NMFS to ascertain the impact of *de minimis* carryover on regulated entities.

Prior rulemaking for Amendment 16 allowed sectors to carry over up to 10 percent of their overall allocation if, for any reason, they were unable to utilize that allocation in one FY. This allowance is designed to allow flexibility so that vessels do not fish during unsafe conditions to utilize their last units of catch allocations. The ability to carry over allocation is simultaneously constrained by a fishery-wide ACL that cannot be exceeded. Prior rulemaking created a provision for a *de minimis* carryover amount in excess of the ACL. This proposed rule establishes that amount at 1 percent of the upcoming FY ACL. The additional allocation, in excess of the ACL, will allow sectors and sector-enrolled entities to increase their gross sales slightly relative to being restricted to the ACL level, creating positive economic impacts for those enrolled in sectors. These benefits are not disproportionate, as the *de minimis* carryover amount is available to all sector-enrolled fishery participants.

For these reasons, the proposed rule, if implemented, will not have a significant economic impact on a substantial number of small entities. Accordingly, an initial regulatory flexibility analysis is not required and none has been prepared.

List of Subjects in 50 CFR Part 648

Fisheries, Fishing, Recordkeeping and reporting requirements.

Dated: March 11, 2014.

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 648 is proposed to be amended as follows:

PART 648—FISHERIES OF THE NORTHEASTERN UNITED STATES

■ 1. The authority citation for part 648 continues to read as follows:

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

■ 2. In § 648.14, revise paragraph (k)(11)(iv) to read as follows:

§ 648.14 Prohibitions.

* * * * *

(k) * * *

(11) * * *

(iv) *Reporting requirements for all persons.* (A) If fishing under a NE multispecies DAS or on a sector trip in the Western U.S./Canada Area or Eastern U.S./Canada Area specified in § 648.85(a)(1), fail to report in accordance with § 648.85(a)(3)(v).

* * * * *

■ 3. In § 648.85, revise paragraph (a)(3)(v) to read as follows:

§ 648.85 Special management programs.

(a) * * *

(3) * * *

(v) *Reporting.* (A) The owner or operator of a common pool vessel must submit reports via VMS, in accordance with instructions provided by the Regional Administrator, for each day of the fishing trip when declared into either of the U.S./Canada Management Areas. The owner or operator of a sector vessel must submit daily reports via VMS, in accordance with instructions provided by the Regional Administrator, for each day of the fishing trip when declared into the Eastern U.S./Canada Area. Vessels subject to the daily reporting requirement must report daily for the entire fishing trip, regardless of what areas are fished. The reports must be submitted in 24-hr intervals for each day, beginning at 0000 hr and ending at 2359 hr, and must be submitted by 0900 hr of the following day, or as instructed by the Regional Administrator. The reports must include at least the following information:

(*1*) VTR serial number or other universal ID specified by the Regional Administrator;

(*2*) Date fish were caught and statistical area in which fish were caught; and

(*3*) Total pounds of cod, haddock, yellowtail flounder, winter flounder, witch flounder, pollock, American plaice, redfish, Atlantic halibut, ocean pout, Atlantic wolffish, and white hake kept (in pounds, live weight) in each broad stock area, specified in § 648.10(k)(3), as instructed by the Regional Administrator.

(B) The Regional Administrator may remove or modify the reporting requirement for sector vessels in § 648.85(a)(3)(v) in a manner consistent with the Administrative Procedure Act.

* * * * *

[FR Doc. 2014–05819 Filed 3–14–14; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 648

[Docket No. 131115971–4214–01]

RIN 0648–XC995

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

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

ACTION: Proposed rule; request for comments.

SUMMARY: We propose to approve 19 sector operations plans and contracts for fishing year (FY) 2014, provide Northeast (NE) multispecies annual catch entitlements (ACE) to these sectors, and grant regulatory exemptions. We request comment on the proposed sector operations plans and contracts; the environmental assessment (EA) analyzing the impacts of the operations plans; and our proposal to grant 20 of the 28 regulatory exemptions requested by the sectors. Approval of sector operations plans is necessary to allocate ACE to the sectors and for the sectors to operate. The NE Multispecies Fishery Management Plan (FMP) 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 NE multispecies (groundfish) based on its members' fishing history.

This rule also announces the target at-sea monitoring (ASM) coverage rate for sector trips for FY 2014.

DATES: Written comments must be received on or before April 1, 2014.

ADDRESSES: You may submit comments on this document, identified by NOAA–NMFS–2014–0001, by any of the following methods:

• *Electronic Submission:* Submit all electronic public comments via the Federal e-Rulemaking Portal. Go to *www.regulations.gov/#!docketDetail;D=NOAA-NMFS-2014-0001*, click the ''Comment Now!'' icon, complete the required fields, and enter or attach your comments.

• *Mail:* Submit written comments to Brett Alger, 55 Great Republic Drive, Gloucester, MA 01930.

• *Fax:* 978–281–9135; Attn: Brett Alger.

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). Attachments to electronic comments will be accepted in Microsoft Word, Excel, or Adobe PDF file formats only.

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

SUPPLEMENTARY INFORMATION:

Background

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

The FMP defines a sector as ''[a] group of persons (three or more persons, none of whom have an ownership interest in the other two persons in the sector) holding limited access vessel permits who have voluntarily entered into a contract and agree to certain fishing restrictions for a specified period of time, and which has been granted a TAC(s) [*sic*] in order to achieve objectives consistent with applicable FMP goals and objectives.'' Sectors are self-selecting, meaning each sector can choose its members.

The NE multispecies sector management system allocates a portion of the NE multispecies stocks to each sector. These annual sector allocations are known as 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; and the ASM coverage rate for sector vessels fishing on a monkfish DAS in the Southern New England (SNE) Broad Stock Area (BSA) with extra-large mesh gillnets. The FMP prohibits sectors from requesting exemptions from permitting restrictions, gear restrictions designed to minimize habitat impacts, and reporting requirements.

We received operations plans and preliminary contracts for FY 2014 from 19 sectors. The operations plans are similar to previously approved versions, but include additional exemption requests and proposals for industry-funded ASM plans. Five sectors 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 19 sector operations plans and contracts, and 20 of the 28 regulatory exemptions, 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 EA, and our proposal to grant 20 of the 28 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**). Two of the 19 sectors, Northeast Fishery Sector IV and Sustainable Harvest Sector 3, propose to operate as private lease-only sectors. Sustainable Harvest Sector 3 has not explicitly prohibited fishing activity and may transfer permits to active vessels.

