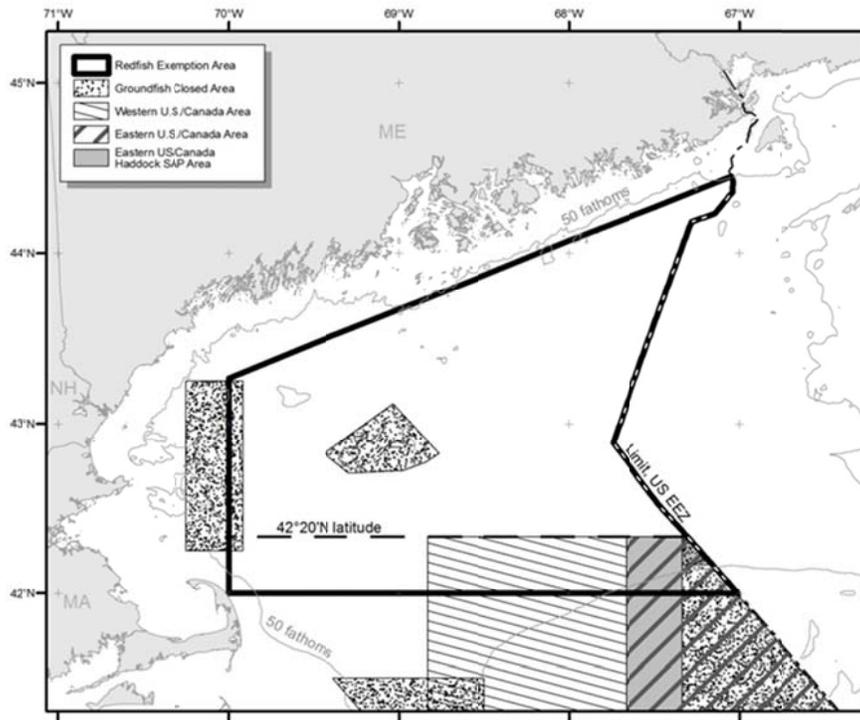
Based on the comments received, we approve this exemption as proposed for FY 2014. Under this exemption, a vessel will be required to declare its intent to use 6-inch (15.2-cm) mesh codend nets to target redfish by submitting a Trip Start Hail through its VMS unit prior to departure by checking the box under 4a. “Redfish Trip.” The hail will be used for monitoring and enforcement purposes. A vessel may fish using a 6-inch codend (15.2-cm) mesh net, or greater, on a standard trawl when fishing exclusively in the Redfish Exemption Area defined below, outside of the Western GOM CA and Cashes Ledge CA. This area resides within portions of the GOM and GB BSAs. Consistent with requirements for all commercial trips, each time the vessel switches codend mesh size or statistical area, it must fill out a new VTR.

For all trips declaring this exemption, VTRs will be used to identify whether or not the 6-inch (15.2-cm) mesh codend net was actually used on the trip. Additionally, for all trips (by sector, by month) declaring this exemption, we will monitor landings for the entire trip to determine if 80 percent of the total groundfish catch is redfish. For observed trips only, we will determine if total groundfish discards, including redfish, is less than 5 percent of total catch. We will use observed trips to estimate discards for unobserved trips. Vessels declaring this exemption will have their trips assessed using a new discard strata (i.e., area fished and gear type) and will be treated separately from sector trips that do not declare this exemption. After one year, an analysis will be conducted to determine if these trips should continue to be treated as a separate discard stratum.

Vessels that have declared into this exemption may also fish in the GB BSA under the universal exemption that allows the use of a 6-inch (15.2-cm) mesh codend nets in the GB BSA while using selective trawl gear (e.g., haddock separator trawl, Ruhle trawl). These trips would be in areas on GB, south of the Redfish Exemption Area. Vessels that declare the redfish exemption may also use codends with 6.5-inch (16.5-cm) mesh, or larger, in any open area on the same trip. Allowing vessels to fish both inside and outside the Redfish Exemption Area on the same trip provides flexibility to target other allocated stocks after successfully targeting redfish; however, all catch from each trip declaring this exemption will be considered in evaluating compliance with the thresholds.

We will monitor the exemption and determine if there is non-compliance with the reporting requirements, if a sector is unable to meet the thresholds, and whether we have sufficient monitoring coverage. We remind sectors that the RA retains authority to rescind approval of this exemption, if it is needed, to address these concerns.

Figure 3 – Redfish Exemption Area



The Redfish Exemption Area is bounded on the east by the U.S.-Canada Maritime Boundary, and bounded on the north, west, and south by the following coordinates, connected in the order listed by straight lines:

Point	N. Lat.	W. Long.	Note
A	44°27.25'	67°02.75'	
B	44°16.25'	67°30.00'	
C	44°04.50'	68°00.00'	
D	43°52.25'	68°30.00'	
E	43°40.25'	69°00.00'	
F	43°28.25'	69°30.00'	
G	43°16.00'	70°00.00'	
H	42°00.00'	70°00.00'	
I	42°00.00'	(67°00.63')	(1)

¹The intersection of 42°00' N. latitude and the U.S.-Canada Maritime Boundary, approximate longitude in parentheses.

