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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 648

[Docket No. 140821699-5191-01]

RIN 0648-XD461

Magnuson-Stevens Act Provisions; Fisheries of the Northeastern United States; Northeast Multispecies Fishery; 2015 and 2016 Sector Operations Plans and 2015 Contracts and Allocation of Northeast Multispecies Annual Catch Entitlements

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

ACTION: Proposed rule; request for comments.

SUMMARY: We propose to approve 17 sector operations plans and contracts for fishing years 2015 and 2016, grant regulatory exemptions for fishing years 2015 and 2016, and provide Northeast multispecies annual catch entitlements to these sectors for fishing year 2015. We request comment on the proposed sector operations plans and contracts; the environmental assessment analyzing the impacts of the operations plans; and our proposal to grant (in whole or partially) 19 of the 22 regulatory exemptions requested by the sectors. Approval of sector operations plans is necessary to allocate annual catch entitlements 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 allocation of Northeast multispecies based on its members' fishing history.

This document also announces the target at-sea monitoring coverage rate for sector trips for fishing year 2015.

DATES: Written comments must be received on or before *[insert date 15 days after date of publication in the FEDERAL REGISTER]*.

ADDRESSES: You may submit comments on this document, identified by NOAA-NMFS-2014-0111, by either of the following methods:

- **Electronic Submission:** Submit all electronic public comments via the Federal e-Rulemaking Portal. Go to www.regulations.gov/#!docketDetail;D=NOAA-NMFS-2014-0111, click the "Comment Now!" icon, complete the required fields, and enter or attach your comments.
- **Mail:** Submit written comments to Liz Sullivan, 55 Great Republic Drive, Gloucester, MA 01930.

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

FOR FURTHER INFORMATION CONTACT: Liz Sullivan, Fishery Management Specialist, phone (978) 282-8493, fax (978) 281-9135. To review **Federal Register** documents referenced in this rule, you can visit:

<http://www.greateratlantic.fisheries.noaa.gov/sustainable/species/multispecies>.

SUPPLEMENTARY INFORMATION:

Background

Amendment 13 to the Northeast (NE) Multispecies Fishery Management Plan (FMP) (69 FR 22906, April 27, 2004) established a process for forming sectors within the NE multispecies (groundfish) fishery, and Amendment 16 to the FMP (74 FR 18262, April 9, 2010), followed by Framework Adjustment 45 to the FMP (76 FR 23042, April 25, 2011) and Framework 48 to the FMP (78 FR 26118; May 3, 2013), expanded and revised sector management.

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 NE multispecies sector management system allocates a portion of the NE multispecies stocks to each sector. These annual sector allocations are known as annual catch entitlements (ACE). These allocations are a portion of a stock’s annual catch limit (ACL) available to commercial NE multispecies vessels, based on the collective fishing history of a sector’s members. Currently, sectors may receive allocations of most large-mesh NE multispecies 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; NE multispecies 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 (or as modified by Framework 53); and the at-sea monitoring (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.

We received operations plans and preliminary contracts for fishing years 2015 and 2016 from 17 sectors. The operations plans are similar to previously approved versions, but propose operations spanning 2 fishing years, and include additional exemption requests and proposals for industry-funded ASM plans. This is the first year that 2-year operations plans have been submitted by the sectors, as allowed in the Amendment 16 final rule. Two-year sector operations plans will help streamline the process for sector managers and reduce administrative burdens for both sectors and NMFS. Six sectors that have operated in past years did not submit operations plans or contracts. Four of these sectors now operate as state-operated permit banks as described below.

We have made a preliminary determination that the proposed 17 sector operations plans and contracts, and 19 of the 22 regulatory exemptions, in whole or partially, are consistent with

the FMP's goals and objectives, and meet sector requirements outlined in the regulations at § 648.87. We summarize many of the sector requirements in this proposed rule and request comments on the proposed operations plans, the accompanying environmental assessment (EA), and our proposal to wholly or partially grant 19 of the 22 regulatory exemptions requested by the sectors, but deny the rest. Copies of the operations plans and contracts, and the EA, are available at <http://www.regulations.gov> and from NMFS (see ADDRESSES). One of the 17 sectors, Northeast Fishery Sector (NEFS) 4, proposes to operate as a private lease-only sector.

The six sectors that chose not to submit operations plans and contracts for fishing years 2015 and 2016 are the Tri-State Sector, the GB Hook Sector, and four state-operated permit bank sectors as follows: 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. The final rule implementing Amendment 17 to the FMP allows a state-operated permit bank to receive an allocation without needing to comply with the administrative and procedural requirements for sectors (77 FR 16942, March 23, 2012). These permit banks are required to submit a list of participating permits to us by a date specified in the permit bank's Memorandum of Agreement, typically April 1.

Sector Allocations

Sectors typically submit membership information to us on December 1 prior to the start of the fishing year, which begins each year on May 1. Due to a delay in distributing a letter describing each vessel's potential contribution to a sector's quota for fishing year 2015, we extended the deadline to join a sector until February 18, 2014. Based on sector enrollment trends from the past 5 fishing years, we expect sector participation in fishing year 2015 will be similar. Thus, we are using fishing year 2014 rosters as a proxy for fishing year 2015 sector membership

and calculating the fishing year 2015 projected allocations in this proposed rule. In addition to the membership delay, all permits that change ownership after December 1, 2014, retain the ability to join a sector through April 30, 2015. All permits enrolled in a sector, and the vessels associated with those permits, have until April 30, 2015, to withdraw from a sector and fish in the common pool for fishing year 2015. For fishing year 2016, we will set similar roster deadlines, notify permit holders of the fishing year 2016 deadlines, and allow permit holders to change sectors separate from the annual approval process. We will publish final sector ACEs and common pool sub-ACL totals, based upon final rosters, as soon as possible after the start of fishing year 2015, and again after the start of fishing year 2016.

The allocations proposed in this rule are based on the fishing year 2015 specifications recommended by the New England Fishery Management Council in Framework 53. These allocations are not final, and are subject to the approval of Framework 53. We expect a rule proposing the Framework 53 management measures to publish in March 2015.

We calculate the sector's allocation for each stock by summing its members' potential sector contributions (PSC) for a stock, as shown in Table 1. The information presented in Table 1 is the total percentage of each commercial sub-ACL each sector would receive for fishing year 2015, based on their fishing year 2014 rosters. Tables 2 and 3 show the allocations each sector would be allocated for fishing year 2015, based on their fishing year 2014 rosters. At the start of the fishing year, after sector enrollment is finalized, 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.

We do not assign an individual permit separate PSCs for the Eastern GB cod or Eastern GB haddock; instead, we assign a permit a PSC for the GB cod stock and GB haddock stock. Each sector's GB cod and GB haddock allocations are then divided into an Eastern ACE and a Western ACE, based on each sector's percentage of the GB cod and GB haddock ACLs. For example, if 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 total allowable catch (TAC) and 6 percent of the commercial Eastern U.S./Canada Area GB haddock TAC as its Eastern GB cod and haddock ACEs. These amounts are then subtracted from the sector's overall GB cod and haddock allocations to determine its Western GB cod and haddock ACEs. A sector may only harvest its Eastern GB cod ACEs in the Eastern U.S./Canada Area. However, Framework 51 implemented a mechanism that allows sectors to "convert" their Eastern GB haddock allocation into Western GB haddock allocation (79 FR 22421; April 22, 2014) and fish that converted ACE in Western GB.