The five sectors that chose not to submit operations plans and contracts for FY 2014 are the Tri-State 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. 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 FY, which begins each year on May 1. Due to uncertainty regarding ACLs for several stocks in FY 2014 and a corresponding delay in distributing a letter describing each vessel's potential contribution to a sector's quota for FY 2013, we extended the deadline to join a sector until March 6, 2014. Based on sector enrollment trends from the past 4 FYs, we expect sector participation in FY 2014 will be similar. Thus, we are using FY 2013 rosters as a proxy for FY 2014 sector membership and calculating the FY 2014 projected allocations in this proposed rule. In addition to the membership delay, all permits that change ownership after December 1, 2013, retain the ability to join a sector through April 30, 2014. All permits enrolled in a sector, and the vessels associated with those permits, have until April 30, 2014, to withdraw from a sector and fish in the common pool for FY 2014. We will publish final sector ACEs and common pool sub-ACL totals, based upon final rosters, as soon as possible after the start of FY 2014.

We calculate the sector's allocation for each stock by summing its members' potential sector contributions (PSC) for a stock, 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 FY 2014, based on their FY 2013 rosters. Tables 2 and 3 show the allocations each sector would be allocated for FY 2014, based on their FY 2013 rosters. At the start of the FY 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 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 and Eastern GB haddock ACEs in the Eastern U.S./Canada Area.

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

BILLING CODE 3510–22–P

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

Sector Name	GB Cod†	GOM Cod	GB Haddock†	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	White Hake	Pollock
GB Cod Fixed Gear Sector (Fixed Gear Sector)	27.71872988	2.427525124	5.763571581	1.836337195	0.012388586	0.306098122	2.754502235	0.907139553	2.100445949	0.027575466	3.733774761	1.649699057	2.738256567	5.682093562	7.373269077
Maine Coast Community Sector (MCCS)	0.210884903	4.596597061	0.039432654	2.55161868	0.003520766	0.666708601	1.051286855	7.556632938	5.060557394	0.006820574	1.962255738	0.193992022	2.501303594	4.395849418	3.797140053
Maine Permit Bank	0.133607478	1.149239515	0.04435478	1.119954871	0.013784972	0.0321106	0.317847866	1.164627556	0.726911262	0.000217924	0.424996136	0.018062606	0.82161897	1.652464617	1.687408962
Northeast Coastal Communities Sector (NCCS)	0.171714629	0.747118934	0.121288456	0.346947317	0.839360178	0.730299467	0.609611048	0.148400495	0.217164483	0.06851228	0.902725619	0.299690235	0.430799572	0.786899895	0.422108665
Northeast Fishery Sector (NEFS) 2	6.191171555	18.39148356	11.93561803	16.56937652	1.956212251	1.515977918	19.36890642	8.101995368	12.9838275	3.298503411	18.47190632	3.715706341	16.03891814	6.324580446	12.18480616
NEFS 3	1.254432578	14.38675335	0.145728022	9.639335615	0.009835375	0.359064276	8.54698643	4.060663072	2.850033098	0.026629309	9.319435141	0.770534716	1.340249434	4.728255234	6.742288564
NEFS 4	4.1367992	9.606087828	5.316410627	8.352659156	2.162140207	2.284433093	5.468195833	9.293451723	8.494753001	0.694261609	6.237485326	0.873984619	6.6411228	8.056725927	6.139347299
NEFS 5	0.787355997	0.012750377	1.054382599	0.29000082	1.612395162	23.14079398	0.483648066	0.494901351	0.66764438	0.519493466	0.067775875	12.40324636	0.076867166	0.120751931	0.105091422
NEFS 6	2.862851792	2.915090555	2.922120852	3.83168745	2.700718731	5.202188198	3.561907715	3.878483192	5.173945604	1.456372348	4.368261163	1.899063341	5.309470425	3.910609037	3.291675388
NEFS 7	5.211056055	0.392009572	4.954500464	0.470587008	11.29568227	4.600328498	2.855687041	3.591806195	3.29228748	14.85658589	0.834854477	6.361203285	0.585656695	0.825305761	0.72492652
NEFS 8	6.14880838	0.491350249	5.6707432	0.214415849	10.90431227	5.882487094	6.398437227	1.651042895	2.545436319	14.62910109	3.347594135	10.10393804	0.535076052	0.502817177	0.59723616
NEFS 9	14.24440858	1.734938904	11.60522774	4.79506944	26.78684937	8.010746054	10.41323599	8.274094588	8.276853188	39.50573969	2.434938053	18.66550659	5.831194068	4.153222567	4.226596885
NEFS 10	0.728661762	5.258247759	0.251374404	2.536025184	0.017009857	0.551161076	12.82168877	1.775528001	2.426063683	0.014020349	26.97367178	0.75334052	0.548197298	0.911865489	1.392122624
NEFS 11	0.391253409	11.16859205	0.03543876	2.348918505	0.000791476	0.017423136	2.103506392	1.352037708	1.466540747	0.000891972	1.933117315	0.018133592	0.925719327	2.337376129	6.476223062
NEFS 12	0.015440918	2.424989379	0.002634982	0.859334418	0.000755014	0.00226534	0.482526093	0.749010838	0.607519321	0.002502852	0.315960829	0.003606272	1.059331479	2.496406429	2.959391344
NEFS 13	7.959727663	0.948142154	16.08322713	0.988253483	24.97057352	19.05225135	5.028985804	5.162564913	6.265622578	7.459181845	2.339943913	11.06413673	3.980614019	1.739333215	2.270102215
New Hampshire Permit Bank	0.002124802	1.13716238	0.000259638	0.031122397	2.05874E-05	2.03879E-05	0.021799587	0.028491335	0.006159923	5.97789E-06	0.060253594	7.91351E-05	0.019395668	0.081269819	0.110849628
Sustainable Harvest Sector 1	19.69965286	19.4957918	33.08647612	42.18318787	13.19401946	8.294765742	12.83797012	39.30951304	34.27430747	16.31727077	10.26926712	18.50496543	50.01722164	50.42133195	38.71559296
Sustainable Harvest Sector 3	0.441448259	0.516942212	0.64380095	0.184787537	2.33217197	3.153847443	2.080616152	0.747017528	0.818211498	0.492229489	2.307418768	1.669226791	0.202850943	0.16200976	0.082302846
Sectors Total	**98.31013069**	**97.80081276**	**99.676591**	**99.14961931**	**98.81254203**	**83.80297037**	**97.20734564**	**98.24740229**	**98.25428488**	**99.3759163**	**96.30563606**	**88.96811568**	**99.60386385**	**99.28916836**	**99.29847984**
Common Pool	1.689869308	2.199187236	0.323409001	0.850380687	1.187457966	16.19702963	2.792654364	1.752597713	1.74571512	0.624083699	3.694363937	11.03188432	0.396136145	0.710831637	0.701520161

* The data in this table are based on FY 2013 sector rosters. NEFS I and the GB Cod Hook Sector did not operate in FY 2013, therefore, do not appear in this table.

