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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 660

[Docket No. 170817773-8213-02]

RIN 0648-BG81

**Fisheries off West Coast States; Highly Migratory Fisheries; California Drift Gillnet Fishery;
Implementation of a Federal Limited Entry Drift Gillnet Permit**

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

ACTION: Final rule.

SUMMARY: NMFS is issuing regulations under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) to implement a March 2017 recommendation by the Pacific Fishery Management Council (Pacific Council) to amend the Fishery Management Plan for U.S. West Coast Fisheries for Highly Migratory Species (HMS FMP). The rule implements Amendment 5 to the HMS FMP and establishes a Federal limited entry (LE) permit system for the California/Oregon large-mesh drift gillnet (DGN) fishery using standards that are very similar to those used in the existing State of California LE permit program for the DGN fishery. Amendment 5 is intended to streamline management and future decision-making by placing all aspects of DGN fishery management under MSA authority. All current California LE DGN permit holders are eligible to apply for, and receive, a Federal LE DGN permit, and no additional LE DGN permits are created under this rule. This final rule is administrative in nature and is not anticipated to result in increased activity, effort, or capacity in the fishery.

DATES: This final rule is effective on [*insert date 30 days after date of publication in the FEDERAL REGISTER*].

ADDRESSES: Copies of supporting documents that were prepared for this final rule, including the Regulatory Impact Review and the proposed rule, are available via the Federal eRulemaking Portal: <http://www.regulations.gov>, docket NOAA-NMFS-2017-0052. These documents are also available from Lyle Enriquez, NMFS West Coast Region, 501 W. Ocean Blvd. Suite 4200, Long Beach, CA 90802, or Lyle.Enriquez@noaa.gov. Written comments regarding the burden-hour estimates or other aspects of the collection-of-information requirements contained in this final rule may be submitted to the West Coast Regional Office and by e-mail to OIRA_Submission@omb.eop.gov or fax to (202) 395-7285.

FOR FURTHER INFORMATION CONTACT: Lyle Enriquez, NMFS, West Coast Region, 562-980-4025, or Lyle.Enriquez@noaa.gov.

SUPPLEMENTARY INFORMATION: The California/Oregon large-mesh DGN fishery is managed under the HMS FMP, which was prepared by the Pacific Council and implemented under the authority of the MSA by regulations at 50 CFR part 660. Although it adopted all conservation and management measures in place under various Federal statutes (e.g., the Marine Mammal Protection Act and the Endangered Species Act) and state regulations, the HMS FMP did not incorporate the LE DGN permit programs of California and Oregon. California has an active LE DGN program, Oregon no longer issues DGN permits, and DGN fishing is prohibited in waters off of Washington.

Background

On March 12, 2017, the Pacific Council voted to recommend Amendment 5 to the HMS FMP, which establishes a LE DGN permit program under MSA authority and entitles all fishermen authorized to fish with large-mesh DGN gear under state law, as of the publication date of this final rule, to be

eligible to receive a Federal LE DGN permit. On September 15, 2017, NMFS published a Notice of Availability (NOA) in the Federal Register (82 FR 43323) for Amendment 5 with a 60-day public comment period. After consideration of public comments on Amendment 5, NMFS approved it on December 14, 2017. With that approval, Amendment 5, which requires establishment of a Federal DGN program under the HMS FMP, is now official Federal policy.

On October 31, 2017, NMFS published a proposed rule in the **Federal Register** (82 FR 50366) that would add regulations at 50 CFR part 660, subpart K, to implement Amendment 5. The proposed rule contained additional background information, including information on the basis for the new regulations and the recommendations of the Pacific Council, which is not repeated in this final rule. The proposed rule was open to public comment through December 15, 2017, and the comments that NMFS received are addressed in this final rule.

New Regulations

This rule adopts many of the current State of California management measures associated with the DGN fishery. For example, NMFS adopts current California requirements regarding the assignment of a permit (i.e., permits are issued to an individual and assigned to a specific vessel), the transfer of permits between permit holders (i.e., a permit must be held for three years before it is eligible to be transferred), and an annual renewal cycle.