At the start of fishing year 2015, we will withhold 20 percent of each sector's fishing year 2015 allocation until we finalize fishing year 2014 catch information. Further, we will allow sectors to transfer fishing year 2014 ACE for 2 weeks of the fishing year following the completion of year-end catch accounting to reduce or eliminate any fishing year 2014 overages. If necessary, we will reduce any sector's fishing year 2015 allocation to account for a remaining overage in fishing year 2014. We will follow the same process for fishing year 2016. We will notify the Council and sector managers of this deadline in writing and will announce this decision on our website at: <http://www.greateratlantic.fisheries.noaa.gov/>.

Table 1. Cumulative PSC (percentage) each sector would receive by stock for fishing year 2015.*

Sector Name	GB Cod†	GOM Cod	GB Haddock†	GOM Haddock	GB YT Flounder	SNE/MA YT Flounder‡	CC/GOM YT Flounder‡	American Place	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MA Winter Flounder‡	Redfish	White Hake	Pollock
GB Cod Fixed Gear Sector (Fixed Gear Sector)	27.67935808	2.508069188	5.76053223	1.842510985	0.012338526	0.335349757	2.900535294	0.978206727	2.132068565	0.027279132	12.88328537	1.803764995	2.737607611	5.696352686	7.378771941
Maine Coast Community Sector (MCCS)	0.209472107	4.593908731	0.038763949	2.557156843	0.003529542	0.659221791	1.050244077	7.550211604	5.059266898	0.006781752	1.964107993	0.192279966	2.49840078	4.391881855	3.788187256
Maine Permit Bank	0.133517853	1.150017115	0.044321553	1.121869513	0.013781801	0.031749784	0.317541132	1.163675492	0.726726396	0.000217063	0.425383217	0.017903914	0.820665465	1.651452916	1.687468044
Northeast Coastal Communities Sector (NCCS)	0.173979141	0.850761956	0.12156115	0.360314495	0.839234291	0.722094381	0.624502697	0.158814882	0.220556881	0.068242855	0.928696099	0.297060774	0.431476083	0.812934313	0.507473595
NEFS 1	0	0.030624848	0	0.002485194	0	0	0.0375564	0.00855701	0.012746569	9.55103E-07	0.052060313	3.23398E-06	0	0	0
NEFS 2	5.785693397	18.24336498	10.69102283	16.36546783	1.910229097	1.444212376	19.28095759	7.861111508	12.79803813	3.210723119	18.43848897	3.238568394	14.72518372	5.937102218	11.25997801
NEFS 3	1.250350482	14.4542362	0.145886484	9.305432621	0.007146892	0.355112441	8.865102541	4.054725495	2.838467122	0.019617753	9.535130101	0.766907566	1.342069506	4.74811863	6.811962892
NEFS 4	4.141388572	9.585261602	5.334211202	8.266201641	2.162259834	2.346367203	5.462860684	9.285854477	8.493233037	0.691705149	6.243231591	1.281664083	6.633415642	8.051799208	6.13956226
NEFS 5	0.778804124	0.012758113	1.053822645	0.290496157	1.611585586	22.56725432	0.482700693	0.500854279	0.665881485	0.513664818	0.065815742	12.54858197	0.07677796	0.149356193	0.105160627
NEFS 6	2.866433258	2.954570521	2.922333454	3.853800992	2.703502218	5.260657286	3.734992188	3.890740903	5.203709303	1.504147303	4.554949429	1.93996288	5.303308676	3.909202713	3.293398898
NEFS 7	4.661795742	0.389982664	4.614051211	0.469838734	10.07880712	4.052928625	2.344003053	3.525287712	3.238628692	12.91879457	0.74671668	5.111936461	0.584977028	0.821143888	0.709754587
NEFS 8	6.144290183	0.467653487	5.998225373	0.209189789	11.25214114	5.962375546	6.429443155	1.720618673	2.570311936	15.50532661	3.163884539	10.02749381	0.548979457	0.512752812	0.607472949
NEFS 9	14.22968847	1.745530387	11.59904763	4.803066812	26.77690025	7.896063683	10.42613668	8.267330649	8.274748241	39.53996927	2.450067748	18.36278683	5.824426848	4.150679805	4.226744874
NEFS 10	0.729079458	5.211425491	0.25110816	2.537642334	0.001554983	0.547575942	12.6910265	1.70226779	2.393309197	0.010736743	17.86097648	0.727751379	0.545032258	0.893630738	1.388211048
NEFS 11	0.406460279	13.61584944	0.038112035	3.214095399	0.001526991	0.019512587	2.580229504	2.095916251	2.072650077	0.003308219	2.248924914	0.021603495	1.982725124	4.830691483	9.436352239
NEFS 13	7.962064191	0.897737741	15.96691698	0.952525702	24.74483888	18.82290704	4.990558725	5.158650568	6.203321063	7.237218376	2.333512423	10.97508139	3.977258859	1.744848414	2.270555669
New Hampshire Permit Bank	0.001520057	1.139033486	0.000259498	0.031174312	2.03069E-05	1.9297E-05	0.021779341	0.028468044	0.006158356	3.23661E-06	0.060320275	7.80481E-05	0.019373158	0.081220063	0.110853509
Sustainable Harvest Sector 1	20.64126839	19.67078936	34.32389115	42.76093197	14.08003285	8.306256132	13.24545693	39.48139985	34.43846704	17.40442314	10.27273026	19.28481204	51.2369025	50.73902733	39.56037962
Sustainable Harvest Sector 3	0.276889401	0.148129006	0.381148841	0.065262008	2.176947963	2.389710695	1.109489783	0.617194407	0.616807632	0.567337392	1.31685888	1.350127027	0.170949982	0.147986599	0.04944612
Sectors Total	98.07205319	97.66970431	99.28521636	99.00946333	98.37637828	81.71936888	96.59511696	98.04988632	97.96509661	99.22949745	95.54514102	87.94836826	99.45953066	99.27018187	99.33173414
Common Pool	1.92794681	2.330295692	0.714783636	0.990536672	1.623621723	18.28063112	3.404883037	1.950113682	2.034903388	0.770502551	4.454858982	12.05163174	0.540469341	0.729818134	0.668265864

* The data in this table are based on fishing year 2014 sector rosters.