20. Prohibition on Groundfish Trips in the Nantucket Lightship CA

In FY 2013, we approved an exemption that allowed sector vessels access to the eastern and western portions of the Nantucket Lightship CA (Eastern and Western Exemption Areas) for the duration of FY 2013. For a detailed description of the exemption request and justifications for approving it, see the final rule (78 FR 41772, December 16, 2013). In summary, trawl vessels were restricted to using selective trawl gear, flounder nets were prohibited, hook vessels were permitted, and gillnet vessels were restricted to fishing 10-inch (25.4-cm) or larger diamond mesh. Gillnet vessels were required to use pingers when fishing in the Western Exemption Area from December 1 – May 31 because this area lies within the existing SNE Management Area of the Harbor Porpoise Take Reduction Plan. We specified that at-sea monitoring coverage would come from the combined NEFOP and ASM target coverage level of 22 percent in FY 2013 for the Nantucket Lightship CA after further review and in response to public comments. Consistent with that requirement, we proposed that this exemption be

continued in FY 2014, with the standard target sector coverage level of 26 percent for NEFOP and ASM combined, with one modification.

For FY 2014, to address comments from trawl fishermen that the FY 2013 gear restrictions prevented them from fishing in the Eastern and Western Exemption Areas as intended, we reviewed our decision and found that a “source population” of SNE/MA yellowtail flounder that we previously expressed concern about is found primarily in the Eastern Exemption Area of the Nantucket Lightship CA. The data suggest that yellowtail flounder are not concentrated nearly as much in the Western Exemption Area. Based on this, we proposed to allow all legal trawl gear to be fished in the Western Exemption Area, while still maintaining the selective trawl gear requirements and prohibition on flounder nets in the Eastern Exemption Area.

We received one comment in support of the approval of the exemption as proposed, with an acknowledgment to the gear restriction adjustment for the Western Exemption Area. We received two comments opposed to opening any closed areas.

Based on the comments received, we approve this exemption as proposed for FY 2014. Under this exemption, a vessel is required to declare its intent to access the Eastern and Western Exemption Areas of the Nantucket Lightship CA (defined below), by submitting a Trip Start Hail through its VMS unit prior to departure by checking the box under 4b. “Closed Area Trip.” The hail will be used for monitoring and enforcement purposes. The central portion of the Nantucket Lightship CA is essential fish habitat (EFH) and is not open to sector vessels. Trawl vessels fishing in the Eastern Exemption Area will be restricted to the use of selective trawl gear, including the separator trawl, the Ruhle trawl, the mini-Ruhle trawl, rope trawl, and any other gear authorized by the Council and NMFS in a management action. Flounder nets are

prohibited. In the Western Exemption Area, all legal trawl gear is permitted. In both areas, gillnet vessels are restricted to fishing 10-inch (25.4-cm) diamond mesh or larger. This will allow gillnet vessels to target monkfish and skates while reducing catch of flatfish. Because the western area lies within the SNE Management Area of the Harbor Porpoise Take Reduction Plan, gillnet vessels will be required to use pingers when fishing in the Western Exemption Area between December 1 and May 31.

Nantucket Lightship Closed Area – Western Exemption Area

The waters in the western portion of the Nantucket Lightship CA, defined by straight lines connecting the following points in the order stated here:

Point	N. lat.	W. long.
A	40°50'	70°20'
B	40°50'	70°00'
C	40°20'	70°00'
D	40°20'	70°20'
A	40°50'	70°20'

Nantucket Lightship Closed Area – Eastern Exemption Area

The waters in the eastern portion of the Nantucket Lightship CA, defined by straight lines connecting the following points in the order stated here:

Point	N. lat.	W. long.
A	40°50'	69°30'
B	40°50'	69°00'
C	40°20'	69°00'
D	40°20'	69°30'
A	40°50'	69°30'

We will closely monitor the vessels that have declared into this exemption. If when fishing under this exemption it is determined that there is a negative impact on groundfish stocks, non-compliance with the requirements, or adverse impacts on the NEFOP’s resources and/or

ability to monitor the use of the exemption (i.e., not enough observed trips using the exemption), the RA may use the authority to rescind approval of this exemption.

Exemption to be Considered in a Later Rulemaking (21)

21. Prohibition on Groundfish Trips in Closed Areas I and II

In FY 2013, we disapproved an exemption that would have allowed sector vessels restricted access to portions of CAs I and II, provided each trip carried an industry-funded ASM. For a detailed description of the exemption request and justifications for disapproval, see the final rule (78 FR 41772, December 16, 2013). When we proposed allowing sector access to these areas, we announced that we did not have funding to pay for monitoring the additional trips for exemptions requiring a 100-percent coverage level. Industry members indicated that it was too expensive to participate in the exemption given the requirement to pay for a monitor on every trip. This, in combination with extensive comment opposing access to these areas to protect depleted stocks and our concern about the impacts on depleted stocks such as GB cod and GB yellowtail flounder, resulted in disapproval.

For FY 2014, we announced in the proposed rule that we remain unable to fund monitoring costs for exemptions requiring a 100-percent coverage level. We also have concerns about funding and administering the shore-side portion of an at-sea monitoring program for an exemption that requires additional ASM, such as the exemption to access CAs I and II. However, we also announced in the proposed rule that we are interested in conducting research through an EFP(s) to gather catch data from portions of these areas. Allowing a small number of trips into these areas through EFPs could provide information to help the fishing industry determine whether trips into the area with an industry-funded monitor could be profitable. These “test” trips would provide recent and reliable catch information from CAs I and II, including

catch rates of both abundant and depleted stocks. This information could help industry determine whether the cost of an ASM could be offset by increased landings of a stock with relatively high abundance (e.g., GB haddock), while avoiding stocks that are limiting to them. Although there have been studies in the past that examine catch rates of selective trawl gear, these studies have not been conducted inside the CAs being proposed for access. Results from any EFPs conducted in these areas could better inform the industry, the public, and NMFS, regarding the economic efficacy of accessing these CAs, while providing information specific to bycatch of depleted stocks.