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

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

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

Sector Name	GB Cod East	GB Cod West	GOM Cod	GB Haddock East	GB Haddock West	GOM Haddock	GB 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	90	991	44	1,271	911	9	0	4	29	28	28	2	59	44	638	536	2,150
MCCS	1	8	84	9	6	12	0	8	11	230	68	1	31	5	583	415	1,107
Maine Permit Bank	0	5	21	10	7	5	0	0	3	35	10	0	7	0	191	156	492
NCCS	1	6	14	27	19	2	5	9	6	5	3	5	14	8	100	74	123
NEFS 2	20	221	337	2,632	1,886	80	11	19	205	247	175	246	291	99	3,736	596	3,552
NEFS 3	4	45	263	32	23	47	0	4	90	124	38	2	147	21	312	446	1,966
NEFS 4	13	148	176	1,173	840	41	12	28	58	283	114	52	98	23	1,547	760	1,790
NEFS 5	3	28	0	233	167	1	9	288	5	15	9	39	1	331	18	11	31
NEFS 6	9	102	53	644	462	19	15	65	38	118	70	109	69	51	1,237	369	960
NEFS 7	17	186	7	1,093	783	2	63	57	30	109	44	1,109	13	170	136	78	211
NEFS 8	20	220	9	1,251	896	1	61	73	68	50	34	1,092	53	270	125	47	174
NEFS 9	46	509	32	2,560	1,834	23	150	100	110	252	111	2,948	38	498	1,358	392	1,232
NEFS 10	2	26	96	55	40	12	0	7	135	54	33	1	425	20	128	86	406
NEFS 11	1	14	204	8	6	11	0	0	22	41	20	0	30	0	216	220	1,888
NEFS 12	0	1	44	1	0	4	0	0	5	23	8	0	5	0	247	235	863
NEFS 13	26	284	17	3,547	2,541	5	140	237	53	157	84	557	37	295	927	164	662
New Hampshire Permit Bank	0	0	21	0	0	0	0	0	0	1	0	0	1	0	5	8	32
Sustainable Harvest Sector 1	64	704	357	7,297	5,228	205	74	103	136	1,198	461	1,218	162	494	11,650	4,755	11,287
Sustainable Harvest Sector 3	1	16	9	142	102	1	13	39	22	23	11	37	36	45	47	15	24
Sectors Total	**321**	**3,513**	**1,790**	**21,984**	**15,749**	**481**	**554**	**1,042**	**1,027**	**2,993**	**1,321**	**7,416**	**1,517**	**2,373**	**23,200**	**9,364**	**28,949**
Common Pool	6	60	40	71	51	4	7	201	29	53	23	47	58	294	92	67	205

*The data in this table are based on FY 2013 sector rosters. NEFS I and the GB Cod Hook Sector did not operate in FY 2013, therefore, do not appear in this table.

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

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

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

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

Sector Name	GB Cod East	GB Cod West	GOM Cod	GB Haddock East	GB Haddock West	GOM Haddock	GB 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	41	449	20	577	413	4	0	2	13	13	13	1	27	20	289	243	975
MCCS	0	3	38	4	3	6	0	4	5	104	31	0	14	2	264	188	502
Maine Permit Bank	0	2	10	4	3	2	0	0	2	16	4	0	3	0	87	71	223
NCCS	0	3	6	12	9	1	2	4	3	2	1	2	6	4	46	34	56
NEFS 2	9	100	153	1,194	855	36	5	9	93	112	79	112	132	45	1,695	271	1,611
NEFS 3	2	20	119	15	10	21	0	2	41	56	17	1	67	9	142	202	892
NEFS 4	6	67	80	532	381	18	6	13	26	128	52	24	45	11	702	345	812
NEFS 5	1	13	0	105	76	1	4	131	2	7	4	18	0	150	8	5	14
NEFS 6	4	46	24	292	209	8	7	29	17	54	32	49	31	23	561	167	435
NEFS 7	8	84	3	496	355	1	29	26	14	50	20	503	6	77	62	35	96
NEFS 8	9	100	4	567	406	0	28	33	31	23	16	495	24	122	57	22	79
NEFS 9	21	231	14	1,161	832	11	68	45	50	114	50	1,337	17	226	616	178	559
NEFS 10	1	12	44	25	18	6	0	3	61	25	15	0	193	9	58	39	184
NEFS 11	1	6	93	4	3	5	0	0	10	19	9	0	14	0	98	100	856
NEFS 12	0	0	20	0	0	2	0	0	2	10	4	0	2	0	112	107	391
NEFS 13	12	129	8	1,609	1,153	2	64	107	24	71	38	252	17	134	421	74	300
New Hampshire Permit Bank	0	0	9	0	0	0	0	0	0	0	0	0	0	0	2	3	15
Sustainable Harvest Sector 1	29	319	162	3,310	2,371	93	34	47	61	543	209	552	73	224	5,284	2,157	5,120
Sustainable Harvest Sector 3	1	7	4	64	46	0	6	18	10	10	5	17	16	20	21	7	11
Sectors Total	**145**	**1,594**	**812**	**9,972**	**7,144**	**218**	**251**	**473**	**466**	**1,358**	**599**	**3,364**	**688**	**1,077**	**10,523**	**4,248**	**13,131**
Common Pool	3	27	18	32	23	2	3	91	13	24	11	21	26	133	42	30	93

*The data in this table are based on FY 2013 sector rosters. NEFS I and the GB Cod Hook Sector did not operate in FY 2013, therefore, do not appear in this table.

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

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

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

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Sector Operations Plans and Contracts

We received 19 sector operations plans and contracts by the September 3, 2013, deadline. Seventeen sectors operated in FY 2013, and two additional sectors, Northeast Fishery Sector I and the GB Cod Hook Sector, that did not operate last year, have submitted plans for FY 2014. In order to approve a sector's operations plan for FY 2014, that sector must have been compliant with reporting requirements from all previous years, including the year-end reporting requirements found at § 648.87(vi)(C). Submitted operations plans, provided on our Web site 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, which currently is a single FY. 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 FY begins, then that permit must remain in the sector for the entire FY, and cannot fish in the NE multispecies fishery outside of the sector (i.e., in the common pool) during the FY. 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 FY, 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.