† For fishing year 2015, 6.94 percent of the GB cod ACL would be allocated for the Eastern U.S./Canada Area, while 81.62 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 fishing year 2015.*#^†

Sector Name	GB Cod East	GB Cod West	GOM Cod	GB Haddock East	GB Haddock West	GOM Haddock	GB YT Flounder	SNE/MA YT Flounder	CC/GOM YT Flounder	American Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MA Winter Flounder	Redfish Estimated	White Hake	Pollock
Fixed Gear Sector	76	1015	11	2255	508	39	0	4	29	30	29	1	111	52	666	545	2232
MCCS	1	8	21	15	3	54	0	8	11	234	68	0	17	6	608	421	1146
Maine Permit Bank	0	5	5	17	4	24	0	0	3	36	10	0	4	1	200	158	510
NCCS	0	6	4	48	11	8	4	9	6	5	3	3	8	9	105	78	153
NEFS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEFS 2	16	212	83	4186	943	346	8	18	195	244	172	134	159	93	3582	568	3406
NEFS 3	3	46	66	57	13	197	0	4	90	126	38	1	82	22	326	455	2060
NEFS 4	11	152	44	2089	470	175	9	29	55	288	114	29	54	37	1614	771	1857
NEFS 5	2	29	0	413	93	6	7	277	5	16	9	21	1	361	19	14	32
NEFS 6	8	105	13	1144	258	81	12	65	38	121	70	63	39	56	1290	374	996
NEFS 7	13	171	2	1807	407	10	43	50	24	109	44	539	6	147	142	79	215
NEFS 8	17	225	2	2349	529	4	48	73	65	53	35	646	27	289	134	49	184
NEFS 9	39	522	8	4542	1023	101	115	97	105	257	111	1648	21	529	1417	397	1278
NEFS 10	2	27	24	98	22	54	0	7	128	53	32	0	154	21	133	86	420
NEFS 11	1	15	62	15	3	68	0	0	26	65	28	0	19	1	482	463	2854
NEFS 13	22	292	4	6252	1408	20	106	231	50	160	83	302	20	316	968	167	687
New Hampshire Permit Bank	0	0	5	0	0	1	0	0	0	1	0	0	1	0	5	8	34
Sustainable Harvest Sector 1	56	757	90	13439	3026	903	61	102	134	1226	463	726	89	555	12464	4858	11966
Sustainable Harvest Sector 3	1	10	1	149	34	1	9	29	11	19	8	24	11	39	42	14	15
Sectors Total	268	3596	446	38874	8753	2091	423	1003	975	3044	1317	4137	826	2532	24194	9505	30045
Common Pool	5	71	11	280	63	21	7	224	34	61	27	32	38	347	131	70	202

*The data in this table are based on fishing year 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 fishing year.

† We have used preliminary ACLs to estimate each sector's ACE.

Table 3. Proposed ACE (in metric tons), by stock, for each sector for fishing year 2015.*#^†

Sector Name	GB Cod East	GB Cod West	GOM Cod	GB Haddock East	GB Haddock West	GOM Haddock	GB YT Flounder	SNE/MA YT Flounder	CC/GOM YT Flounder	American Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MA Winter Flounder	Redfish Estimated	White Hake	Pollock
Fixed Gear Sector	34	460	5	1023	230	18	0	2	13	14	13	1	51	24	302	247	1012
MCCS	0	3	10	7	2	24	0	4	5	106	31	0	8	3	276	191	520
Maine Permit Bank	0	2	2	8	2	11	0	0	1	16	4	0	2	0	91	72	232
NCCS	0	3	2	22	5	3	2	4	3	2	1	1	4	4	48	35	70
NEFS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEFS 2	7	96	38	1899	428	157	4	8	88	111	78	61	72	42	1625	258	1545
NEFS 3	2	21	30	26	6	89	0	2	41	57	17	0	37	10	148	206	935
NEFS 4	5	69	20	947	213	79	4	13	25	131	52	13	24	17	732	350	842
NEFS 5	1	13	0	187	42	3	3	126	2	7	4	10	0	164	8	6	14
NEFS 6	4	48	6	519	117	37	5	29	17	55	32	28	18	25	585	170	452
NEFS 7	6	78	1	819	185	5	20	23	11	50	20	244	3	67	65	36	97
NEFS 8	8	102	1	1065	240	2	22	33	29	24	16	293	12	131	61	22	83
NEFS 9	18	237	4	2060	464	46	52	44	48	116	50	748	10	240	643	180	580
NEFS 10	1	12	11	45	10	24	0	3	58	24	15	0	70	10	60	39	190
NEFS 11	1	7	28	7	2	31	0	0	12	30	13	0	9	0	219	210	1295
NEFS 13	10	132	2	2836	639	9	48	105	23	73	38	137	9	143	439	76	312
New Hampshire Permit Bank	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2	4	15
Sustainable Harvest Sector 1	26	343	41	6096	1373	410	27	46	61	556	210	329	40	252	5653	2204	5428
Sustainable Harvest Sector 3	0	5	0	68	15	1	4	13	5	9	4	11	5	18	19	6	7
Sectors Total	122	1631	202	17633	3970	949	192	455	442	1381	598	1876	375	1149	10974	4311	13628
Common Pool	2	32	5	127	29	9	3	102	16	27	12	15	17	157	60	32	92

*The data in this table are based on fishing year 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 fishing year.

† We have used preliminary ACLs to estimate each sector's ACE.

Sector Operations Plans and Contracts

As stated previously, we received 17 sector operations plans and contracts by the September 2, 2014, deadline for fishing years 2015 and 2016. In order to approve a sector's operations plan for fishing years 2015 and 2016, that sector must have been compliant with reporting requirements from all previous years, including the year-end reporting requirements found at § 648.87(b)(1)(vi)(C). Approved operations plans, provided on our website as a single document for each sector, not only contain the rules under which each sector would fish, but also provide the legal contract that binds each member to the sector for the length of the sector's operations plan. Each sector's operations plan, and sector members, must comply with the regulations governing sectors, found at § 648.87. In addition, each sector must conduct fishing activities as detailed in its approved operations plan.

Any permit holder with a limited access NE multispecies permit that was valid as of May 1, 2008, is eligible to participate in a sector, including an inactive permit currently held in confirmation of permit history. If a permit holder officially enrolls a permit in a sector and the fishing year begins, then that permit must remain in the sector for the entire fishing year, and cannot fish in the NE multispecies fishery outside of the sector (i.e., in the common pool) during the fishing year. Participating vessels are required to comply with all pertinent Federal fishing regulations, except as specifically exempted in the letter of authorization (LOA) issued by the Regional Administrator, which details any approved exemptions from regulations. If, during a fishing year, or between fishing years 2015 and 2016, 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 these to the appropriate sector members.

As in previous years, we retain the right to revoke exemptions in-season for the following reasons: if we determine that the exemption jeopardizes management measures, objectives, or rebuilding efforts; if the exemption results in unforeseen negative impacts on other managed fish stocks, habitat, or protected resources; if the exemption causes enforcement concerns; if catch from trips utilizing the exemption cannot properly be monitored; or if a sector is not meeting certain requirements. If it becomes necessary to revoke the exemption, we will do so through a process consistent with the Administrative Procedure Act.

Each sector is required to ensure that it does not exceed its ACE during the fishing year. Sector vessels are required to retain all legal-sized allocated NE multispecies 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 NE multispecies stocks by a sector's vessels count against the sector's allocation. Catch from a sector trip (e.g., not fishing under provisions of a NE multispecies exempted fishery or with exempted gear) targeting dogfish, monkfish, skate, and lobster (with non-trap gear) would be deducted from the sector's ACE because these trips use gear capable of catching groundfish. Catch from a trip in an exempted fishery does not count against a sector's allocation because the catch is assigned to a separate ACL sub-component.

For fishing years 2010 and 2011, there was no requirement for an industry-funded ASM program, and we were 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 fishing years 2010 and 2011. Beginning in fishing

year 2012, we have conducted an annual 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 fishing years 2010 and 2011. Since fishing year 2012, industry has been required to pay for their costs of ASM coverage, while we continued to fund NEFOP. However, we were able to fund the industry's portion of ASM costs and NEFOP coverage in fishing years 2012 through 2014. Table 4 shows the annual target coverage rates.