As of the publication date of this final rule, all 70 California LE DGN permit holders are eligible to receive a Federal LE DGN permit if they have renewed their state LE DGN permit by March 31, 2018. Permit holders who fail to renew their state DGN permit by March 31, 2018, are not eligible for a Federal LE DGN permit. As of January 10, 2018, 68 permit holders have renewed their state LE DGN permit. If a state LE DGN permit was transferred after publication of the proposed rule, the transferee, but not the transferor, is eligible to receive a Federal LE DGN permit.

Federal LE DGN permits will be issued annually for the fishing year starting April 1 and ending March 31 of the following year. Permits expire on March 31 of each year and, after initial issuance (expected in 2018), the permit renewal deadline is April 30 of each fishing year. A completed LE DGN permit renewal form must be received by NMFS no later than close-of-business April 30. Any renewal form received after that date will result in the permanent expiration of the Federal LE DGN permit. A permit owner who fails to submit a renewal form by the deadline may submit a renewal form to NMFS with a written statement that the failure to renew the permit by the deadline was proximately caused by the permit owner's illness or injury. When a permit owner has died, the owner's estate or other personal representative may submit a statement explaining that the permit owner's death prevented a timely renewal. The permit holder, or in the case of a deceased permit owner, the estate or other personal representative, will need to provide written proof of illness, injury, or death. NMFS will not consider any such renewal request made after July 31. A permit holder needs to hold a Federal LE DGN permit for a vesting period of at least three years before it is eligible to be transferred. This vesting period extends across both state and Federal permit programs (i.e., if a permit holder held a state LE DGN permit for two years and a Federal LE DGN permit for one year, the permit may be transferred).

This rule also includes technical edits to existing regulatory text. These edits add the word "general" before instances of "HMS permit" to distinguish the existing HMS permit from the new LE DGN permit; update a web address from which permit applications may be obtained; update the reference to the NMFS "Southwest Region" to refer to the West Coast Region, into which it was incorporated; and update the description of the NMFS regional "Sustainable Fisheries Division" to describe it as part of the West Coast Region.

Public Comment and Responses

NMFS received 17 written public comments during the proposed rulemaking stage. The summarized comments and NMFS' responses are below.

Comment 1: The DGN fishery is conducted in Federal waters and belongs under Federal law and permitting.

Response: NMFS agrees that the DGN fishery belongs under Federal authority. In 2004, NMFS approved the HMS FMP, which included the DGN fishery as an authorized fishery, bringing the fishery under MSA authority for the first time. Furthermore, the DGN fishery operates only in Federal waters of the exclusive economic zone (EEZ) off of the States of California and Oregon. California, Oregon, and Washington do not allow the DGN fishery to operate in state waters.

Comment 2: Consolidating management responsibility for all aspects of the swordfish fishery under one authority, including the permit process, creates a higher level of management efficacy that currently does not exist.

Response: NMFS agrees. The 2004 HMS FMP included the DGN fishery as an authorized fishery under MSA authority and adopted state and Federal regulations in place at that time, except for the limited entry DGN permit systems of Oregon and California. Oregon no longer issues DGN permits, and California maintains a state LE DGN permit program. Currently, changes to the number of LE DGN permits or qualifications to possess a LE DGN permit are made by the California State Legislature. Creating a Federal LE DGN permit may streamline implementation of future DGN management measures recommended by the Pacific Council. For example, the Pacific Council may recommend management measures related to participation in the fishery, and NMFS could implement a recommendation (if approved) by placing conditions on eligibility for Federal LE DGN permits, without the California State Legislature having to take action.

Comment 3: Going forward, California would continue to have influence through its seats on the Pacific Council and Pacific Offshore Cetacean Take Reduction Team (POCTRT).

