



BILLING CODE 3510-22-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648-XG867

Fishing Capacity Reduction Program for the Southeast Alaska Purse Seine Salmon Fishery

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

ACTION: Notice of reduction payment tender and industry fee collection system effective date.

SUMMARY: In 2018 the Southeast Revitalization Association (SRA) conducted a bid selection process accepting 36 bids to remove Southeast Alaska Purse Seine salmon permits under a proposed second fishing capacity reduction loan program. In accordance with regulations, the SRA submitted a reduction plan to NMFS to implement the proposed second loan reduction program. From February 4, 2019 through March 6, 2019, NMFS conducted a referendum in which a majority of the fisheries 315 permit holders voted to approve a \$10,127,988 loan to remove 36 permits, which post reduction harvesters will repay in fees over a 40 year period. Accordingly, NMFS is preparing to tender reduction payments to the accepted bidders and implement a fee-collection system to repay the second loan.

DATES: The public has until [*INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER*] to inform NMFS of any holding, owning, or retaining claims that conflict with the representation of bids collected by the SRA. Fee collection will begin on the

second loan on June 1, 2019. The first due date for fee payments on the second loan will be July 15, 2019.

ADDRESSES: Send questions about this notice to Michael A. Sturtevant, Acting Chief, Financial Services Division, National Marine Fisheries Service, 1315 East-West Highway, Silver Spring, MD 20910-3282.

FOR FURTHER INFORMATION CONTACT: Elaine Saiz, (301) 427-8752 or *elaine.saiz@noaa.gov*.

SUPPLEMENTARY INFORMATION:

I. Background

The Southeast Alaska Purse Seine Salmon Fishery is a commercial fishery in Alaska State waters and adjacent Federal waters. It encompasses the commercial taking of salmon with purse seine gear and participation is limited to fishermen designated by the Alaska Commercial Fisheries Entry Commission (CFEC).

The Fishing Capacity Reduction Program was established under the Consolidations Act of 2005 (Section 209 of Title II of Division B of Public Law 108-447). This Federal law was subsequently amended by Section 121 of Public Law 109-479 (the Magnuson-Stevens Reauthorization Act of 2006) codified at 16 U.S.C. 1801 *et seq.* The authority for the SRA to conduct this program under Alaska law is AS 16.40.250.

Based on these Federal and state measures, the NMFS established regulations in the **Federal Register**, (76 FR 61986; October 6, 2011), to administer and implement the program.

The purpose of the program and this plan is to permanently reduce the number of limited entry fishing permits issued by the Alaska Commercial Fisheries Entry Commission (CFEC) for

the Fishery thereby promoting economic efficiency and improving the conservation and management of the Fishery.

Congress authorized a \$23.5 million dollar loan to finance a fishing capacity reduction program in the Southeast Alaska Purse Seine Salmon Fishery. NMFS published proposed program regulations on May 23, 2011 (76 FR 29707) and final program regulations on October 6, 2011 (76 FR 61986) to implement the reduction program.

In 2012, NMFS conducted a referendum to determine the remaining fishermen's willingness to repay a \$13.1 million fishing capacity reduction loan to remove 64 permits. After a majority of permit holders approved the loan, NMFS disbursed payments to the successful bidders and began collecting fees to repay the loan. Since only \$13.1 million was expended from the total loan amount, \$10.4 million in funds remain available.

In 2018, the SRA informed NMFS that they wished to access the remaining loan amounts to undertake a second buyback. To implement this next buyback, the SRA, on behalf of the reduction fishery, was required to draft and submit a reduction plan to NMFS. On June 21, 2018, the SRA submitted a reduction plan to access \$10.1 million of the remaining \$10.4 million in funds to remove 36 permits. NMFS approved the proposed second fishing capacity reduction plan in November 2018.

NMFS published a notice of eligible voters on December 3, 2018 (83 FR 62302) informing the public of the permanent permit holders eligible to vote in the referendum and informing the eligible voters of the referendum voting period.

II. Present Status

NMFS conducted a referendum to determine the industry's willingness to purchase the permits identified in the second reduction plan. NMFS mailed ballots to the 315 holders of Southeast Alaska purse seine salmon permits designated as S01A by CFEC who were eligible to vote in the referendum. The voting period as announced in 83 FR 62302 was originally scheduled to open on January 15, 2019 and close on February 14, 2019. However, due to the government shutdown caused by lack of appropriations, the initial voting period was rescheduled. The voting period opened on February 4, 2019 and closed on March 6, 2019. NMFS received 206 timely and valid votes; 180 of which approved the fees. This exceeded the majority of permit holders (158) required for industry fee system approval.