Table 4. Historic Target Coverage Rate for Monitoring

Fishing Year	Total Coverage Rate	ASM Coverage Rate	NEFOP Coverage Rate	Funding Source
2010	38%	30%	8%	NMFS
2011	38%	30%	8%	NMFS
2012	25%	17%	8%	NMFS
2013	22%	14%	8%	NMFS
2014	26%	18%	8%	NMFS

Due to funding changes that would be required by the proposed SBRM amendment, we expect that sector vessels will be responsible for paying at-sea costs associated with the ASM program before the end of the 2015 fishing year. Thus, sectors will be responsible for designing, implementing, and funding an ASM program in fishing years 2015 and 2016 that will provide a level of ASM coverage specified by NMFS. Amendment 16 regulations require NMFS to specify a level of ASM coverage that is sufficient to meet the same coefficient of variation (CV) specified in the SBRM, and to accurately monitor sector operations. Framework 48 clarified the level of ASM coverage necessary to meet these goals. Regarding meeting the SBRM CV level, Framework 48 determined that it should be made at the overall stock level, which is consistent with the level NMFS determined was necessary in fishing year 2013. Framework 48 also amended the goals of the sector monitoring program to include achieving an accuracy level sufficient to minimize effects of potential monitoring bias.

Taking the provisions of Framework 48 into account, and interpreting the ASM monitoring provision in the context of Magnuson-Stevens Act requirements and National Standards, we have determined that the appropriate level of ASM coverage should be set at the level that 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 fishing year 2015 is 24 percent. We expect ASM coverage to be 20 percent and NEFOP coverage to be 4 percent, covering a total of 24 percent of all sector trips, with the exception of trips using a few specific exemptions, as described later in this rule. We will use discards derived from these observed and monitored trips 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.greateratlantic.fisheries.noaa.gov/ro/fso/reports/Sectors/ASM/FY2015_Multispecies_Sector_ASM_Requirements_Summary.pdf.

The draft operations plans submitted in September 2014 included industry-funded ASM plans for fishing year 2015. Therefore, we are proposing to approve the sector's ASM programs as described in their operations plans. We gave sectors the option to design their own programs in compliance with regulations, or opt for the program that we have previously utilized in previous fishing years. ASM programs proposed by the sectors are described in detail later in this proposed rule. The proposed operations plans each contain an ASM program sufficient to ensure ASM coverage for fishing years 2015 and 2016, including once sectors assume responsibility for funding their ASM program, at the required levels stated in this rule. Given the potential for changes in the ASM program funding for sectors, NMFS will verify that all

approved sectors continue to comply with all ASM requirements, including contracting with approved providers in a timely fashion.

We are currently looking at how industry funding of the ASM program will affect our data collection systems, especially the PTNS system, and have begun working on an implementation plan to help ensure a seamless transition when the industry assumes responsibility for at-sea costs in 2015. To ensure that the ASM programs continue to provide sufficient coverage, the Regional Administrator is authorized to adjust operational standards such as vessel selection protocols as needed, consistent with the Administrative Procedure Act. We will continue to keep the sector managers informed about any changes or updates to the situation.

Our ability to fund our portion of costs for ASM coverage above SBRM coverage levels for the entire 2015 and 2016 fishing years is not precisely known at this time due to budget uncertainties. Currently, funding for our portion of ASM costs will expire before the end of the 2015 fishing year. If we have insufficient funding available for our portion of coverage costs beyond that time, we may need to consider other measures, including emergency action, to allow sectors to continue fishing while still ensuring that we can adequately monitor sector catch for management purposes. We expect this funding issue to be resolved before this rule is effective, but are seeking comments on possible measures to help adequately monitor catch limits.

Sectors are required to monitor their allocations and catch, and 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. 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.

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. 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 operations plan submitted for fishing years 2015 and 2016 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. Each sector contract details the method for initial ACE sub-allocation to sector members. For fishing years 2015 and 2016, 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.

Requested Fishing Years 2015 and 2016 Exemptions

Sectors requested 22 exemptions from the NE multispecies regulations through their fishing years 2015 and 2016 operations plans. We evaluate each exemption to determine whether it allows for effective administration of and compliance with the operations plan and sector allocation, and that it is consistent with the goals and objectives of the FMP. We propose to grant the following for fishing years 2015 and 2016: 16 exemptions that were previously granted; 1 exemption that was previously granted, but has been modified; 1 exemption that we

propose to partially grant; and 1 new exemption. We propose to deny three exemption requests for fishing years 2015 and 2016.

For fishing year 2014, sectors had requested an exemption that would allow access to year-round closed areas. This request may be considered in a separate action pending results from an ongoing Exempted Fishing Permit (EFP) (see Exemptions That May Be Considered in a Separate Action).

A discussion of all 22 exemption requests appears below; we request public comment on the proposed sector operations plans and our proposal to grant 19 requested exemptions, in whole or partially, and deny 3 requested exemptions, as well as the EA prepared for this action.

Exemptions We Propose to Grant (16)

In fishing year 2014, we exempted sectors from the following requirements, all of which have been requested for fishing years 2015 and 2016, and which we propose to grant again: (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 NE multispecies/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) prohibition on fishing inside and outside of the CA I Hook Gear Haddock SAP while on the same trip; (10) prohibition on a vessel hauling another vessel's hook gear; (11) 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; (12) gear requirements in the Eastern U.S./Canada Management Area; (13) seasonal restrictions

for the Eastern U.S./Canada Haddock SAP; (14) seasonal restrictions for the CA II Yellowtail Flounder/Haddock SAP; (15) sampling exemption; and (16) prohibition on groundfish trips in the Nantucket Lightship Closed Area. A detailed description of the previously approved exemptions and rationale for their approval can be found in the applicable final rules identified in Table 5 below.

Table 5. Exemptions from Previous Fishing Years Proposed for Approval in Fishing Years 2015 and 2016

Exemptions	Rulemaking	Date	Citation
1-8, 12	Fishing Year 2011 Sector Operations Final Rule	April 25, 2011	76 FR 23076
9-11	Fishing Year 2012 Sector Operations Final Rule	May 2, 2012	77 FR 26129
13-15	Fishing Year 2013 Sector Operations Interim Final Rule	May 2, 2013	78 FR 25591
16	Fishing Year 2014 Sector Operations Final Rule	April 28, 2014	79 FR 23278
NE Multispecies <u>Federal Register</u> documents can be found at http://www.greateratlantic.fisheries.noaa.gov/sustainable/species/multispecies/			

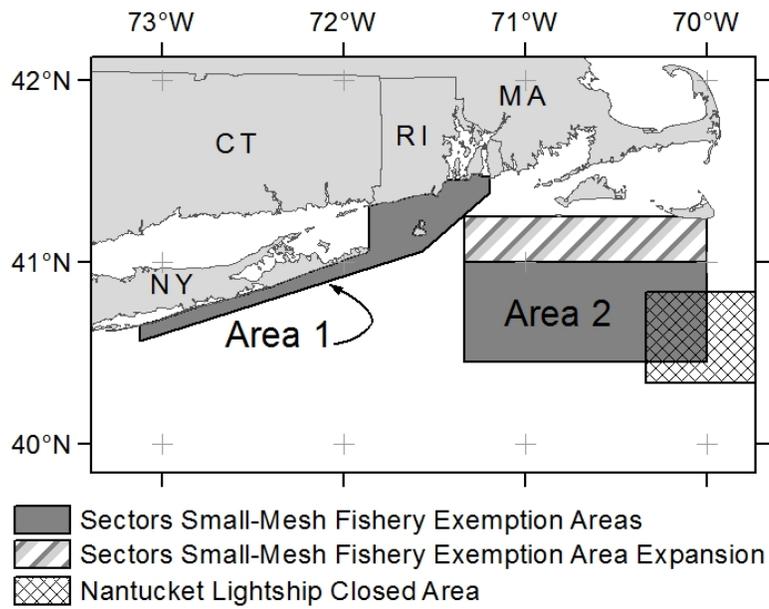
Exemption We Propose To Approve, but Have Modified from 2014 (1)

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

For fishing year 2014, sectors requested and we granted an 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 regulated mesh areas (RMA). Sectors proposed that vessels using this exemption to fish with smaller mesh would fish in two discrete areas that have been shown to have minimal amounts of regulated species and ocean pout. See the 2014 Sector Final Rule (79 FR 23278; April 28, 2014) for a complete description of the previously granted exemption.