Each sector is required to ensure that it does not exceed its ACE during the FY. Sector vessels are required to retain all legal-sized allocated 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 FYs 2010 and 2011, there was no requirement for an industry-funded ASM program and NMFS was able to fund an ASM program with a target ASM coverage rate of 30 percent of all trips. In addition, we provided 8-percent observer coverage through the Northeast Fishery Observer Program (NEFOP), which helps to support the Standardized Bycatch Reporting Methodology (SBRM) and stock assessments. This resulted in an overall target coverage rate of 38 percent, between ASM and NEFOP, for FYs 2010 and 2011. For FY 2012, we conducted an analysis to determine the total coverage that would be necessary to achieve the same level of precision as attained by the 38-percent total coverage target used for FY's 2010 and 2011, and ultimately set a target coverage rate of 25 percent for FY 2012, which was 17 percent ASM, and 8 percent NEFOP. For FY 2013, we conducted the same analysis, and set a target coverage rate of 22 percent for FY 2013, which was 14 percent ASM, and 8 percent NEFOP. Since the beginning of FY 2012, industry was required to pay for ASM coverage, while we continued to fund NEFOP. However, we were able to fund both ASM and NEFOP in FY 2012 and 2013. As announced on February 21, 2014, NMFS will cover the ASM costs for groundfish sectors to meet the requirements under the NE Multispecies FMP in FY 2014, as well.

Amendment 16 regulations require NMFS to specify a level of ASM coverage that is sufficient to at least meet the same coefficient of variation (CV) specified in the SBRM and also to accurately monitor sector operations. FW 48 clarified what level of ASM coverage was expected to meet these goals. Regarding meeting the SBRM CV level, FW 48 determined that it should be made at the overall stock level, which is consistent with the level NMFS determined was necessary in FY 2013. FW 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 FW 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 FY 2014 is 26 percent. Using both NEFOP and ASM, we expect to cover 26 percent of all sector trips, with the exception of trips using a few specific exemptions, as described later in this rule. Discards derived from these observed and monitored trips will be used to calculate discards for unobserved sector trips. We have published a more detailed summary of the supporting information, explanation and justification for this decision at: *http://www.nero.noaa.gov/ro/fso/reports/Sectors/ASM/FY2014_Multispecies_Sector_ASM_Requirements_Summary.pdf.*

This summary, in addition to providing sectors and the public with a full and transparent explanation of the appropriate level of ASM coverage of sector operations, complies with a settlement agreement entered into by NMFS and Oceana, Inc. The settlement agreement resolved a lawsuit brought by Oceana challenging the approval of the 2012 sector operations plans primarily on grounds that the agency failed to adequately justify and explain that the ASM coverage rate specified for FY 2012 would accurately monitor the catch to effectively enforce catch limits in the groundfish fishery.

The draft operations plans submitted in September 2013 included industry-funded ASM plans for FY 2014. However, because NMFS will be funding and operating ASM for sectors in FY 2014, we are not proposing to approve these ASM plans and would remove them from the final sector operations plans.

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, unless that sector has an approved plan to fish without ACE for that stock. ACE may be

transferred between sectors, but transfers to or from common pool vessels is prohibited. Within 60 days of when we complete year-end catch accounting, each sector is required to submit an annual report detailing the sector's catch (landings and discards), enforcement actions, and pertinent information necessary to evaluate the biological, economic, and social impacts of each sector.

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

Requested FY 2014 Exemptions

Sectors requested 28 exemptions from the NE multispecies regulations through their FY 2014 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. Twenty of the 28 requests are grouped into several categories in this rule, as follows: Sixteen exemptions that were previously approved and are proposed for approval for FY 2014; one exemption previously approved for which we have concern; one exemption that was previously denied, but we are reconsidering based on a modified request for FY 2014; exemption requests related to accessing year-round groundfish mortality closures; and a new exemption request we propose to approve for FY 2014. The remaining eight exemption requests, each of which are proposed for denial, are grouped into two categories: Two requested exemptions that we propose to deny because they were previously rejected and no new information was provided; and six requested exemptions that we propose to deny because they are prohibited.

A discussion of all 28 exemption requests appears below; we request public comment on the proposed sector operations plans and our proposal to grant 20 requested exemptions and deny 8 requested exemptions, as well as the EA prepared for this action.

Exemptions We Propose To Approve (16)

In FY 2013, we exempted sectors from the following requirements, all of which have been requested for FY 2014: (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) powering vessel monitoring systems (VMS) while at the dock, (10) prohibition on fishing inside and outside of the CA I Hook Gear Haddock SAP while on the same trip, (11) prohibition on a vessel hauling another vessel's hook gear, (12) the requirement to declare intent to fish in the Eastern U.S./Canada SAP and the CA II Yellowtail Flounder/Haddock SAP prior to leaving the dock, (13) gear requirements in the Eastern U.S./Canada Management Area, (14) seasonal restrictions for the Eastern U.S./Canada Haddock SAP, (15) seasonal restrictions for the CA II Yellowtail Flounder/Haddock SAP, and (16) sampling exemption. A detailed description of the previously approved exemptions and rationale for their approval can be found in the applicable final rules identified in Table 4 below:

TABLE 4—EXEMPTIONS FROM PREVIOUS FYS PROPOSED FOR APPROVAL IN FY 2014

Exemptions	Rulemaking	Date	Citation
1–9, 13	FY 2011—Sector Operations Final Rule	April 25, 2011	76 FR 23076.
10–12	FY 2012—Sector Operations Final Rule	May 2, 2012	77 FR 26129.
14–16	FY 2013—Sector Operations Interim Final Rule	May 2, 2013	78 FR 25591.

NE Multispecies FR documents can be found at *http://www.nero.noaa.gov/sfd/sfdmultifr.html*.

Exemption of Concern That We Previously Approved (1)

(17) 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 regulated mesh areas (RMA) to prevent an uncontrolled increase in the number of nets being fished, thus undermining applicable DAS effort controls. The limits are specific to the type of gillnet within each RMA: 100 gillnets (of which no more than 50 can be roundfish gillnets) in the GOM RMA (§ 648.80(a)(3)(iv)); 50 gillnets in the GB RMA (§ 648.80(a)(4)(iv)); and 75 gillnets in the Mid-Atlantic (MA) RMA (§ 648.80(b)(2)(iv)). We previously approved this exemption in FYs 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 with no corresponding increase in catch efficiency, 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.