The referendum was successful and permit holders approved the second loan industry fee system. Accordingly, the reduction contracts are in full force and effect and NMFS is preparing to tender and disburse the reduction payments to the selected bidders.

III. Purpose

NMFS publishes this notice to inform the public before tendering reduction payments to the 36 accepted bidders. Upon receiving notice from CFEC that the permits have been relinquished and are no longer valid, NMFS will tender reduction payments on or about *[INSERT DATE 31 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]*. Once NMFS tenders a reduction payment to a selected bidder, the selected bidder must permanently stop all further fishing represented by each reduction permit the bidder has relinquished. The selected bidder, in accordance with section five of the relinquishment contract, must notify all creditors or other parties with security interests in the reduction permit that they have entered into the relinquishment contract.

This notice provides the public (Including creditors or other parties) 30 days from publication of this notice to inform NMFS in writing of any holding, owning, or retaining claims that conflict with the representations of bids as presented by the SRA. This document also establishes the second loan reduction fee's effective date in accordance with subpart M to 50 CFR 600.1107.

IV. Selected Bidders and Permits

The table below lists the 36 permit holders who will receive reduction payments when NMFS receives word from CFEC that the specific permits have been relinquished.

| Last name | First name | Permit No. |
|-------------|------------|------------|
| Curry | Clyde | S01A55389F |
| Nagamine | Ross | S01A58246Z |
| Porter | Ronald | S01A55937 |
| Jackinsky | Sara | S01A57345Q |
| Bueche | Jacob | S01A63230H |
| Peckham | John | S01A55481Z |
| Gilbertsen | Michelle | S01A55317K |
| Malich | John | S01A58564 |
| Manning Jr. | Edward | S01A57795 |
| Peterman | Bruce | S01A59306P |
| Genther | Cynthia | S01A55457K |
| Lundquist | Loren | S01A58350B |
| Young | Mark | S01A58490B |
| Kohlhase | Jason | S01A57333J |
| Jensen | Jeremy | S01A55611H |
| Glenovich | James | S01A58476K |
| Kapp | Darrell | S01A55673E |
| Jurlin Jr. | Nicholas | S01A60158F |
| Zuanich | Shirley | S01A58102 |
| Nugent | Mark | S01A60509 |
| Rabb | Ian | S01A58318Z |
| Piecuch | Charles | S01A56077U |
| Johnson | Hans | S01A57756Q |
| Granberg | Kevin | S01A59394 |
| Carle | Arlene | S01A58580M |
| Good | Steven | S01A60710I |
| Briscoe Jr. | Robert | S01A56014 |
| Moller | Richard | S01A64994X |
| Puratich | Robert | S01A59736S |
| Denkinger | Troy | S01A56193F |
| Denkinger | Troy | S01A58973B |
| Carle | Jan | S01A60076N |
| Fogle | Charles | S01A58044W |
| Esquiro | George | S01A60721X |
| Blankenship | Jeffrey | S01A56268H |
| Murphy | Kevin | S01A55505U |

V. Fee System Effective Date

This notice also establishes the second Southeast Alaska purse seine salmon fishery reduction loan fee's effective date in accordance with subpart M of 50 CFR 600.1107. The second Southeast Alaska Purse Seine Salmon Fishery reduction loan fee collection will begin on

June 1, 2019. The first due date for fee payments on the second loan will be July 15, 2019.

Starting on this date, all harvesters of Southeast Alaska purse seine salmon (Designated as S01A by CFEC) must pay the fee in accordance with the applicable regulations.

The initial fee applicable to the second Southeast Alaska Purse Seine Salmon Fishery reduction loan is 1% of the landed value and any subsequent bonus payments. Fish sellers and fish buyers must pay and collect the fee in the manner set out in 50 CFR 600.1107. All harvesters and fish buyers should read subpart L to 50 CFR 600.1013 to understand how fish harvesters must pay and fish buyers must collect the fee.

Dated: March 7, 2019.

Brian Pawlak, CFO/CAO Director,

Office of Management and Budget,

National Marine Fisheries Service.

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