For fishing years 2015 and 2016, sectors requested a similar exemption, but with a revised northern border of the eastern Small-Mesh Exemption Area 2, shifted 15 minutes north. This expansion will allow for greater opportunities for sector vessels to target small-mesh species. The coordinates and maps for these two areas are show in Figure 1.

Figure 1 – Sectors Small-Mesh Exemption Areas 1 and 2, as modified



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.

(2) From 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.

For fishing years 2015 and 2016, Sector Small-Mesh Fishery Exemption Area 2 is bound by the following coordinates connected in the order listed by straight lines. Sector vessels cannot fish the small-mesh portion of their trip using this exemption in the Nantucket Lighthouse Closed Area where the two areas overlap.

Point	N. Latitude	W. Longitude
H	41°15.0'N	71°20.0'W
I	41°15.0'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°15.0'N	71°20.0'W

As was approved in fishing year 2014, one of three trawl gear modifications would be required when using small mesh: 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 with small mesh.

A vessel using this exemption is required to meet the same NEFOP and ASM coverage as standard groundfish trips (i.e., a total of 24 percent in fishing year 2015). The vessel would be required to declare their intent to use small mesh to target non-regulated species by submitting a trip start hail through its vessel monitoring system (VMS) unit prior to departure, which would be used for monitoring and enforcement purposes. Trips declaring this exemption must stow their small-mesh gear and use their large-mesh gear first, and once finished with the large mesh, would have to submit a Multispecies Catch Report via VMS with all catch on board at that time. Once the Catch Report was sent, the vessel could then deploy small mesh with the required modifications in the specific areas (see map above), outside of the Nantucket Lightship Closed Area, 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)) would be deducted from the sector's ACE.

As in fishing year 2014, we are concerned about vessels potentially catching groundfish, including bycatch of juvenile fish, in the requested exemption area with small-mesh nets. The expansion of the Small-Mesh Exemption Area 2 by 15 minutes north could increase this potential, because more groundfish are found in the expansion area. The three gear modifications proposed for this exemption could mitigate catch of regulated species when properly installed, but none have been shown to completely eliminate the catch of regulated species.

If approved, we will closely monitor the catch from these exempted trips. If it is determined that this exemption is having a negative impact on groundfish stocks, we would consider revoking this exemption during the fishing year.

Exemption We Propose to Partially Grant, and Partially Deny (1)

(18) Limits on the Number of Gillnets on Day Gillnet Vessels

The FMP limits the number of gillnets a Day gillnet vessel may fish in the groundfish RMAs 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)); and 75 gillnets in the Mid-Atlantic (MA) RMA (§ 648.80(b)(2)(iv)). We previously approved this exemption in fishing years 2010, 2011, and 2012 to allow 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. Sectors argued that the gillnet limits were designed to control fishing effort and are no longer necessary because a sector's ACE limits overall fishing mortality.

Previous effort analysis of all sector vessels using gillnet gear indicated an increase in gear used in the RMA which could lead to an increase in interactions with protected species. While a sector's ACE is designed to limit a stock's fishing mortality, fishing effort may affect other species. This increased effort could ultimately lead to a rise in interactions with protected species; however, we do not expect this to be the case, because a take reduction plan has been implemented to reduce bycatch in the fisheries affecting these species.

For fishing year 2013, based on the comments received and the concern for spawning GOM cod, we restricted the use of this exemption to better protect spawning cod. 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 the GB RMA, SNE RMA, MA RMA, and the GOM outside of these times and areas did not have this additional restriction. We granted this exemption with the same GOM seasonal restrictions for fishing year 2014.

The November 2014 interim action implemented to protect GOM cod (79 FR 67362; November 13, 2014) revoked this exemption for all of the GOM for the remainder of fishing year 2014, given concerns relating to mortality of GOM cod caused by continuous fishing by gillnets left in the water and the potential to disrupt spawning when cod are caught. For these same concerns, we are proposing to partially grant the exemption for fishing years 2015 and 2016 when fishing in all RMAs except the GOM, and to deny the exemption for the GOM. Therefore, vessels fishing in the GOM under the Day boat gillnet category would be restricted to no more than 100 nets, only 50 of which may be roundfish nets.

New Exemption Proposed (1)

(19) Regulated Mesh Size 6.5-inch (16.5-cm) or Greater, 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 fishing year 2012, we have approved exemptions that allow sector vessels to target redfish, the smallest species of regulated groundfish, with a sub-legal size mesh codend, ranging from 4.5 inches (11.4 cm) to 6 inches (15.2 cm) (see Table 6). In order to use these previous exemptions, sectors have been required to meet an 80-percent threshold of redfish catch, relative to

groundfish catch, and a 5-percent discard threshold of total groundfish, including redfish. These thresholds were intended to ensure that a vessel using the exemption effectively targets redfish and does not target other species with a smaller mesh, and attempts to avoid catching sub-legal groundfish. The thresholds were based on Component 2 of the REDNET report (Kanwit et al. 2013), which used a 4.5-inch mesh codend, and observer data for trips conducted in fishing year 2012. REDNET is a group that includes the Maine Department of Marine Resources, the Massachusetts Division of Marine Fisheries, and the University of Massachusetts School for Marine Science and Technology joined with other members of the scientific community and the industry to develop a research plan to develop a sustainable, directed, redfish trawl fishery in the GOM. Each year, we have changed the exemption at the sectors' request in an attempt to balance the goal of increasing use of the exemption while preventing misuse and ensuring it is consistent with the FMP's goals and objectives.

Table 6. Redfish Exemptions by Fishing Year

Exemptions	Rulemaking	Date	Citation
6.0 inch (15.2 cm) with 100% NMFS-funded coverage	FY 2012 Sector Operations Final Rule	May 2, 2012	77 FR 26129
4.5 inch (11.4 cm) with 100% NMFS-funded coverage	FY 2012 Redfish Exemption Final Rule	March 5, 2013	78 FR 14226
4.5 inch (11.4 cm) with 100% Industry-funded coverage	FY 2013 Sector Operations Interim Final Rule	May 2, 2013	78 FR 25591
6.0 inch (15.2 cm) with standard observer coverage	FY 2014 Sector Operations Final Rule	April 28, 2014	79 FR 23278
NE Multispecies <u>Federal Register</u> documents can be found at http://www.greateratlantic.fisheries.noaa.gov/sustainable/species/multispecies			

For fishing years 2012 and 2013, the exemption required 100-percent monitoring with either an ASM or observer on every trip, primarily because of concerns over a greater retention of sub-legal groundfish, as well as non-allocated species and bycatch. In fishing year 2012, 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, in fishing year 2013, we required sectors to pay for 100 percent of the at-sea cost for a monitor on all redfish exemption trips, which resulted in sectors not taking a redfish trip that fishing year.