Response: NMFS agrees. The State of California has voting representatives on the Pacific Council and the POCTRT, and these groups recommend DGN management measures to NMFS. The Pacific Council recommends management measures related to all fisheries under the HMS FMP, which includes the DGN fishery and other fisheries that harvest swordfish and other HMS. The POCTRT was established under section 118(f) of the Marine Mammal Protection Act, 16 U.S.C. 1387(f), specifically to make recommendations addressing marine mammal interactions in the DGN fishery. For example, in 1996 the POCTRT recommended that NMFS require the use of acoustic pingers to alert marine mammals to the presence of the net during all DGN fishing activity. NMFS implemented this measure in 1997 and it led to a significant reduction in the number of marine mammals entangled by the fishery. Further, in 2013 the POCTRT recommended that NMFS implement emergency, temporary regulations to limit the number of sperm whales taken in the fishery, require a Vessel Monitoring System (VMS) on board each DGN vessel, and establish a 100 percent observer coverage zone. NMFS implemented this recommendation in 2013, and later made the VMS requirement permanent.

Comment 4: The rule only proposed to create a Federal LE DGN permit rather than replace the current California state permit regime, as the Council originally considered when it began discussing a Federal LE DGN permit in March 2014. The California state permit regime should be placed under Federal control, as the most scientific resources are available at the Federal level to make science-based decisions for the fishery.

Response: In March 2017, the Pacific Council voted to authorize a Federal LE DGN permit. The Pacific Council recommended that, as soon as possible after Pacific Council final action, only fishermen authorized to fish with large-mesh DGN gear under state law would be entitled to a LE DGN permit

issued by NMFS. Fishermen who hold valid state LE DGN permits on the date that this final rule is published would be eligible for the Federal LE DGN permit. These permits could be transferred only once every three years. The Pacific Council did not include a recommendation to repeal any state permit requirements. This final rule does not repeal any State of California requirements related to the California LE DGN permit. The California LE DGN permit will continue to be required by the state until and unless a change to California Fish and Game Code is made by the California State Legislature.

Comment 5: Several commenters noted that the California Department of Fish and Wildlife is currently in the process of convening stakeholders to discuss potential collaborative solutions, including a buyout program, to improve the sustainability of the DGN fishery. The commenters support these efforts and urge NMFS to delay implementation of this rule until the State of California has had the opportunity to explore a collaborative solution with fishermen and other stakeholders under state authority.

Response: Section 304(b) of the MSA, 16 U.S.C. 1854(b), requires NMFS to publish final implementing regulations for FMP amendments within 30 days of the close of the comment period on the proposed rule, if the amendment has been approved. Amendment 5 includes no provision to delay implementation of the Federal permit system. NMFS understands that the California Department of Fish and Wildlife has convened meetings with California LE DGN permit holders and environmental non-governmental organizations to discuss a potential buyout program to reduce the number of California LE DGN permits. The results of these discussions are speculative and do not justify a delay in implementing a Federal LE DGN permit.

Comment 6: The NOA and proposed rule note that NMFS' intent is to transition the State of California issued LE DGN permit program to Federal management under MSA authority. The NOA and proposed rule both specifically state "[a]fter the LE DGN permit transitions from the State of

California to Federal management, each participant will need to hold all of the same permits and licenses, except that the Federal LE DGN permit will take the place of the State of California LE DGN permit." This statement incorrectly implies that, upon implementation of the Federal LE DGN program, the state LE DGN permit will immediately cease to be required. The state LE DGN permit is required by California Fish and Game Code section 8561. The state LE DGN permit will continue to be required until the California State Legislature repeals or otherwise changes this requirement. Thus, even after implementation of a Federal LE DGN permit, each participant will continue to be required to possess all required state permits and licenses, including the state general gillnet permit and the state LE DGN permit. If NMFS elects to proceed, it should be made clear in the final rule implementing the Federal LE DGN permit that the state LE DGN permit will continue to be required until a change to Fish and Game Code, section 8561, is made by the California State Legislature.

Response: To clarify, NMFS reiterates that this final rule does not repeal any State of California requirements related to the California LE DGN permit. Following implementation of the Federal LE DGN permit, the California LE DGN permit will continue to be required by the state until and unless a change to California Fish and Game Code is made by the California State Legislature.