The Greater Atlantic Regional Fisheries Office and the Northeast Fisheries Science Center (NEFSC) are currently working on an idea for a short-term EFP that would allow a small number of groundfish trips into CAs I and II. We have also received an industry-led EFP request to access portions of CAs I and II. In addition to these EFPs, we welcome additional EFP requests that may help to address some of the following questions: 1) Could enough fish be caught to adequately offset the industry's additional expense of having an ASM on board, and 2) could catch of groundfish stocks of concern be addressed? Given these areas have been closed for approximately 20 years, it would also be important to obtain information about any beneficial effects from these closures, particularly as it applies to groundfish, since the Council is considering opening portions of CAs I and II through the Omnibus Habitat Amendment in the near future.

The two EFPs that are currently under consideration would allow access into the same portions CAs I and II that were originally proposed for access to sectors. Vessels would be required to use specialized trawl gear to reduce impacts on flounder species and would be restricted seasonally to avoid spawning fish, as well as to adhere to an agreement between the

lobster and groundfish fishery in CA II to avoid gear conflicts. At this time, we cannot determine if results from these EFPs would be timely enough to inform any exemptions requests to fish in CAs I and II in FY 2014, or to be considered in future fishing years. Contingent on the results of any EFPs that we have available during FY 2014, assuming that we could fund and administer the shore-side portion of a monitoring program, and there is sufficient at-sea monitors available for deployment on CA trips, we have proposed to allow sectors restricted access to CAs I and II in FY 2014 (79 FR 14639, March 17, 2014). If we were to approve access, we would codify the lobster and groundfish agreement in the regulations in addition to including language in each sector's letter of authorization (LOA) to enforce the agreement.

Disapproved FY 2014 Exemption Requests

In addition to the 20 exemptions approved in this final rule, and the potential approval of an additional exemption allowing access to portions of CAs I and II later in FY 2014, there were several other sector FY 2014 exemption requests that we did not propose for approval because they are either prohibited; or were previously rejected, continue to be of concern, and no new information has been submitted that justifies their approval. Based on this, we do not consider them in this final rule.

Additional Sector Provisions

A sector may also include additional provisions in its operations plan, including additional requirements for or restrictions of fishing practices. A detailed description of these provisions is included below:

Inshore GOM Restrictions

Several sectors (with the exception of NEFS 4) proposed a provision to limit and more accurately document a vessel's behavior when fishing in a part of the GOM BSA in what they

consider to be the inshore portion of the GOM BSA, or the area to the west of 70°15' W. long. We approve this provision, but note that a sector may elect to remove this provision in the final version of its operations plan.

Under this provision, a trip that is carrying an observer or at-sea monitor remains free to fish in all areas, including the inshore GOM area without restriction. If a vessel is not carrying an observer or at-sea monitor and fishes any part of its trip in the GOM west of 70°15' W. long., the vessel would be prohibited from fishing outside of the GOM BSA. Also, if a vessel is not carrying an observer or at-sea monitor and fishes any part of its trip outside the GOM BSA, this provision prohibits the vessel from fishing west of 70°15' W. long. within the GOM BSA. The approved provision includes a requirement for a vessel to declare whether or not it intends to fish in the inshore GOM area through the Trip start Hail using its VMS unit prior to departure by checking the box under 5b. "Inshore Gulf of Maine". This hail report will help the sector manager identify a trip fishing under this provision for monitoring purposes. We are providing sector managers with the ability to monitor this provision through the Sector Information Management Module (SIMM), a website where we currently provide roster, trip, discard, and observer/ASM information to sector managers. A sector vessel may use a federally funded NEFOP observer or at-sea monitor on these trips because we do not believe it will create bias in coverage or discard estimates, as fishing behavior is not expected to change as a result of this provision.

Prohibition on a Vessel Hauling Another Vessel's Trap Gear to Target Groundfish

The Northeast Coastal Communities Sector (NCCS) requested an exemption to allow a vessel to haul another vessel's fish trap gear, similar to the current exemptions that allow a vessel to haul another vessels gillnet gear, or hook gear. These exemptions have generally been

referred to as “community” gear exemptions. Unlike hook and gillnet gear, the NE multispecies FMP does not prohibit a vessel from hauling another vessel’s trap gear, therefore, we cannot grant an exemption. Because of this, it is more appropriate to consider community fish trap gear as a “provision” of the sector operations plan, rather than a requested exemption.

Regulations at § 648.84(a) require a vessel to mark all bottom-tending fixed gear, which would include fish trap gear used to target groundfish. To facilitate enforcement of that regulation, we are requiring that any community fish trap gear be tagged by each vessel that plans on hauling the gear. This allows one vessel to deploy the trap gear and another vessel to haul the trap gear, provided both vessels tag the gear prior to deployment. This requirement will be captured in the sector’s operations plan to provide the opportunity for the sector to monitor the use of this provision and ensure that the OLE and the U.S. Coast Guard can enforce the provision.

At-Sea Monitoring Proposals

Prior to the publication of the proposed rule, we announced that we would pay for ASM on sector trips during FY 2014, in addition to trips assigned a NEFOP observer. Therefore, the sector’s ASM proposals for FY 2014 are no longer applicable, and were removed from the sector’s final operations plans.

Comments and Responses

A total of eight comments were received from: Associated Fisheries of Maine (AFM), the Conservation Law Foundation (CLF), the Atlantic Offshore Lobstermen’s Association (AOLA), the New England Fishery Management Council (Council), Northeast Fishery Sector V (NEFS V), the Northeast Sector Service Network (NESSN), Oceana, and the Pew Charitable

Trusts (Pew). Only comments that were applicable to the proposed measures, including the analyses used to support these measures, are responded to below.