For fishing year 2014, we granted an exemption that allowed vessels to use a 6-inch (15.2-cm) or larger mesh codend to target redfish when fishing in the Redfish Exemption Area. The vessels participating in the redfish fishery in fishing year 2014 were subject to the same NEFOP and ASM target coverage as standard groundfish trips (26 percent). Vessels could fish with the regulated mesh nets (6.5-inch [16.5-cm] codends or larger) and with the 6.0-inch (15.2-cm) mesh codends on the same trip; however, for all trips (by sector, by month) declaring this exemption, we monitored landings for the entire trip to determine if the vessel had met the 80-percent redfish catch threshold and the 5-percent discard threshold.

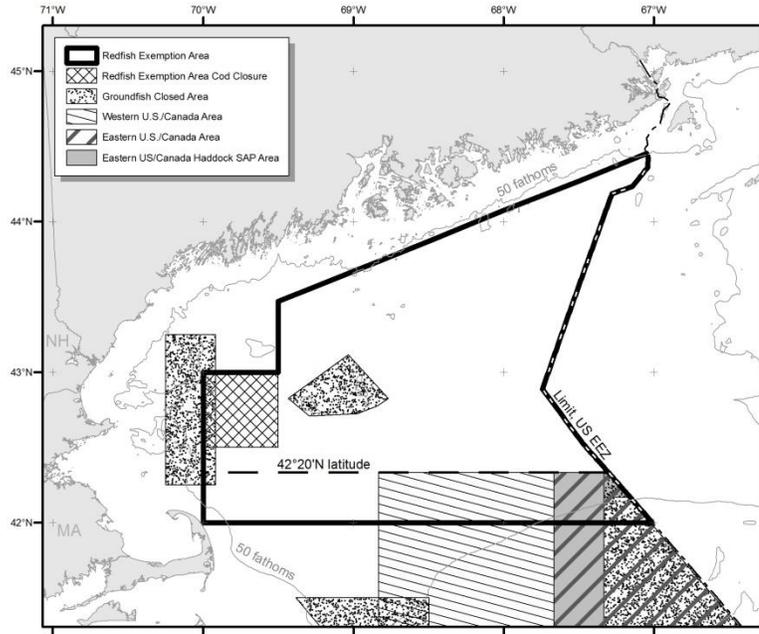
Following approval of the exemption in fishing year 2014, sectors indicated that an 80-percent redfish catch threshold, based on REDNET data collected using a 4.5-inch (11.4-cm) mesh codend, is not appropriate for all mesh sizes (i.e., as mesh size increases, the efficiency of catching redfish decreases). Additionally, given the average landed value of redfish, they indicated that they do not consider it economically viable to have an offload comprised of 80 percent redfish. Therefore, as of January 2015, few have been taken under this exemption, because, according to sectors, they cannot effectively or profitably target redfish to meet the 80-percent threshold.

For fishing years 2015 and 2016, we propose granting the sectors' request to use a 5.5-inch (14.0-cm) mesh codend when fishing in the redfish exemption. A vessel would have the

option to fish the first portion of a trip with current legal codend mesh size (6.5 inches; 16.5 cm), and then switch to a codend no smaller than 5.5 inches (14.0 cm) for the redfish portion of their trip. Allowing sectors to legally target groundfish on the first portion of the trip would provide flexibility and would address the sector's concern regarding profitability. In addition, the sectors have requested a 50-percent catch threshold, which would only apply to the second half of the trip. The sectors argue that this threshold is more appropriate for a 5.5-inch (14.0-cm) codend, as data from Component 3 of the REDNET report (Pol and He 2013) indicates that as the codend mesh size increases from 4.5 inches (11.4 cm) to 5.5 inches (14.0 cm), selectivity decreases, making it more difficult for vessels to catch only redfish. However, the lower 50-percent threshold would allow greater catch of other regulated groundfish species with small mesh, which could result in higher discards or targeting of groundfish with small mesh. We are proposing to address this by implementing reporting requirements to facilitate monitoring and enforcement. If we detect vessels targeting non-redfish species, particularly stocks of concern, the RA retains the right to rescind approval of the exemption. We request comment on this issue. The 5-percent discard threshold for all groundfish, including redfish, would still apply on the redfish portion of observed trips.

Due to concern for GOM cod, we have modified the redfish exemption area (Figure 2) from 2014 (see Figure 2).

Figure 2. 2015 and 2016 Redfish Exemption Area



The Redfish Exemption Area would be 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°00.00'	69°30.00'	
H	43°00.00'	70°00.00'	
I	42°00.00'	70°00.00'	
J	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.

We have modified the redfish exemption area to exclude block 138 for the entire fishing year, and allow only seasonal access to block 131. Sector vessels would not be allowed to use the redfish exemption in block 131 in February and March. We based this decision on the closures implemented by the November 2014 interim action taken for the protection of cod; areas 138 and 131 were the only areas closed by the interim action that overlapped with the fishing year 2014 redfish exemption area. These areas are known to have higher levels of GOM cod catch and/or spawning activity, and we propose to close them to avoid interaction with and bycatch of GOM cod. Additionally, area 138 has historically had very little redfish catch; therefore, the exclusion of this area should not limit sectors from targeting redfish. The area is bounded on the east, north, west, and south by the following coordinates, connected by straight lines in the order listed:

Point	N. Lat.	W. Long.
G	43°00.00'	69°30.00'
H	43°00.00'	70°00.00'
K	42°30.00'	70°00.00'
L	42°30.00'	69°30.00'
G	43°00.00'	69°30.00'

Vessels must declare their trip in the pre-trip notification system (PTNS) under standard requirements, but there are no additional monitoring requirements above the target coverage for the groundfish fishery. Prior to leaving the dock, any vessel that intends to use the redfish exemption on a trip must declare so through the VMS trip start hail by checking the box next to “Redfish Trip” under sector exemptions. This notification must be made if the vessel intends to use a 5.5-inch (14.0-cm) codend or larger to target redfish on any portion of the trip.

Any vessel declaring this exemption must submit catch reports via VMS each day for the entire trip. For the first portion of the trip, a vessel may fish using a 6.0-inch (15.2-cm) mesh codend with selective gear in the GB BSA (current mesh flexibility allowed from Council exemption est. in 2010) or 6.5-inch (16.5-cm) mesh codend in any BSA, including the GOM. Any sub-legal codend must be stowed below deck for this entire portion of the trip. Catch thresholds do not apply to this portion of the trip.

When a vessel switches its codend to target redfish, it must first transit to the Redfish Exemption Area. Once the vessel is in the Redfish Exemption Area, it must declare via VMS that it is switching to the 5.5-inch (14.0-cm) mesh codend (or larger) and will be conducting the remainder of its fishing activity exclusively in the Redfish Exemption Area. The vessel can then retrieve the 5.5-inch (14.0-cm) mesh codend from below deck and begin using it. All fishing activity for the remainder of the trip must occur in the Redfish Exemption area. For this portion of the trip, at least 50 percent of the total allocated groundfish kept must be redfish, and on observed trips, no more than 5 percent of all groundfish, including redfish, may be discarded.