For FY 2013, we received several comments in support of the continued approval of the exemption without any restrictions, noting negative financial impacts if the exemption were not approved and that efforts were made to

increase pinger compliance to mitigate concerns for harbor porpoise. We recognize that pinger compliance is generally increasing in recent years; however, the increase is not seen across all sectors, nor across all gillnet vessels outside of the groundfish fishery. Correspondingly, while recent indications reflect a decrease in harbor porpoise takes, takes have not decreased to a suitable level. We also heard from several commenters who raised concerns for cod, impacts to non-target species, and the risk for lost gear. Based on the comments received and the concern for protected species and spawning cod, we restricted the use of this exemption to seasons with minimal cod spawning in the GOM, i.e., late spring. Therefore, a vessel fishing in the GOM RMA was able to use this exemption seasonally, but was restricted to the 100-net gillnet limit in blocks 124 and 125 in May, and in blocks 132 and 133 in June. A vessel fishing in GB RMA, SNE RMA, MA RMA, and the GOM outside of these times and areas did not have this additional restriction. We are proposing this exemption with the same GOM seasonal restrictions that we approved in FY 2013, and we request comment on approving this exemption again for FY 2014.

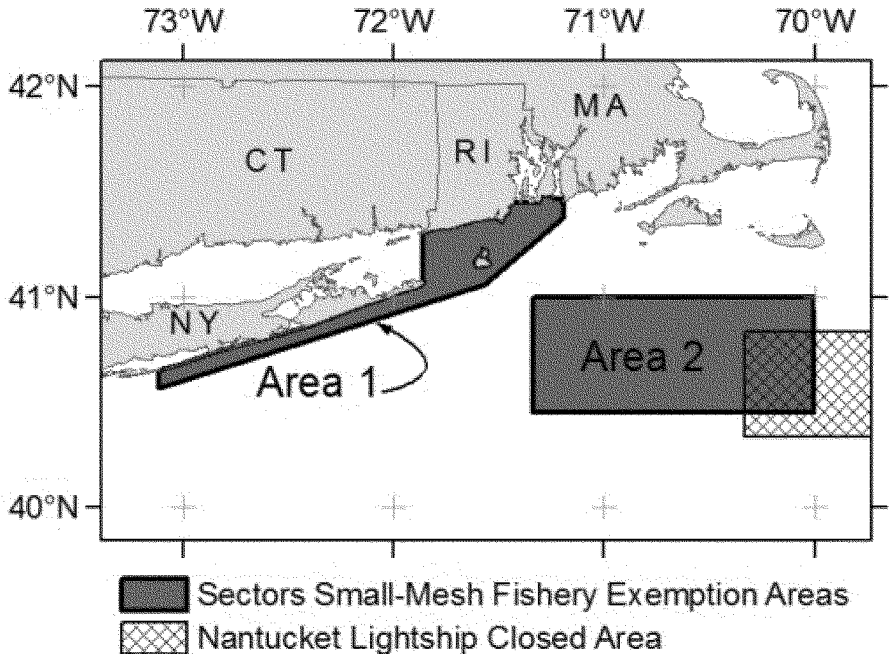
Previously Disapproved Exemption Under Consideration for Approval (1)

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

We received an exemption request in FY 2013 to allow sector vessels to fish in small-mesh exempted fisheries (e.g., whiting, squid) and in the large-mesh groundfish fishery on the same trip. A full description of the request and relevant regulations is in the FY 2013 Sector Proposed Rule (78 FR 16220, see page 16230, March 14, 2013). In the proposed rule, we raised several concerns about the exemption, including the ability to monitor these trips, the impacts that the exemption could have on juvenile fish, and the enforceability of using multiple mesh sizes on the same trip (i.e., participating in multiple directed fisheries on a single trip). We received comments in support and against the exemption request. Ultimately, it was disapproved in the FY 2013 Sector Interim Final Rule (78 FR 25591, May 2, 2013) for many of the concerns stated above.

For FY 2014, sectors have requested a similar exemption that would allow vessels to possess and use small-mesh and large-mesh trawl gear on a single trip, within portions of the SNE RMA. To address some of the concerns from FY 2013, 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. The coordinates and maps for these two areas are show below:

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



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

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

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

(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.

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

Point	N. latitude	W. longitude
H	41°00.0′ N	71°20.0′ W.
I	41°00.0′ N	70°00.0′ W.
J	40°27.0′ N	70°00.0′ W.
K	40°27.0′ N	71°20.0′ W.
H	41°00.0′ N	71°20.0′ W.

Second, sectors proposed that one of the following trawl gear modifications would be required for use 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.

Sectors have requested subjecting a vessel using this exemption to the same NEFOP and ASM coverage as standard groundfish trips (i.e., a total of 26 percent in FY 2014). 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 VMS unit prior to departure; this 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 CA, at which point, the large mesh could not be redeployed. Any legal-sized allocated groundfish stocks caught during these small-mesh hauls must be landed and the associated landed weight (dealer or vessel trip report (VTR)) would be deducted from the sector's ACE.

Vessels using this exemption would have their trips assessed using a new discard strata (i.e., area fished and gear type) and would be treated separately from sector trips that do not declare this exemption. After 1 year, an analysis would be conducted to determine whether large-mesh hauls on these trips should remain as a separate stratum or be part of an existing stratum. Vessels using this exemption would be required to retain all legal-sized groundfish when using small mesh, and all groundfish catch would be counted against a sector's ACE.

Recognizing that this year's modified request addressed some of our past concerns, we worked with the sectors to better understand the new request and their attempt to develop additional solutions to the issues we raised in the past. However, we remain concerned about the exemption, as proposed, regarding impacts on the resource, as well as monitoring and enforcing the exemption.

First, we are concerned about vessels potentially catching groundfish in these requested exemption areas with small-mesh nets. While the requested exemption areas do appear to have minimal amounts of groundfish, they are not completely void of these stocks. In fact, beginning in FY 2014, accountability measures (AMs) for the groundfish fishery will be implemented adjacent to the requested exemption areas to address high discards of windowpane flounder. This exemption provides an opportunity for vessels to target or incidentally catch allocated NE multispecies in these requested exemption areas while fishing with small-mesh nets.

We are also concerned about the possible increase in bycatch of juvenile fish. There is a change in selectivity from a 6.5-inch (16.5-cm) codend to a 2.5-inch (6.35-cm) codend, and a vessel using a small-mesh net may increase the catch of juvenile groundfish. The increased amount of bycatch may not affect an individual sector because the sector may have adequate ACE to cover the discards. However, because discards in the commercial groundfish fishery are calculated and monitored by weight, and not by number of fish, the smaller-mesh net could result in more fish by number that are discarded when fishing with the much smaller codend. An increased discard of juvenile fish may adversely affect groundfish stocks.

The three gear modifications proposed for this exemption could mitigate catch of regulated species when properly installed. All three modifications have been demonstrated to reduce the catch of regulated species, but none have been shown to completely eliminate it. While the modifications have the potential to harvest regulated species, such as cod, especially if the gears are not fished properly, the excluder grate modification may reduce catch of larger groundfish, but may still capture juveniles, even when fished properly.