Re-Authorization of Sector Exemptions Previously Granted (1-16)

Comment 1: The NESSN and AFM supported approving the exemptions as proposed.

Response: We have approved all 16 exemptions as proposed.

Exemption from the Number of Gillnets in the Gulf of Maine (17)

Comment 2: AFM supports approving this exemption, noting that gillnet limits were an effort control measure under an old management regime. NESSN also supports the approval of the exemption and believes that the seasonal component with restricted nets in May and June in the inshore GOM RMA addresses concerns regarding cod spawning

Response: We have approved the exemption as proposed.

Prohibition on Combining Small-Mesh Exempted Fishery and Sector Trips (18)

Comment 3: NESSN and NEFS V both strongly supported this exemption and all of the proposed requirements to adequately monitor and enforce the exemption, noting the collaborative work between industry and NMFS in developing these requirements to mitigate the agency's previous concerns. NEFS V also commented in support of a mid-year revocation of the exemption if it is necessary. NEFS V does not understand the concerns of having inadequately trained NEFOP observers and at-sea monitors for this exemption, but appreciates concerns on maintaining a target coverage of 26 percent for all sectors trips, while still covering this exemption. They also believe that the exemption would not be utilized on a large enough scale and, therefore, should not have too much impact.

Response: We agree that the suite of additional requirements proposed for this exemption mitigates the monitoring and enforcement concerns to a large degree and have

therefore approved the exemption, as proposed. Regarding at-sea monitors, training of these monitors requires more than teaching them to identify small-mesh species. Some small-mesh fisheries generally catch large volumes of fish, so there are specific protocols and training that all NEFOP observers receive to observe small-mesh fisheries such as squid and whiting, but not all ASMs receive this training. ASM training is focused on the groundfish fishery. NEFOP is in the process of training some ASMs to accommodate this exemption for the small-mesh hauls.

Comment 4: AFM asked for an explanation of why the SNE small-mesh exemption was proposed at a monitoring coverage level of 26 percent, while past redfish exemptions were proposed at 100 percent.

Response: Our experience with these exemptions, new information, and development of measures to address our bycatch and enforcement concerns, have provided an opportunity for us to approve these measures requiring the lower, standard monitoring coverage levels. Both exemptions allow the use of nets with mesh smaller than the regulated groundfish mesh size. The use of smaller mesh nets raised concerns with potential bycatch of several groundfish species. We also are concerned with our ability to enforce requirements to fish with appropriate mesh sizes. To address these concerns, we originally proposed both of these exemptions requiring 100 percent at-sea monitoring.

Our experience with the redfish exemption and information we gathered under that exemption and the development of other precautionary measures addressing our concerns have allowed us to propose at-sea monitoring at the lower standard coverage levels. For example, for the redfish exemption, threshold catch levels have helped control bycatch. To further address our bycatch concerns and minimize our enforcement concerns, we limited the reduction in mesh

size to the larger 6-inch (15.2-cm) mesh size, limited the area in which fishing with the smaller mesh may occur, and we required additional reporting requirements.

We have approved similar measures for the SNE small-mesh exemption to address the same concerns as in the redfish exemption. This year, the SNE small-mesh exemption requires gear modifications, limited fishing areas to help avoid certain groundfish species, and required additional reporting requirements similar as those in the redfish exemption. Because these measures have reduced our concerns like the precautionary measures adopted in the redfish exemption, we approved both exemptions with the standard at-sea monitoring coverage level.

Exemption from the 6.5-inch (16.5-cm) Mesh Size for Directed Redfish Trips (19)

Comment 5: The NESSN, AFM, and Council commented in support of this exemption. NESSN recognizes the law enforcement concerns with allowing flexibility of multiple mesh sizes in multiple areas, and pointed out that this is currently allowed in other circumstances. They commented on their appreciation of the collaborative work between sectors and NMFS to address concerns that we have noted in the past on this exemption, and they welcome further collaboration on ensuring compliance with the catch thresholds or other potential issues with vessels using the exemption.

Response: We have approved this exemption as proposed and we are appreciative of the collaborative work with the sectors in bringing about a workable solution. We intend to communicate with the NOAA Office of Law Enforcement closely to address any enforcement concerns that may arise from this exemption throughout the year. We will also be monitoring the compliance thresholds closely and will notify sectors as needed.

Prohibition on Groundfish Trips in Nantucket Lightship CA (20)

Comment 6: NESSN supported this exemption as proposed, noting the allowance of trawl gear in the Western Exemption Area was “a step in the right direction.” Both CLF and PEW commented in opposition to closed area access in all groundfish closed areas, including the Nantucket Lightship CA.

Response: The Nantucket Lightship CA was approved in 1994 as a year-round closed area to reduce mortality on SNE/MA yellowtail flounder, a stock that has been declared rebuilt. Other groundfish stocks in poor shape, such as GB cod, are generally not found in the area. In FY 2013, we approved an exemption (78 FR 41772, December 16, 2013) that allowed sector vessels access to the Eastern and Western Exemption Areas within the Nantucket Lightship CA for the duration of FY 2013. Vessels fishing in these areas were not expected to be targeting cod, haddock, or yellowtail flounder. Nonetheless, we included selective trawl gear requirements, prohibited flounder nets, and restricted gillnet vessels to fishing 10-inch (25.4-cm) diamond mesh or larger, due to concerns that a source population for SNE/MA yellowtail flounder exists in both areas. To date, there have only been a few vessels that used the exemption that was approved during FY 2013, all of which have used gillnets.