These thresholds will be used by NMFS to determine if this sector exemption should be revoked. The vessel must also submit a final catch report and a Trip End Hail via VMS at the end of the trip to facilitate dockside enforcement.

There are enforcement concerns associated with the additional flexibility this exemption provides. Specifically, enforcing different mesh size restrictions on different portions of a single fishing trip could be challenging at sea, and there is the potential for vessels to misreport the mesh size used to catch groundfish to avoid having the exemption revoked for exceeding the threshold.

Additionally, we are concerned about vessels catching groundfish, including their bycatch of juvenile fish, which could potentially cause them to exceed the discard threshold of 5 percent, in the Redfish Exemption Area when fishing with codend mesh sized nets smaller than the GOM regulated mesh size of 6.5 inches (16.5 cm). The 50-percent catch threshold is meant to reflect the likely proportion of redfish catch while using a 5.5-inch (14.0-cm) mesh codend, based on the results of Component 3 of REDNET. We are concerned, however, that it could allow sectors to target groundfish when fishing with a smaller codend and could increase discards that would likely go unreported, which could undermine the protections of the 5-percent bycatch threshold. Therefore, we are specifically seeking comment on this exemption, regarding the enforcement concerns, the reporting concerns, and the appropriateness of the threshold.

If the redfish exemption is approved, we intend to monitor use of the exemption carefully. For example, should it be determined that vessels are not using the exemption when assigned an observer or ASM, and only using it when unobserved, we would have concerns about monitoring the exemption. Additionally, if a vessel does not submit daily catch reports or the required declaration when switching to the redfish portion of the trip, we may not be able to

adequately monitor the exemption. The RA retains authority to rescind approval of this exemption, if it is needed. All vessels in a sector may be held jointly and severally liable for misreporting by a single vessel in a sector.

Exemptions We Propose to Deny (3)

(20) GOM Sink Gillnet Mesh Exemption in May, and January through April

We propose to deny the GOM sink gillnet mesh exemption request due to concern for GOM cod. We did not analyze this exemption in the EA because no new information was available to change the analyses previously published in past EAs.

The GOM Sink Gillnet Mesh Exemption was approved for fishing years 2010 through 2012. This exemption allowed sector vessels to use 6-inch (15.2-cm) mesh gillnets in the GOM to target GOM haddock seasonally. However, due to concerns regarding the stock status of GOM haddock and the potential increase in interactions with protected species, the exemption was denied for fishing year 2013 (78 FR 25591, May 2, 2013) and fishing year 2014.

On November 12, 2014, at the request of the New England Fishery Management Council and in response a stock assessment conducted by the Northeast Fisheries Science Center, we published an emergency action that increased the GOM haddock ACL for fishing year 2014 (79 FR 67090). This action nearly doubled each sector's ACE for GOM haddock. Because sectors anticipated that GOM haddock would not be a concern for fishing year 2014, they again requested this exemption for fishing years 2015 and 2016.

While the stock status of GOM haddock has improved, biomass has not increased to the level it was in fishing year 2010, when this exemption was first approved. In addition, we are concerned about the effects of this exemption on GOM cod. The November 2014 interim action implemented to protect GOM cod revoked an exemption that resulted in decreasing the amount

of gillnet gear in the GOM, given concerns relating to mortality of GOM cod caused by continuous fishing by gillnets left in the water and the potential to disrupt spawning when cod are caught. We are similarly concerned that using nets smaller than the minimum size may impact GOM cod mortality. For these same concerns, we are proposing to deny the GOM Haddock Sink Gillnet Mesh exemption for fishing years 2015 and 2016.

(21) Powering Vessel Monitoring Systems (VMS) While At the Dock

Beginning in fishing year 2011, we approved an exemption from the requirement to keep the VMS units powered while tied to the dock or on a mooring. In fishing year 2012, the NOAA Office of Law Enforcement (OLE) recognized a lack of compliance. The exemption was only applicable for vessels that did not otherwise possess Federal fishing permits for other FMPs that required a VMS unit, and vessels were required to follow certain protocols, such as sending a powerdown code before turning off the VMS unit. Misuse of the exemption decreases our confidence in our ability to adequately monitor the fishery. During fishing year 2013, we worked with sector managers to identify the sector members who were out of compliance with the exemption. However, in this time, compliance did not improve. Therefore, for fishing years 2015 and 2016, we propose to not approve this exemption due to lack of compliance.

(22) Requirement to Use 6.5-inch (16.5-cm) Mesh Size or Greater for Directed Redfish Trips, as previously approved in fishing year 2014

The exemption request to use a 6.0-inch (15.2-cm) mesh codend nets, with a threshold of no lower than 80 percent redfish of the total groundfish catch on hauls using the redfish exemption, for fishing years 2015 and 2016, is identical to the exemption for fishing year 2014. A second redfish exemption request, described above (exemption #19), is proposed for approval. Therefore, we are proposing to deny this exemption request.

Exemption That May Be Considered in a Separate Action (1)

Prohibition on Groundfish Trips in Closed Areas I and II

In fishing year 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. 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 a detailed description of the exemption request and justifications for disapproval, see the final rule (78 FR 41772, December 16, 2013).

For fishing year 2014, we remained unable to fund monitoring costs for exemptions requiring a 100-percent coverage level. In addition, we had some concerns about funding and administering the shore-side portion of any monitoring program for an exemption that requires additional ASM, such as the exemption to access CAs I and II. However, we authorized two EFPs to gather catch data from CAs I and II, one in coordination with the Northeast Fisheries Science Center, the other with members of the industry. Results from these EFPs could better inform us, the industry, and the public, regarding the economic efficacy of accessing these CAs, while providing information specific to bycatch of depleted stocks. Trips taken under these EFPs are attempting to address 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?

The two authorized EFPs have allowed access to participating vessels into the same portions of CAs I and II that were originally proposed for access to sectors. Vessels using the EFPs are required to use specialized trawl gear to reduce impacts on flounder species, are restricted seasonally to avoid spawning fish, and must adhere to an agreement between the lobster and groundfish fishery in CA II to avoid gear conflicts. One of the two approved EFPs is still ongoing. Upon review of the EFP results, we will consider potential access to these areas through a separate action.

2014 Interim Cod Action

On November 13, 2014, at the request of the New England Fishery Management Council and in response a stock assessment conducted by the Northeast Fisheries Science Center, we published an interim action implemented to protect GOM cod. In this action, one fishing year 2014 exemption (limits on the number of gillnets on Day gillnet vessels, exemption #18) was revoked when fishing in the GOM because of its potential to affect GOM cod; the exemption as it applied in GB, SNE, and MA remains in place. As described above, we are proposing to not grant the exemption for the limits on gillnets for Day gillnet vessels in the GOM, but grant it in the other RMAs. Additionally, we have proposed to modify the previously approved redfish exemption area (as described in exemption #19) due to concern for GOM cod. There are several other exemptions proposed in the GOM that also could potentially affect GOM cod. These exemptions include:

- (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;
- (5) Limits on the number of hooks that may be fished; and

(10) Prohibition on a vessel hauling another vessel's hook gear.

While we request comment on all exemptions in fishing years 2015 and 2016, we specifically request the public to comment on exemptions in the GOM that could affect the GOM cod stock and its ability to rebuild.