Comment 7: Several commenters stated that the proposed rule does not explain the clear need for a Federal LE DGN permit, because a State of California LE DGN permit will continue to be required to use DGN gear, absent legislative action. Implementation of this rule will merely create a duplicative permit requirement.

Response: Although both permits will continue to be required until and unless the California State Legislature acts, the Pacific Council recommended requiring a Federal LE DGN permit in order to streamline Federal management of the DGN fishery. The fishery occurs in the EEZ, not in state waters, and therefore this is a Federal fishery shared by residents of different states. Currently, changes to the

number of DGN permits or qualifications to possess a DGN permit can be made only through the California State Legislature. As described above, under Amendment 5, the Pacific Council may recommend future management measures related to participation in the fishery, and, if approved, NMFS could directly implement them by placing conditions on Federal LE DGN permits.

Comment 8: Several commenters stated that DGN permitting authority should remain with the State of California, and that transitioning to Federal management will limit California's ability to make decisions that affect its natural resources or have input on the use of resources that are found in both Federal and state waters. They state that, while the California Department of Fish and Wildlife will still be able to participate through the Pacific Council, its ability to make changes to the fishery will be diluted, and that the California State Legislature would potentially be cut out entirely from the management process for this fishery.

Response: The fishery occurs in the EEZ, not in state waters, and therefore this is a Federal resource shared by residents of different states. Because the HMS fisheries are a Federal resource, the Council prepared and recommended adoption of the HMS FMP under Federal authority. With the exception of the LE program, the DGN fishery has been managed under Federal authority for years. Even under Amendment 5, the California State Legislature retains the ability to manage fishery resources wholly within state waters (within roughly 3 nautical miles from the coastline) and manage state-registered vessels beyond state waters to the extent such management does not conflict with MSA regulations.

Comment 9: Several commenters stated that Federal LE DGN permits should only be issued upon implementation of the Pacific Council's proposed management measures to (1) establish protected species hard caps (limits on the serious injury and mortality of certain marine mammal and sea turtle species); and (2) require 100 percent monitoring in the fishery, or that the regulations implementing the

Federal LE DGN permit program should require that permit holders operate under hard caps and 100 percent monitoring.

Response: The Pacific Council recommended that NMFS implement DGN hard caps and 100 percent monitoring in September 2015. NMFS proposed regulations to implement DGN hard caps in October 2016. In a separate action, the Pacific Council recommended Amendment 5 (Federal LE DGN permit program) in March 2017. Amendment 5 was not conditioned on implementation of hard caps or 100 percent monitoring. In June 2017, NMFS withdrew the proposed regulations to establish protected-species hard caps for the DGN fishery, after further analysis showed that the action would have minor beneficial effects to target and non-target fish species and protected species, at the cost of significant adverse economic effects to the participants in the fishery if and when closures would occur. NMFS advised the Pacific Council of revisions that would make the proposed DGN hard caps regulations consistent with the MSA and meet the purpose and need for the action. NMFS continues to analyze ways to implement the Pacific Council's recommendation for 100 percent DGN monitoring, and the Pacific Council revised its purpose and need for the action in November 2017. Because Amendment 5 is not conditioned on the establishment of hard caps or 100 percent monitoring, the status of those recommendations does not support a delay in creating the Federal LE DGN permit.

Comment 10: The commenter opposes the proposed Federal permit program, stating it disregards key objectives outlined in the Pacific Council's Swordfish Management and Monitoring Plan for achieving bycatch reduction goals and limiting DGN fishing effort.

Response: The Federal LE DGN permit is not intended to reduce bycatch. Future actions to manage the fishery may be streamlined by establishing a Federal permit program. Such potential future actions could be intended to reduce bycatch in the DGN fishery.

Comment 11: The commenter requests that NMFS not finalize the proposed rule and instead return it to the Pacific Council to amend the purpose and need for the action, reduce latent permits in the DGN fishery, make clear that no additional Federal LE DGN permits shall be issued after the initial allocation, make Federal DGN permits non-transferrable, and connect the Federal LE DGN program with the authorization of deep-set buoy gear.