To address a concern that was raised by trawl fishermen, that the FY 2013 gear restrictions prevented them from fishing in this area as intended, we reviewed our decision and found that a “source population” of SNE/MA yellowtail flounder that we previously expressed concern about is found primarily in the Eastern Exemption Area of the Nantucket Lightship CA, and to a much lesser degree in the Western Exemption Area. Based on this, we are approving a modification to the Eastern Exemption Area to allow trawl gear access by sector vessels.

Because of the selective gear requirements, and the belief that there would be little harm caused to groundfish stocks of concern, we have approved this exemption under the standard

monitoring coverage rate of 26 percent. This exemption is intended to provide sector vessels with access to these two areas within the Nantucket Lightship CA for the purpose of targeting monkfish, skate, and dogfish to provide additional flexibility to the groundfish fleet during this time period when they have little groundfish quota to fish.

We analyzed the potential impacts of allowing access to these areas in the Environmental Assessment for this action. Our analysis was thorough and sufficiently considers the potential impacts of these exemptions. The exemptions were carefully developed and include many measures that minimize the potential adverse impacts from access to these areas. Further, these closed area exemptions considered in this rule do not open any of the year-round essential fish habitat closed areas that are proposed to be closed in the Omnibus Habitat Amendment 2. As a result of our consideration, we made a Finding of No Significant Impact. This finding supports our approval of these exemptions.

Comments on Additional Issues and Closed Areas I and II Exemptions

100-Percent Industry-Funded Monitoring Requirement for Closed Area I and II

Comment 7: The Council opposed 100 percent monitoring coverage for any of the sector exemptions, stating that they did not choose to require 100-percent monitoring coverage as a condition of allowing sectors to request access to year-round closed areas. They believed that there is little justification provided for the 100-percent coverage level requirement and claimed that analysis concludes that 26 percent coverage provides sufficient precision and accuracy.

They urged the agency to justify any coverage level above 26 percent.

Response: Closed areas have served to protect spawning fish and provide a refuge for troubled fish stocks. CAs I and II have specifically helped to protect GB cod, a stock in very poor shape. CA II also helps to protect GB yellowtail flounder, another stock that is seriously

depleted. These areas have been largely closed to groundfish fishing for almost 20 years. As we have stated several times, both in recent rules and publically, we believe that it is extremely important to get accurate information from these areas for many reasons. For example, we believe that it is important to determine quickly if discards will be different relative to areas outside of the closures. Requiring 100-percent coverage allows us to better monitor discards from each trip and will allow us to respond as quickly as possible if discards are high. It will also allow us to respond quickly if there are increased catches of spawning fish, or if there are protected resource interactions.

While the Council did not require 100-percent coverage as a pre-requisite to allow sectors to request access to closed areas, it is within the Regional Administrator's discretion to approve and implement exemptions, with requirements as needed. Our proposal for 100-percent coverage in CAs I and II attempts to balance the biological and habitat concerns noted in the paragraph above with potential industry benefits and costs. Although NMFS has been able to pay for recent NEFOP/ASM coverage, we are unable to pay for the additional coverage we believe is necessary. We believe it is necessary to gather further catch information collected from inside these closed areas, in particular on stocks that are of concern (e.g., GB cod and GB yellowtail flounder) to determine whether access to CAs I and II should be approved in a separate rulemaking later in FY 2014. Before we consider approval of access to these areas, we intend to evaluate results from any approved EFP's in part to determine if we can justify access with less than 100 percent monitoring coverage. This additional information will allow us to consider potential impacts to stocks of concern along with weighing the benefits to the fishing industry from the catch in these areas against the costs of necessary at-sea monitoring.

We want to remind the Council that exemptions are voluntary, not a regulation, and that they provide additional flexibility beyond what has traditionally been allowed under the FMP. We are hopeful that potential EFP(s) could examine the potential costs/benefits of accessing closed areas while paying for an ASM, which could remove some uncertainty for industry and the public, rather than continue to speculate if it is appropriate to require industry funding. An EFP will also help inform the resource impacts and environmental risks with allowing closed area access.

Use of the term “Standard Sector Trip”

Comment 8: NESSN feels that the term “standard sector trip” should not be used because fishing activity has always been diverse, both before and after sectors were implemented. They noted that using traditional fishing as a measure of how an exemption should be treated, does not take into account the increased flexibility given to sectors.

Response: A sector trip is defined in the regulations as “...any trip taken by a sector vessel...” When we make ASM coverage level determinations for new exemption proposals, we need to differentiate between sector trips that include well documented fishing activity and sector trips under new exemption proposals that include fishing activity for which we need more information. For proposed exemptions in FY 2014 and in previous sector rulemakings, we identify sector trip activities that are similar to previous years’ sector trip activities on which our ASM analysis is based. These are called “standard sector trips.” We refer to “standard sector trips” as a way to distinguish these fishing activities from activities under new proposed exemption sector trips that may have significantly different fishing behavior, until we are able to collect more information to make a better determination for coverage. The FY 2014 exemption

allowing a sector vessel to use both small-mesh and large-mesh on the same trip is a good example because we do not have information of how fishing activities under this new exemption will compare to the way sector vessels generally fish. Until we can examine sector trips using this exemption compared to other sector trips not using this exemption, we must consider them to be unique and differentiate them.