Additional Sector Provisions

Inshore GOM Restrictions

Several sectors have proposed a provision to limit and more accurately document a vessel's behavior when fishing in what they consider the inshore portion of the GOM BSA, or the area to the west of 70° 15' W. long. A vessel that is carrying an observer or ASM would remain free to fish without restriction. As proposed under the Inshore GOM Restriction provision, if a vessel is not carrying an observer or ASM 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 ASM and fishes any part of its trip outside the GOM BSA, this provision would prohibit a vessel from fishing west of 70° 15' W. long. in the GOM BSA. The sectors' proposal 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. 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 information to sector managers. If approved, final declaration requirements would be included in each vessel's LOA. We propose to allow a sector to use a federally funded NEFOP observer or ASM 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

Several sectors have proposed a provision 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. 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 propose requiring that any community fish trap gear be tagged by each vessel that plans on hauling the gear, similar to how this provision was implemented in fishing year 2014. This would allow 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 would 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

For fishing years 2015 and 2016, each sector is required to develop and fund an ASM program that must be reviewed and approved by NMFS. In the event that a proposed ASM program could not be approved, all sectors were asked to include an option to use the current NMFS-designed ASM program as a back-up. Sustainable Harvest Sectors 1 and 3, GB Cod Fixed Gear Sector, Northeast Coastal Communities Sector, and Maine Coast Community Sector have proposed to use the ASM program that we developed and used for fishing years 2010-2014. We propose this program for these sectors because we believe the existing program to be consistent with goals and objectives of monitoring, and with regulatory requirements. As requested, the remaining 12 sectors stated that they would use the NMFS-designed ASM program in the event that we did not approve their individual ASM program for fishing years

2015 and 2016. NEFS 4 has not included provisions for an ASM program because the sector operates as a private permit bank and explicitly prohibits fishing.

We propose to approve the ASM programs proposed by the NEFS 1-13 (excluding NEFS 4). These programs state that they will: Contract with a NMFS-approved ASM provider; meet the specified coverage level; and utilize the PTNS for random selection of monitored trips and notification to providers. In addition, these proposed ASM programs detail protocols for waivers, incident reporting, and safety requirements. We believe that the proposed programs are consistent with goals and objectives of monitoring, and with regulatory requirements.

Although the current regulations require a sector to fund its costs for its ASM program beginning in fishing year 2013, we funded industry's ASM costs in fishing years 2013 and 2014. It is unclear if the Agency will have money to fund industry's ASM costs, in whole or in part, for fishing year 2015. Additional information on funding and implementation of ASM for fishing year 2015 will be provided at a future date.

Sector EA

To comply with NEPA, a Programmatic EA was prepared encompassing all 17 operations plans, analyzing the impacts expected from the continued operation of the sectors over the next six years. The sector EA is tiered from the Environmental Impact Statement (EIS) prepared for Amendment 16. The EA examines the biological, economic, and social impacts unique to each sector's proposed operations, including requested exemptions, and provides a cumulative effect analysis that addresses the combined impact of the direct and indirect effects of approving all proposed sector operations plans. The summary findings of the EA conclude that each sector would produce similar effects that have non-significant impacts. Visit

<http://www.regulations.gov> to view the EA prepared for the 17 sectors that this rule proposes to approve.

We decided to do a programmatic assessment beginning in fishing year 2015 because the past four years of sector operations have been relatively homogeneous, and the EA covering the management regime has changed little since inception of the program. We believe future sector operations would likely operate similarly, and the impacts associated with their activities would also likely be similar in nature to past years. However, we understand that it is impossible to fully anticipate the future, and that new requests for sector exemptions may arise that could have impacts outside the scope of this programmatic document. In this case, a supplementary EA may be necessary to analyze future sector operations.

Classification

The Administrative Procedure Act (5 U.S.C. 553) requires advance notice of rulemaking and opportunity for public comment. The Council required additional time to develop measures to address GOM cod as part of Framework 53, which delayed our ability to present this to the public. We are therefore providing a 15-day comment period for this rule. A longer comment period would be impracticable and contrary to the public interest because we must publish a final rule prior to the start of fishing year 2015 on May 1, 2015, to enable sectors to fish at the start of the fishing year. A vessel enrolled in a sector may not fish in fishing year 2015 unless its operations plan is approved. If the final rule is not published prior to May 1, the permits enrolled in sectors must either stop fishing until their operations plan is approved or elect to fish in the common pool for the entirety of fishing year 2015. Both of these options would have very negative impacts for the permits enrolled in the sectors. Delaying the implementation beyond May 1, 2015, would result in an unnecessary economic loss to the sector members 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. Finally, without a seamless transition between fishing years 2014 and 2015, a delay would require sector vessels to remove gear that complies with an exemption, and redeploy the gear once the final rule is effective. Taking these additional trips would require additional fuel and staffing when catch may not be landed.

Pursuant to section 304(b)(1)(A) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), the NMFS Assistant Administrator has determined that this proposed rule is consistent with the NE Multispecies FMP, other provisions of the Magnuson-Stevens Act, and other applicable law, subject to further consideration after public comment.

This proposed action is exempt from the procedures of Executive Order 12866 because this action contains no implementing regulations.

The Chief Counsel for Regulation of the Department of Commerce certified to the Chief Counsel for Advocacy of the Small Business Administration (SBA) that this proposed rule, if adopted, would not have a significant economic impact on a substantial number of small entities.

As outlined in the preamble to this proposed rule, the purpose of this action is the implementation of fishing years 2015 and 2016 sector operations plans and associated regulatory exemptions. In an effort to rebuild the NE multispecies complex, other actions have reduced the allocations of several stocks managed by the NE Multispecies FMP, and the economic impacts of those allocations have been analyzed in accordance with their respective actions. This action, if finalized, would provide flexible fisheries management options to reduce the potential social and economic hardships resulting from those allocation reductions.

The regulated entities most likely to be affected by the proposed action are the 102 groundfish-dependent ownership entities that own permits currently enrolled in sectors, all of which are considered small under the SBA's definition of a small finfishing business.

Under the proposed rule, sector operations plans for fishing years 2015 and 2016 would be approved, allowing sector participants to use the universal sector exemptions granted under Amendment 16. In addition to the universal sector exemptions granted under the approval of individual sector operations plans, sector participants have requested relaxation of 22 other gear, area, administrative, and seasonal restrictions. This rule proposes to grant 19 of the 22 requested exemptions. Because all of the regulated entities are considered small businesses per the SBA guidelines, there are no disproportionate impacts for participating in sectors and using the universal exemptions and additional exemptions requested by individual sectors.

All of the requested sector-specific exemptions in this proposed rule are expected to have a positive economic impact on participants, as they further increase the flexibility of fishermen to land their allocation at their discretion. By choosing when and how to land their allocations, sector participants have the potential to reduce marginal costs, increase revenues, and ultimately increase profitability. Again, it is expected that fishermen will only use sector-specific exemptions that they believe will maximize utility, and that long-term stock impacts from the collective exemptions will be minimal and will be outweighed by benefits from operational flexibility.

This rule would not impose significant negative economic impacts on any of the sector participants. No small entities would be placed at a competitive disadvantage to large entities,

and the regulations would not reduce the profit for any small entities. Therefore, this rule would not have a significant impact on a substantial number of small entities. As a result, an Initial Regulatory Flexibility Analysis is not required and none has been prepared.

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

Dated: March 3, 2015

Eileen Sobeck,
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National Marine Fisheries Service.

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