Second, there are several concerns with monitoring this exemption. Small-mesh exempted fishery trips outside of this proposed exemption are only subject to the NEFOP monitoring requirements and do not receive ASM coverage. As a result, the vast majority of NEFOP observers and ASMs do not receive the training necessary for observing small-mesh fisheries. Because of this lack of training, we are concerned about accurately observing both the large-mesh and small-mesh portions of these proposed trips. Additionally, while this exemption is proposed to have a target coverage of 26 percent (NEFOP and ASM combined), this exemption would be treated separately from standard sector trips to accurately monitor species caught and discarded by area and gear type. As such, we are concerned about the effects of this exemption on the administration of our monitoring programs. For example, having to process data from these unique trips and distribute ASMs across more trips, could cause inefficiencies and affect our abilities to meet the target coverage of 26 percent that is required for overall sector monitoring. This specific concern is not unique to this exemption, and is raised again later in this rule for other exemptions.

Another monitoring concern is our ability to monitor fish caught in non-groundfish fisheries and whether the proposed changes in our accounting for this catch in these fisheries is required. Vessels fishing with small-mesh nets outside of the groundfish fishery, such as squid vessels, are required to discard all groundfish, legal and sub-legal. Because of this incidental groundfish catch in non-groundfish fisheries, a portion of the ACL of most groundfish stocks is reserved under the ''other sub-component'' category to account for the bycatch. This portion of the ACL is not an allocation in the other sub-component category, and there are currently no AMs for the non-groundfish fisheries in this sub-component category. Instead, if groundfish bycatch in the other sub-component category contributes to an overage of the groundfish ACL, the commercial groundfish fishery is held accountable for 100 percent of the overage. We monitor the amount of groundfish bycatch caught in non-groundfish fisheries through annual catch estimates, and the Council uses this information to determine if the amount of bycatch warrants allocating a sub-ACL and corresponding AMs to a specific non-groundfish fishery.

Allowing vessels using this exemption to discard legal-sized groundfish would significantly compromise both the ability to ensure that vessels are not retaining legal-sized groundfish from the small-mesh portion

of the trip, and prevent vessels from discarding groundfish caught from the large-mesh portion of the trip, while squid fishing. To address these enforcement concerns, this proposal requires vessels to land all legal-sized groundfish, bycatch that would normally count against the other sub-component would now count against the groundfish sub-ACL. This change in practice and accounting could hinder our ability to monitor the level of groundfish bycatch in non-groundfish fisheries, particularly the small-mesh fisheries. The frequency that this exemption is used, the magnitude of groundfish bycatch on these trips, and whether the bycatch includes a large portion of the non-allocated stocks (e.g., windowpane flounder) could adversely affect our ability to determine whether bycatch is increasing or poses any management concerns. This would also then potentially adversely affect the Council's determination of whether the amount of bycatch warrants allocating a sub-ACL and corresponding AMs to a non-groundfish fishery.

Lastly, there are enforcement concerns about the landings and discards of groundfish while the vessel uses small mesh on a sector trip under this exemption. At present, vessels are primarily bound by one minimum mesh size throughout their trip to target a single fishery, e.g., vessels use a 6.5-inch (16.5-cm) mesh codend to target groundfish on a sector trip. In order to use multiple mesh sizes on a trip to target other fisheries, vessels must declare out of the groundfish fishery, and for example, use a 5.5-inch (13.97-cm) mesh codend to target fluke, or a 2.5-inch (6.35-cm) mesh codend to target squid. Under the proposed exemption, a vessel would participate in multiple targeted fisheries, using multiple mesh sizes on the same fishing trip, which creates additional complexity of being able to associate the catch on board the vessel with the correct mesh size that was used. After a vessel has retained groundfish on board caught using large mesh, the vessel could use small mesh to target groundfish prior to entering one of the exemption areas, which would be illegal and difficult to detect. Under a typical small-mesh trip, a vessel is not allowed to be in possession of any regulated species at any time.

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 retain the authority to revoke this exemption during the FY.

Exemption Requests Related to Accessing Groundfish Closed Areas (1)

(19) Prohibition on Groundfish Trips in Year-Round Closed Areas

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

In FY 2014, we remain unable to fund monitoring costs for exemptions requiring a 100-percent coverage level. In addition, we have 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. For example, an increase in monitored trips would result in an increased need for data processing for those trips, which could cause delays that adversely affect our existing programs. Also, distributing ASMs across CA trips or other exemption's trips could affect our ability to meet the target coverage of 26 percent required for overall sector monitoring because an exemption requiring additional coverage places additional strain on the existing pool of ASM. If we are unable to fund the shore-side portion of an industry-funded ASM program, or if we determine that there are significant effects on data or ASM availability, approval of this exemption would be in jeopardy.

As discussed in the FY 2013 interim final rule allowing access to the Nantucket Lightship CA for sectors rule (78 FR 41772, December 16, 2013), we are interested in conducting research through an exempted fishing permit(s) (EFP) to gather catch data from CAs I and II. Results from any EFPs conducted in these areas could better inform the industry, the public, and NMFS, regarding the economic efficacy of accessing these CAs, while providing information specific to bycatch of depleted stocks.

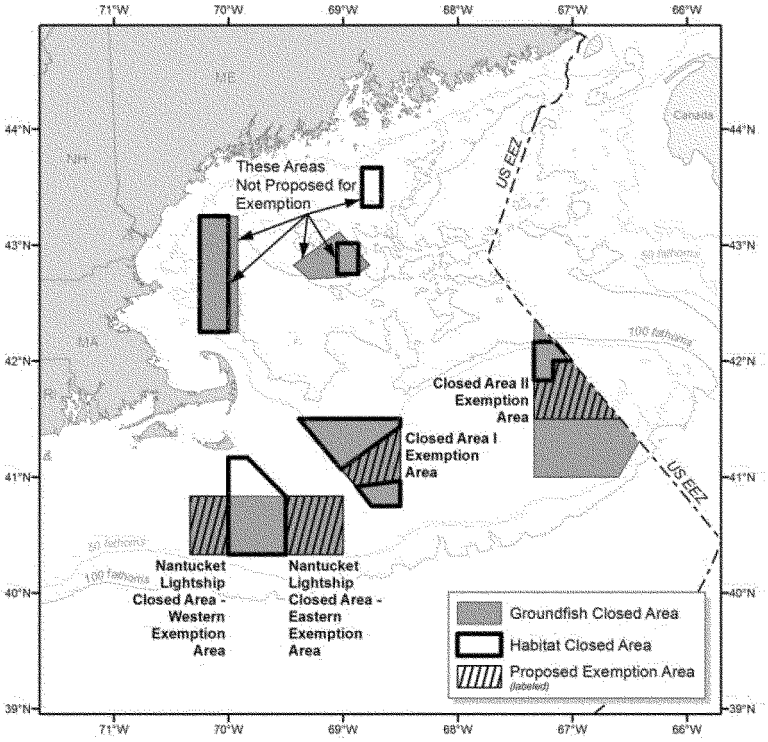
The Greater Atlantic Regional Fisheries Office and the Northeast Fisheries Science Center (NEFSC) are currently working to develop ideas for a short-term EFP that would allow a small number of groundfish trips into CAs I and II. These trips would attempt to address the following questions: (1) Could 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?