Exempted Fishing Permit to Access Closed Areas

Comment 9: AOLA supported an EFP research proposal in Closed Area II; however, they requested that any such approved EFP include criteria to minimize impacts on lobster gear. They also suggested involving AOLA with helping to determine the details of any proposed EFP, and requested that, once approved, researchers communicate with them during the study to avoid any groundfish/lobster gear conflicts. CLF and PEW both noted that they are generally supportive of an EFP approach to research but questioned the agency's rationale for the research. PEW specifically raised concerns about the research questions posed in the proposed rule and stated that these questions needed to be broadened beyond economic questions to address a range of concerns, including biological questions about the fish stocks in the closed areas. PEW stated that, despite having 100-percent monitoring on all EFP trips, damage to fish and habitat could still occur rapidly and the agency could not act fast enough to prevent this harm. CLF commented that the use of an EFP approach to support potential access to the closed areas confuses the "EFH gear impact utilization approach."

Response: Any proposed EFP(s) that we consider would first be announced in a Federal Register notice and the public would be provided a 15-day public comment period to comment. The notice would include the details of the EFP proposal, including the proposed gears, areas, and times under consideration. We expect that any approved EFPs would have limitations on the

number of vessels allowed, would be required to use selective trawl gear, and would need to comply with the lobster/trawl agreement in Closed Area II, among other possible restrictions. In regard to AOLA's request to participate in the development of an EFP, for a NMFS-led EFP, we would contact AOLA directly to address their concerns. For all other EFP applicants, we will request that the applicant work with the lobster industry to address their concerns and will provide the applicant contact information to AOLA. It would remain up to each of these EFP applicant to reach out to AOLA directly in planning research and to communicate issues.

We share PEW and CLFs concern about potential impacts to depleted fish stocks in the mortality portions of the closed areas that are being considered for access, but believe that the questions that the agency is proposing for an agency-led EFP could provide information for both science and management purposes. In addition, we believe that information derived from the closed areas could be used to inform future access to these areas through the Habitat Omnibus Amendment. Specific EFP and potential sector vessel access through any future rulemaking would require that vessels adhere to specific criteria such as selective gear, at-sea monitors, detailed reporting requirements, sector ACEs, and Regional Administrator authority to stop fishing, should there be concern for the health of the groundfish resource. We believe that vessel activity allowed via an EFP or through follow-up rulemaking in FY 2014 would be relatively small and that we could adequately monitor this activity to ensure that harm is prevented to these resources. We do not need to do a separate rulemaking to rescind an EFP.

Lobster Agreement if Access is Granted to Closed Areas I and II

Comment 10: AOLA commented on the importance of codifying the ocean bottom-sharing agreement with the groundfish industry to mitigate gear conflicts and impacts to lobsters during June 15 through October 31 in Closed Area II. They also supported the requirement for

100 percent at-sea monitor coverage to help determine bycatch of lobsters, and documentation by NMFS of any gear conflict that occurs. They are also requesting that, if access is granted to Closed Area II, the lobster industry would get a 30-day warning to remove their gear.

Response: The lobster agreement was originally proposed in the FY 2013 sector rule but was not implemented because access to CA II was never granted in FY 2013, rendering the agreement moot for FY 2013. For FY 2014, we have proposed access to CA II again, contingent upon the results of any EFPs conducted during the fishing year. If NMFS were to approve access during FY 2014, we would publish a proposed rule soliciting public comment on the lobster/groundfish agreement and, if approved, codify this agreement in a final rule. Should access to the GB closed areas be approved later in the fishing year, we intend to provide the lobster industry with adequate time to remove their lobster gear.

Setting Target Observer Coverage Rate

Comment 11: Oceana did not support the administration of sector accountability measures (AMs) or the continued use of a CV metric for setting monitoring coverage that they feel is inappropriate. They also feel that coverage levels are based on inappropriate assumptions about bias and the effects of bias on the efficacy of the ASM program to administer the fishery.

Response: Amendment 16 included many accountability measures (AMs) for various portions of the groundfish fishery, including specific AMs to address the possibility that sector catches might at some point exceed their ACEs. Among the AM's instituted for sectors are: 1) Catch allocated to each sector is based on the stock ACL established by the Council. The ACL takes into account biological and management uncertainty to reduce the risk of overfishing. 2) Sectors are required to stop groundfish fishing when they are projected to have caught their allocation for any groundfish stock. 3) Reporting requirements are implemented to ensure that

monitoring of sector catches is timely and accurate. 4) Sectors are provided opportunities to balance catches with their allocation through the trading of ACEs between sectors. 5) If a sector exceeds its allocation in a given year, and cannot balance its catch and allocation through ACE trading, then its allocation in the following year is reduced by the overage. Through the end of FY 2012, no sector has exceeded its sub-ACL for any of the allocated stocks at the conclusion of the year.

Sector ACEs are only one of several sub-allocations of each allocated stock's ACL. In addition to the sector-specific AMs, there are additional AMs that apply to each allocated stock's ACL and AMs that apply to other sub-ACLs and sub-components of each stock. A "hard TAC" backstop was adopted for the common pool, under which the fishery would be suspended upon reaching the year's sub-ACL for a stock. For the recreational fishery, AMs include adjustments to seasons, adjustments to minimum fish sizes, or adjustments to bag limits. Amendment 16 specifically contemplated the roles of AMs at the ACL, sub-ACL, and sub-component level, noting that with more than one sub-component, and with ACLs set lower than the ABC (due to scientific and management buffers), it is possible that an overage by one component and not the others may not lead to a depressed stock size that requires adjusting ACLs. Accordingly, it sets up an entire process of evaluating any ACL overage to determine if an AM is necessary or sufficient to account for the overage and the current biological condition of the stock. This exists above and beyond the AMs set for sectors which are designed to engender responsibility and accountability in the sector system. The overall context is to allow adjustments at the sub-component level so that components not responsible for any overage at the ACL level are not subject to reductions in their sub-ACL and resultant changes in fishing opportunities.