Response: NMFS is not returning the proposed rule to the Pacific Council, because the Pacific Council discussed these restrictions when considering establishing a Federal LE DGN permit, and did not include them as part of its recommendation to NMFS to create the permit. As explained above, requiring DGN vessels to operate under Federal permits is a tool to augment the Federal government's ability to directly manage participation and eligibility in this fishery in the future.

Comment 12: Federalizing the drift gillnet fishery will significantly impact the environment. By preventing the opportunity for future state action to reduce environmental impacts, this action will cause significant environmental impacts, such as continued interactions with endangered species. These environmental impacts are significant, and the action requires full and appropriate analysis under the National Environmental Policy Act (NEPA). Reliance on a categorical exclusion (CE) to satisfy NEPA requirements would be inappropriate for the proposed action, as it involves several Extraordinary Circumstances, including (1) adverse effects from the action on species or habitats protected by the Endangered Species Act, the Marine Mammal Protection Act, the MSA, the National Marine Sanctuaries Act, or the Migratory Bird Treaty Act that are not negligible or discountable; (2) a potential violation of Federal, State, or local law or requirements imposed for the protection of the environment; and (3) highly controversial environmental effects.

Response: The impacts of DGN fishing are addressed adequately in the combined August 2013 HMS FMP and final environmental impact statement. Amendment 5 is not expected in itself to change

fishing levels or practices. NMFS has conducted the appropriate NEPA analysis of this action and has concluded that the proposed action would not have a significant effect, individually or cumulatively, on the human environment, and does not involve any extraordinary circumstances. NMFS disagrees that a CE is inappropriate for this action. Specifically, this action fits under the description of CE Category A1 in the NAO 216-6A Companion Manual: “an action that is a technical correction or a change to a fishery management action or regulation, which does not result in a substantial change in any of the following: fishing location, timing, effort, authorized gear types, or harvest levels.” However, NMFS notes it is possible that Amendment 5 could facilitate changes in the future that affect fishing practices with impacts that could be subject to NEPA analyses, as appropriate.

Comment 13: NMFS must delay taking action to federalize the LE system until after a new Biological Opinion is complete, as it will contain information vital for the decision of whether and how to federalize the fishery. In the absence of a new Biological Opinion, NMFS’ statement that they do not anticipate significant environmental impacts is unsupported by environmental analysis and should not be relied upon in deciding whether to move finalize federalization.

Response: NMFS disagrees. Nothing in this rule causes fishing activities to affect endangered and threatened species or critical habitat in any manner not considered in prior consultations on this fishery. This action is administrative in nature and is not expected to increase fishing activity or change current fishing practices.

Changes from the Proposed Rule

No changes have been made to regulatory text of the proposed rule.

Classification

The Administrator, West Coast Region, NMFS, determined that Amendment 5 to the HMS FMP is necessary for the conservation and management of the DGN fishery and that it is consistent with the Magnuson-Stevens Fishery Conservation and Management Act and other applicable laws.

This final rule has been determined to be not significant for purposes of Executive Order 12866. This final rule is not an Executive Order 13771 regulatory action because this final rule is not significant under Executive Order 12866.

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 the 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.

This final rule contains a collection-of-information requirement subject to the Paperwork Reduction Act (PRA) and which has been approved by OMB under control number 0648-0204. The public reporting burden for the additional collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding these burden estimates or any other aspect of this data collection, including suggestions for reducing the burden, to NMFS (see **ADDRESSES**) and by e-mail to *OIRA_Submission@omb.eop.gov*, or fax to 202-395-7285.

Notwithstanding any other provision of the law, no person is required to respond to, and no person shall be subject to penalty for failure to comply with, a collection of information subject to the requirements of the PRA, unless that collection of information displays a currently valid OMB control

number. All currently approved NOAA collections of information may be viewed

at: http://www.cio.noaa.gov/services_programs/prasubs.html.

List of Subjects in 50 CFR Part 660

Fisheries, Fishing, Reporting and recordkeeping requirements.

Dated: March 9, 2018.