Industry has claimed that requiring 100-percent industry-funded ASM coverage when fishing in a CA makes the exemption economically unfeasible. Because there have been no commercial groundfish trips in these areas for close to two decades, industry is hesitant to make these initial assessment trips at their expense. Allowing a small number of trips into CAs I and II through an EFP could provide enough catch data to help the fishing industry determine whether trips into the area with an industry-funded monitor could be profitable. These ''test'' trips would provide recent and reliable catch information from CAs I and II, including catch rates of both abundant and depleted stocks. This information could help industry determine whether the cost of an ASM could be offset by increased landings of a stock with relatively high abundance (e.g., GB haddock), while avoiding stocks that are limiting to them. Although there have been studies in the past that examine catch rates of selective trawl gear, these studies have not been conducted inside the CAs being proposed for access.

While we continue to consider ways to develop an EFP proposal that is focused on access into CAs I and II, industry is also free to develop an EFP proposal to address any number of questions associated with fishing in a CA as well. EFP requests would be expeditiously reviewed and authorized, when merited. Permits would not be approved if the exempted activities could undermine measures that were established to conserve and manage fisheries or reduce interactions with protected species. Contingent on the results of any EFPs associated with this exemption that we have available during FY 2014, assuming that we could fund and administer the shore-side portion of a monitoring program, and there is sufficient ASM available, we are proposing to allow sectors access to CAs I and II in precisely the same manner that was proposed for FY 2013 (see 78 FR 41772, July 11, 2013). Given the

extra time it would take to implement an EFP and consider the results, the decision to approve an exemption allowing access to CA I and II would be done in a separate rulemaking sometime during FY 2014. This would be separate from a final rule addressing all other sector exemption requests in this proposed rule, including the request to access the Nantucket Lightship CA. A brief summary of the proposed action and rationale for granting sector exemptions allowing access to CAs I and II, and the Nantucket Lightship CA is below.

Figure 2 – Closed Areas Proposed for Opening through Sector Exemptions



Closed Area I Exemption Area

The waters in a portion of CA I, defined by straight lines connecting the following points in the order stated here:

Point	N. lat.	W. long.
A	41°04′	69°01′
B	41°26′	68°30′
C	40°58′	68°30′
D	40°55′	68°53′
A	41°04′	69°01′

Closed Area II Exemption Area

The waters in a portion of CA II, defined by straight lines connecting the following points in the order stated stated here:

Point	N. lat.	W. long.	Note
A	41°30′	(66°34.8′)	(1)
B	41°30′	67°20′	.....
C	41°50′	67°20′	.....
D	41°50′	67°10′	.....
E	42°00′	67°10′	.....
F	42°00′	(67°00.63′)	(2), (3)
A	41°30′	(66°34.8′)	(1)

[1] The intersection of 41°30′ N. latitude and the U.S.-Canada Maritime Boundary, approximate longitude in parentheses.

[2] The intersection of 42°00′ N. latitude and the U.S.-Canada Maritime Boundary, approximate longitude in parentheses.

[3] From POINT F back to POINT A along the U.S.-Canada Maritime Boundary.

Nantucket Lightship Closed Area—Western Exemption Area

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

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

Nantucket Lightship Closed Area—Eastern Exemption Area

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

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

1. Closed Area I Exemption Area

If this proposed exemption is approved without any changes in response to any EFP results during FY 2014, the central portion of CA I would be opened seasonally to selective gear from the date the final rule approving this exemption is published, through December 31, 2014. Trawl vessels would be restricted to selective trawl gear, including the separator trawl, the Ruhle trawl, the mini-Ruhle trawl, rope trawl, and any other gear authorized by the Council in a management action.

Hook gear would be permitted in this area, as well. Because GB cod is overfished and subject to overfishing, and gillnets cannot selectively capture haddock without catching cod, vessels would be prohibited from fishing with gillnets in this area. Flounder nets would be prohibited in this area to help protect GB yellowtail flounder, which is also overfished and subject to overfishing.

Allowing vessels into the CA I Exemption Area would increase their opportunities to target healthy stocks of GB haddock. Although the Council specified in FW 48 that vessels could fish in the area until February 15, we are proposing to prohibit vessels from fishing in the CA I Exemption Area after December 31 due to impacts on GB cod spawning. Since the closure of this area in 1994, GB haddock has rebounded and is a healthy stock. On the other hand, GB cod and GB yellowtail flounder are overfished and subject to overfishing. This proposed action would allow fishing for GB haddock and other healthy stocks, while selective gear would help minimize catch of GB cod and GB yellowtail flounder.

Since this area was initially closed, an area within the proposed CA I Exemption Area has been open to allow a special access program for groundfish hook vessels fishing for haddock. In addition, a portion of CA I proposed to be reopened in this rule has been a part of the Scallop Access Area Rotational Management Program since 2004. As a result, the seabed in this area has been disturbed by scallop dredges and is therefore not a preserved habitat area. Furthermore, analyses for the Habitat Omnibus Amendment did not identify this area as vulnerable to trawl gear and this area is not identified for any proposed essential fish habitat (EFH) protections. There are minimal concerns regarding impacts to protected species in this area. While there were initial concerns about effort shifts from lobster gear in the area, an analysis of lobster effort in the area indicates that there is very little lobster effort in the proposed CA I Exemption Area. Because of this, it is not anticipated that lobster gear displaced from this area would result in increased interactions with protected species. More information on lobster effort in the proposed areas is available in the accompanying EA.

2. Closed Area II Exemption Area

If this proposed exemption is approved without any changes in response to any EFP results during FY 2014, the central portion of CA II would be opened seasonally to selective gear from the date of the final rule approving this exemption is published, through December 31, 2014. The gear restrictions in CA II are the same as those proposed for CA I—selective trawl and hook gear only. Vessels fishing with selective trawl and hook gear would be permitted in this area when specified (see below). Vessels would be prohibited from fishing with gillnets and flounder nets in this exemption area. As noted above, GB haddock has fully recovered, is rebuilt, and is consistently under-harvested. Selective gear is proposed to minimize the catch of GB cod and yellowtail flounder, both of which are considered overfished and subject to overfishing.