We have determined that 26-percent at-sea monitoring/observer coverage of sector trips is sufficient, to the extent practicable in light of Magnuson-Stevens Act requirements; to reliably estimate catch for purposes of monitoring sector ACEs and ACLs for groundfish stocks. This determination is based not only on the statistical sufficiency of the level of coverage as summarized in more detail at:

http://www.nero.noaa.gov/ro/fso/reports/Sectors/ASM/FY2014_Multispecies_Sector_ASM_Requirements_Summary.pdf, but also on the totality of how data and information is collected and analyzed including obligations on sectors to self-monitor and self-report, which is linked to agency monitoring. For the most part, the commenter has generally asserted that this system and level of monitoring is not adequate without providing any specific justification or information to support their assertion.

Amendment 16 specified that ASM coverage levels should be less than 100 percent, which requires an estimation of the discard portion of catch, and thus total catch. Amendment 16 also specified that the ASM coverage levels should achieve a 30-percent CV. The level of observer coverage, ultimately, should provide confidence that the overall catch estimate is accurate enough to ensure that sector fishing activities are consistent with National Standard 1 requirements to prevent overfishing while achieving, on a continuing basis, optimum yield from each fishery. To that end, significant additional uncertainty buffers are established in the setting of ACLs that help make up for any lack of absolute precision and accuracy in estimating overall catch by sector vessels.

We rely on a number of data sources to monitor groundfish catch: Sector vessels are required to have an operational Vessel Monitoring System (VMS) and must use VMS to notify us when they are taking a groundfish trip; vessels must also submit vessel logbook reports

(VTR), which are used to determine catch (landings and discards), gear and fishing area; depending upon their fishing activity, some vessels are also required to submit daily VMS catch reports to further refine catch by fishing area; dealers are required to report all purchases from groundfish vessels, which are used to determine landings; and sectors are required to submit sub-trip level catch and gear information weekly, or daily when certain catch thresholds (for FY 2014 the daily reporting threshold is 90 percent of any ACE) are reached. The detailed discard information provided by at-sea observers is critical for determining total catch (pounds, gear used, stock area). We conduct weekly reconciliation with sector-reported data, verifying that each sector and the agency have the same set of data to monitor catch and sector ACEs.

We have determined the level of monitoring coverage that is necessary to monitor sector operations consistent with the national standards and other requirements of the MSA. We have determined that the appropriate level of observer coverage should be set at the level that meets the 30-percent CV requirement (at a minimum) at the overall stock level for all sectors and gears combined, to reliably estimate catch for purposes of monitoring ACEs and ACLs. This level of coverage minimizes the cost burden, while still providing a reliable estimate of overall catch by sectors to monitor annual catch levels. This interpretation is justified in light of the requirement for conservation and management measures to be consistent with all national standards. Specifically, National Standards 2, 7, and 8, which speak, respectively, to the need to use the best scientific information available; the need to minimize costs and avoid unnecessary duplication, where practicable; and the need to take into account impacts on fishing communities and minimize adverse economic impacts, to the extent practicable. We have conducted analyses, and considered both precision and accuracy issues in determining the appropriate level of coverage that minimizes the cost burden to sectors and NMFS, while still providing a reliable estimate of

overall catch. As stated previously, we have published a more detailed summary of the supporting analyses, and an explanation and justification supporting our determination that an at-sea coverage target rate of 26 percent is appropriate. Summary tables of the data used in the analyses were also posted on our website. A table of information by stock, gear, and sector was posted at: <http://www.nero.noaa.gov/ro/fso/reports/Sectors/ASM/asmcvdata2.html>. A table of information that can be sorted by stock and gear (without sector affiliation) was posted at: <http://www.nero.noaa.gov/ro/fso/reports/Sectors/ASM/asmcvdata.html>.

Lastly, the recent court decision on Oceana's challenge to the Agency's monitoring standards supports the ASM coverage level announced in the proposed rule. Most notably, Oceana challenged the FY 2013 sector operations rule, where we announced the target coverage level of 22 percent, claiming that we set an unreasonably low coverage level. That challenge is identical to the comments made on the FY 2014 sector proposed rule, where we announced the target coverage level of 26 percent.

On February 18, 2014, in Oceana, Inc. v. Pritzker, 1:13-cv-00770 (D.D.C. 2014), the Court upheld our use of a 30-percent CV standard set ASM coverage levels. In addition to upholding our determination of sufficient coverage levels, the Court noted that the ASM program is not the sole method of monitoring compliance with ACLs, there are many reporting requirements that vessels adhere to, and there are strong incentives for vessels to report accurately because each sector is held jointly and severally liable for overages.

Prohibition on Groundfish Trips in Closed Areas I and II

Comment 12: AFM disagrees that closed areas are biologically different from areas that are outside of closed areas, and therefore do not warrant additional observer coverage. They support opening closed areas immediately and reference that many members of the Council

support opening them as well. CLF and PEW remain opposed to all closed area access, referencing many of the same arguments and analysis submitted on the FY 2013 sector proposed rule that proposed sector exemptions to closed areas. CLF highlighted their challenge to FW 48, which is the action that allowed sectors to request access to closed areas. CLF is incorporating its legal arguments in that case with its comments on the proposed rule. CLF also commented that allowing access through a sector exemption, or even a controlled EFP, could confuse and complicate the analysis and considerations regarding the Omnibus EFH Amendment, which is considering changes to some of the areas in question. CLF and PEW express concern for depleted groundfish stocks on GB. PEW references the FY 2013 sector interim final rule. In that rulemaking, we did not approve access to CAs I and II and highlighted similar concerns for these depleted groundfish stocks. PEW comments similarly to CLF in regards to the Omnibus Habitat Amendment under consideration by the Council, that allowing mobile gear (i.e., trawl fishing) could impact the areas being analyzed, potentially disrupt habitat and spawning aggregations, and further degrade GB.