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

For the reasons set out in the preamble, 50 CFR part 660 is amended as follows:

PART 660--FISHERIES OFF WEST COAST STATES

1. The authority citation for part 660 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*, 16 U.S.C. 773 *et seq.*, and 16 U.S.C. 7001 *et seq.*

2. In § 660.702, revise the definition of “Sustainable Fisheries Division” to read as follows:

* * * * *

Sustainable Fisheries Division (SFD) means the Assistant Regional Administrator for Sustainable Fisheries, West Coast Region, NMFS, or his or her designee.

* * * * *

3. In § 660.707, revise paragraphs (a)(1) and (4), (b)(1), (3), and (4), and (e) and add paragraph (f) to read as follows:

§ 660.707 Permits.

(a) ***

(1) A commercial fishing vessel of the United States must be registered for use under a general HMS permit that authorizes the use of specific gear, and a recreational charter vessel must be registered for use under a HMS permit if that vessel is used:

(i) To fish for HMS in the U.S. EEZ off the States of California, Oregon, and Washington; or

(ii) To land or transship HMS shoreward of the outer boundary of the U.S. EEZ off the States of California, Oregon, and Washington.

* * * * *

(4) Only a person eligible to own a documented vessel under the terms of 46 U.S.C. 12102(a) may be issued or may hold (by ownership or otherwise) a general HMS permit.

(b) ***

(1) Following publication of the final rule implementing the FMP, NMFS will issue general HMS permits to the owners of those vessels on a list of vessels obtained from owners previously applying for a permit under the authority of the High Seas Fishing Compliance Act, the Tuna Conventions Act of 1950, the Marine Mammal Protection Act, and the Fishery Management Plan for Pelagic Fisheries of the Western Pacific Region, or whose vessels are listed on the vessel register of the Inter-American Tropical Tuna Commission.

* * * * *

(3) An owner of a vessel subject to these requirements who has not received a permit under this section from NMFS and who wants to engage in the fisheries must apply to the SFD for the required permit in accordance with the following:

(i) A West Coast Region Federal Fisheries application form may be obtained from the SFD or downloaded from the West Coast Region home page

(http://www.westcoast.fisheries.noaa.gov/permits/commercial_fishing_research_permits.html) to apply for a permit under this section. A completed application is one that contains all the necessary information and signatures required.

(ii) A minimum of 15 days should be allowed for processing a permit application. If an incomplete or improperly completed application is filed, the applicant will be sent a notice of deficiency. If the applicant fails to correct the deficiency within 30 days following the date of notification, the application will be considered abandoned.

(iii) A permit will be issued by the SFD. If an application is denied, the SFD will indicate the reasons for denial.

(iv)(A) Any applicant for an initial permit may appeal the initial issuance decision to the Regional Administrator. To be considered by the Regional Administrator, such appeal must be in writing and state the reasons for the appeal, and must be submitted within 30 days of the action by the Regional Administrator. The appellant may request an informal hearing on the appeal.

(B) Upon receipt of an appeal authorized by this section, the Regional Administrator will notify the permit applicant, or permit holder as appropriate, and will request such additional information and in such form as will allow action upon the appeal.

(C) Upon receipt of sufficient information, the Regional Administrator will decide the appeal in accordance with the permit provisions set forth in this section at the time of the application, based upon information relative to the application on file at NMFS and the Council and any additional information submitted to or obtained by the Regional Administrator, the summary record kept of any hearing and the hearing officer's recommended decision, if any, and such other considerations as the Regional Administrator deems appropriate. The Regional Administrator will notify all interested persons of the

decision, and the reasons for the decision, in writing, normally within 30 days of the receipt of sufficient information, unless additional time is needed for a hearing.

(D) If a hearing is requested, or if the Regional Administrator determines that one is appropriate, the Regional Administrator may grant an informal hearing before a hearing officer designated for that purpose after first giving notice of the time, place, and subject matter of the hearing to the applicant. The appellant, and, at the discretion of the hearing officer, other interested persons, may appear personally or be represented by counsel at the hearing and submit information and present arguments as determined appropriate by the hearing officer. Within 30 days of the last day of the hearing, the hearing officer shall recommend in writing a decision to the Regional Administrator.