Response: As explained in the response to comment sections in previous rulemakings (e.g., FW 48 final rule, FY 2013 closed area interim final rule), these areas were created with several considerations in mind, including protection for spawning stocks and improvement of benthic habitats. CAs I and II have specifically helped to protect GB cod, a stock in very poor shape. CA II also helps to protect GB yellowtail flounder, another stock that is seriously depleted. These areas have been largely closed to groundfish fishing for almost 20 years. It is reasonable to argue that an area that was once closed to reduce mortality has been closed so long that it has improved habitat. Moreover, areas closed for such a long period of time may be different in many ways from areas outside.

We also recognize that many industry members, as well as the Council, support opening some closed areas, without additional observer coverage. For a more detailed response on this issue, see comment 7 above. While the Council did not require 100-percent coverage as a prerequisite to allow sectors to request access to closed areas, it is within the Regional Administrator's discretion to approve and implement exemptions, with requirements as needed. For CAs I and II, we currently feel that it is necessary until there is further catch information collected from inside closed areas, specifically on stocks that are of concern.

To address the comments on keeping areas closed, we want to remind CLF and PEW on the significant response to comment section from the FY 2013 Closed Area interim final rule (78 FR 76077, December 16 2013, see pages 76082 through 76085), which addresses the same comments received from this rulemaking. Additionally, we remind everyone that we proposed to consider opening CA I and CA II in FY 2014, only after receiving the results of any EFPs that are to occur. We feel that the catch data collected from those trips will help to address many of the questions and comments that the fishing industry and public have in regards to the resources inside closed areas, the economic efficacy of funding an ASM to access those areas, and to further respond to the comments that are made here. Until then, it is difficult to address the repetitive comments any differently than how we responded in December.

CLF refers to its challenge to FW 48 as a basis to disapprove these exemption requests. The Court, in CLF v. Pritzker, 1:13-cv-00820 (D.D.C. 2014), -F.Supp.2d- (D.D.C. 2014), upheld our use of FW 48 to allow sectors to request access to closed areas. We believe this decision supports our consideration and approval process for these exemption requests.

Classification

Pursuant to section 304(b)(1)(A) of the Magnuson-Stevens Act, the NMFS Assistant Administrator for Fisheries (AA) has determined that this final rule is consistent with the NE Multispecies FMP, other provisions of the Magnuson-Stevens Act, and other applicable law.

This action is exempt from review under Executive Order (E.O) 12866 because this action contains no implementing regulations.

The AA finds good cause under 5 U.S.C. 553(d)(1) and (3) to waive the 30-day delay in effectiveness so that this final rule may become effective upon filing because this rule relieves several restrictions. Sector Operation Plan exemptions grant exemptions or relieve restrictions that provide operational flexibility and efficiency that help avoid short-term adverse economic impacts on NE multispecies sector vessels. When the 17 approved Sector Operations Plans become effective, sector vessels are exempted from common pool trip limits, DAS limits, and seasonal closed areas. These exemptions provide vessels with flexibility in choosing when to fish, how long to fish, what species to target, and how much catch they may land. They also relieve some gear restrictions, reporting and monitoring requirements, and provide access to additional fishing grounds through the authorization of 20 exemptions from NE multispecies regulations for FY 2014. This flexibility increases efficiency and reduces costs.

In addition to relieving restrictions and granting exemptions, avoiding a delay in effectiveness avoids significant adverse economic impacts. A delay in implementing this rule would prevent owners who joined a sector in FY 2014 (849 permits, accounting for 99 percent of the historical NE multispecies catch) from fishing during the delay and would diminish the advantage of the flexibility in vessel operations, thereby undermining the intent of the rule. During any delay, sector vessels would be prohibited from fishing for groundfish. Being prohibited from fishing for up to 30 days would have a significant adverse economic impact on

these vessels because vessels would be prevented from fishing in a month when sector vessels landed approximately 10 percent of several allocations, including GB cod east and GB winter flounder. Further, sector vessels could only fish during this delay if they chose to fish in the common pool. Once they switched to the common pool, however, they could not return to a sector for the entire fishing year and would forego the flexibility and economic efficiency afforded by sector exemptions. Vessels choosing to fish in the common pool to avoid a 30 day delay in the beginning of their season would then forego potential increased flexibility and efficiencies for an entire fishing year. For the reasons outlined above, good cause exists to waive the otherwise applicable requirement to delay implementation of this rule for a period of 30 days.

The Chief Counsel for Regulation of the Department of Commerce certified to the Chief Counsel for Advocacy of the Small Business Administration during the proposed rule stage that this action would not have a significant economic impact on a substantial number of small entities. The factual basis for this certification was published in the proposed rule and is not repeated here. No comments were received regarding this certification. As a result, a regulatory flexibility analysis was not required and none was prepared.

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

Dated: April 22, 2014

Samuel D. Rauch III,
Deputy Assistant Administrator for Regulatory Programs,
National Marine Fisheries Service.

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