(E) The Regional Administrator may adopt the hearing officer's recommended decision, in whole or in part, or may reject or modify it. In any event, the Regional Administrator will notify interested persons of the decision, and the reason(s) therefore, in writing, within 30 days of receipt of the hearing officer's recommended decision. The Regional Administrator's decision will constitute the final administrative action by NMFS on the matter.

(F) Any time limit prescribed in this section may be extended for a period not to exceed 30 days by the Regional Administrator for good cause, either upon his or her own motion or upon written request from the appellant stating the reason(s) therefore.

(4) General HMS permits issued under this subpart will remain valid until the first date of renewal, and permits may be subsequently renewed for 2-year terms. The first date of renewal will be the last day of the vessel owner's birth month in the second calendar year after the permit is issued (e.g., if the birth month is March and the permit is issued on October 3, 2007, the permit will remain valid through March 31, 2009).

* * * * *

(e) *Fees.* An application for a permit, or renewal of an existing permit under this section will include a fee for each vessel. The fee amount required will be calculated in accordance with the NOAA Finance Handbook and specified on the application form.

(f) *Federal limited entry drift gillnet permit--(1) General.* This section applies to individuals fishing with large-mesh (14 inch or greater stretched mesh) drift gillnet (DGN) gear. Individuals who target, retain, transship, or land fish captured with a large-mesh DGN must possess a valid Federal limited entry DGN permit. Federal limited entry DGN permits are issued to an individual, and a vessel must be specified on the permit.

(2) *Initial qualification.* Upon publication of NMFS' final rule to establish the Federal limited entry DGN permit, all State of California limited entry DGN permit holders are eligible to obtain a Federal limited entry DGN permit. If a 2017-2018 California state DGN permit renewal application is not received by the California Department of Fish and Wildlife or postmarked by March 31, 2018, the permit holder is not eligible to receive a 2018-2019 Federal limited entry DGN permit.

(3) *Documentation and burden of proof.* An individual applying for issuance, renewal, transfer, or assignment of a Federal limited entry DGN permit must prove that they meet the qualification requirements by submitting the following documentation, as applicable: a certified copy of the assigned vessel's documentation as a fishing vessel of the United States (U.S. Coast Guard or state) is the best evidence of vessel identification; a copy of a current State of California limited entry DGN permit is the best evidence of initial qualification for a Federal limited entry DGN permit; a copy of a written contract reserving or conveying limited entry rights is the best evidence of reserved or acquired rights; and other relevant, credible evidence that the applicant may wish to submit or that the SFD may request or require.

(4) *Fees.* Any processing fee will be determined by the service costs needed to process a permit request. If a fee is required, it would cover administrative expenses related to issuing limited entry permits, as well as renewing, transferring, assigning, and replacing permits. The amount of any fee will be calculated in accordance with the procedures of the NOAA Finance Handbook for determining the administrative costs of each special product or service. A fee may not exceed such costs and is specified with each application form. The appropriate fee must accompany each application.

(5) *Initial decisions.* (i) The SFD will make initial decisions regarding issuing, renewing, transferring, and assigning limited entry permits.

(ii) Adverse decisions shall be in writing and shall state the reasons for the adverse decision.

(iii) The SFD may decline to act on an application for issuing, renewing, transferring, or assigning a limited entry permit and will notify the applicant, if the permit sanction provisions of the Magnuson-Stevens Act at 16 U.S.C. 1858(a) and implementing regulations at 15 CFR part 904, subpart D, apply.

(6) *Issuance.* Federal limited entry DGN permits will be issued by the SFD. If an application is denied, the SFD will indicate the reasons for denial. A DGN permit will be issued to an individual and assigned to a specific vessel. A permit holder may assign the permit to another vessel once per permit year (April 1 to March 31).

(7) *Appeals.* Any applicant for an initial permit may appeal the initial issuance decision to the Regional Administrator. Appeals will be made and processed following procedures as described at paragraph (b)(3)(iv) of this section.

(8) *Transfers.* Federal limited entry DGN permits may be transferred to another individual only if the current permit holder has held the Federal DGN permit for a minimum of three consecutive years (counted April 1 to March 31 of the following year). At the time of the establishment of the Federal

limited entry DGN permit system, the length of time an individual has held a State of California limited entry DGN permit carries over (e.g., if an individual has held a California DGN permit for two years, they are eligible to transfer the Federal DGN permit after holding the Federal DGN permit for one year). Exceptions to this limitation on permit transfer may be made under the following circumstances:

(i) The permit holder suffers from a serious illness or permanent disability that prevents the permit holder from earning a livelihood from commercial fishing.

(ii) If a deceased permit holder's estate or heirs submit a transfer request within six months of the permit holder's death.

(iii) Upon dissolution of marriage if the permit is held as community property.

(9) *Renewals.* (i) The SFD will send notices to renew limited entry permits to the most recent address of the permit holder on file.

(ii) The permit owner is responsible for renewing a limited entry permit.

(iii) The deadline for receipt or postmark of a Federal DGN permit renewal application is April 30 of the permit year (i.e., April 30, 2019 for 2019-2020 fishing season). Federal DGN permits must be renewed yearly.

(iv) A DGN permit that is allowed to expire will not be renewed unless the permit owner requests reissuance by July 31 (three months after the renewal application deadline) and NMFS determines that failure to renew was proximately caused by illness, injury, or death of the permit owner. If the permit expires, it will be forfeited and NMFS will not reissue the permit to anyone.

(10) *Owner on-board requirement.* (i) Except as provided in paragraphs (f)(10)(ii) through (v) of this section, the DGN permit holder must be on-board the vessel and in possession of a valid Federal limited entry DGN permit when engaged in DGN fishing activity.

(ii) A permit holder may designate another individual to fish under their permit for up to 15 days per fishing year (April 1 to March 31 of the following year); the substitute must comply with all other Federal permitting requirements. A permit holder shall notify NMFS of a substitution at least 24 hours prior to the commencement of the trip.

(iii) If the person who owns a Federal DGN permit is prevented from being on-board a fishing vessel because the person died, is ill, or is injured, NMFS may allow an exemption to the owner on-board requirement for more than 15 days. The person requesting the exemption must send a letter to NMFS requesting an exemption from the owner on-board requirements, with appropriate evidence as described at paragraph (f)(10)(iv) or (v) of this section. All exemptions for death, injury, or illness will be evaluated by NMFS and a decision will be made in writing to the permit owner (or, in the case of the death of the permit owner, to the estate or heirs of the permit owner) within 60 calendar days of receipt of the original exemption request.

(iv) Evidence of death of the permit owner shall be provided to NMFS in the form of a copy of a death certificate. In the interim before the estate is settled, if the deceased permit owner was subject to the owner on-board requirements, the estate of the deceased permit owner may send a letter to NMFS with a copy of the death certificate, requesting an exemption from the owner-on-board requirements. An exemption due to death of the permit owner will be effective only until such time that the estate of the deceased permit owner has registered the deceased permit owner's permit to a beneficiary, transferred the permit to another owner, or three years after the date of death as proven by a death certificate, whichever is earliest. An exemption from the owner-on-board requirement will be conveyed in a letter from NMFS to the estate of the permit owner and is required to be on the vessel during DGN fishing operations.

(v) Evidence of illness or injury that prevents the permit owner from participating in the fishery shall be provided to NMFS in the form of a letter from a certified medical practitioner. This letter must detail the relevant medical conditions of the permit owner and how those conditions prevent the permit owner from being on-board a fishing vessel during DGN fishing. An exemption due to injury or illness will be effective only for the fishing year of the request for exemption. In order to extend a medical exemption for a succeeding year, the permit owner must submit a new request and provide documentation from a certified medical practitioner detailing why the permit owner is still unable to be on-board a fishing vessel. An exemption from the owner-on-board requirement will be conveyed in a letter from NMFS to the permit owner and is required to be on the vessel during DGN fishing operations.

[FR Doc. 2018-05186 Filed: 3/13/2018 8:45 am; Publication Date: 3/14/2018]