The offshore lobster industry and sector trawl vessels proposed a rotational gear-use agreement for the CA II Exemption Area and the FY 2013 proposed sector rule included this proposed agreement (a copy of the agreement is included as an appendix in the EA). The restrictions proposed in the rotational gear use agreement have been adopted by the Atlantic States Marine Fisheries Commission, which modified the Interstate Fisheries Management Plan for American Lobster through Addendum XX to the lobster plan. This FY 2014 proposed rule incorporates most portions of that agreement; a more detailed explanation is below.

The proposed seasons and gear requirements incorporate the rotational gear-use agreement and mitigate fishing effort on yellowtail flounder and spawning cod:

- May 1–June 15: Only sector trawl vessels could access the area; lobster and hook gear vessels prohibited.
- June 16–October 31: Sector trawl vessels would be prohibited, lobster and sector hook gear vessels only.
- November 1–December 31: Only sector trawl vessels could access the area; lobster and hook gear vessels prohibited.
- January 1–April 30: Lobster vessels permitted; sector groundfish vessels would be prohibited in CA II during this time.

The gears and seasons listed above match the agreement between the offshore lobster industry and sector trawl vessels, including the groundfish prohibition of fishing in CA II after December 31. A January 1 through April 30 closure reflects the need to avoid impacts on spawning stocks of GB cod. Because approval of this exemption would only be considered after the outcome of an EFP, any action approving access to the CA II Exemption Area would likely occur part-way through FY 2014, rendering some of the agreement moot.

The agreement between the offshore lobster industry and sector vessels reduces concerns of gear conflicts in the area. Analyses for the EA indicate that only a small portion of the annual lobster catch from this portion of CA II is harvested during November. No trips were reported in the proposed area during December 2011 or 2012. As a result, the displacement of lobster effort into other areas is expected to be minimal. Because of this, it is not anticipated that lobster gear displaced from this area would result in increased interactions with protected species in other locations.

Similar to CA I, allowing vessels into this area would increase their opportunities to target healthy stocks of GB haddock, and selective gear would be required to reduce bycatch of overfished stocks. Although the Council specified in FW 48 that vessels could fish in the CA II Exemption Area until February 15, we are proposing to prohibit vessels from this area after December 31 due to impacts on GB cod spawning. While this area has been closed year-round to groundfish fishing since 1994, the majority of the seabed in this area is sand and is impacted by strong currents. As a result, this area is not considered to be vulnerable to trawl gear. Some areas are shallow enough that the bottom is affected by wave action; therefore, bottom trawling in this area would likely have minimal impact on benthic habitats. Furthermore, analyses for the Habitat Omnibus Amendment have not identified this area for any proposed EFH protections. There are minimal concerns regarding impacts to protected species in this area.

100% Industry-Funded At-Sea Monitoring Requirement When Accessing Closed Areas I and II

Should access to CAs I and/or II be approved after analysis of the results of an EFP, NMFS intends to maintain the 100-percent industry-funded monitoring requirement for these trips. The intent of the EFP would be to provide industry with enough information to determine whether it would be economically viable to go into these areas with an industry-funded monitor. While a short-term EFP would provide us with some data on catch rates and the use of selective gear, the short duration of the EFP would not provide us with different seasonal information to warrant less than 100-percent ASM coverage. As we stated in the FY 2013 sector final rule, monitoring every trip would allow us to respond more quickly, should there be an unanticipated impact in these areas, such as increased harvests of juveniles, large adult spawners, or impacts on

protected species. As mentioned earlier, we are particularly concerned about impacts to the severely overfished stocks of GB cod and yellowtail flounder. Because CAs I and II were initially developed to afford protection for overfished groundfish stocks and we have no catch data for these areas, we believe that it is critical that we receive reliable catch information from these areas.

3. Nantucket Lightship CA Exemption

In FY 2013, we approved an exemption that allowed sector vessels access to the Eastern and Western Exemption Areas within the Nantucket Lightship CA for the duration of FY 2013. For a detailed description of the exemption request and justifications for approving it, see the final rule (78 FR 41772, December 16, 2013). In summary, trawl vessels were restricted to using selective trawl gear, flounder nets were prohibited, hook vessels were permitted, and gillnet vessels were restricted to fishing 10-inch (25.4-cm) or larger diamond mesh. Gillnet vessels were required to use pingers when fishing in the Western Exemption Area from December 1—May 31 because this area lies within the existing SNE Management Area of the Harbor Porpoise Take Reduction Plan. Unlike the CA I and II proposal, we specified that at-sea observer coverage would come from the combined NEFOP and ASM target coverage level of 22 percent in FY 2013 for the Nantucket Lightship CA after further review and in response to public comments. Consistent with that requirement, we now propose that this exemption be continued for FY 2014, with observed trips included in the overall target sector coverage level of 26 percent for NEFOP and ASM combined.

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

If approved, this measure would allow sector vessels to access the eastern and western portions of the Nantucket Lightship CA. The central area is EFH and is not proposed to be re-opened. Trawl vessels would be restricted to the use of selective trawl gear in the Eastern Exemption Area, including the separator trawl, the Ruhle trawl, the mini-Ruhle trawl, rope trawl, and any other gear authorized by the Council in a management action. Flounder nets would be prohibited. However, in the Western Exemption Area, all legal trawl gear would be permitted. In both areas, gillnet vessels would be restricted to fishing 10-inch (25.4-cm) diamond mesh or larger. This would allow gillnet vessels to target monkfish and skates while reducing catch of flatfish. Because the western area lies within the SNE Management Area of the Harbor Porpoise Take Reduction Plan, gillnet vessels would be required to use pingers when fishing in the Nantucket Lightship CA—Western Exemption Area between December 1 and May 31.

Opening the eastern and western portions of the Nantucket Lightship CA to trawl gear is not expected to have any significant adverse habitat impacts. While this area has been closed year-round to groundfish fishing since 1994, the eastern portion proposed to be reopened in this rule has been a part of the Scallop Access Area Rotational Management Program since 2004—so it has been subject to fishing by mobile bottom-tending gear. The western portion is referred to as the ''mudhole'' with a benthic habitat not vulnerable to bottom trawling. Therefore, bottom impacts from opening this area are anticipated to be minimal. Furthermore, analyses for the Habitat Omnibus Amendment have not identified this area for any proposed EFH protections. There are minimal concerns regarding impacts to protected species in this area.

New Exemption Proposed (1)

(20) 6-inch (15.2-cm) Mesh Size of 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 FY 2012, sectors were allowed to use a 6-inch (15.2-cm) mesh codend to target redfish in the Gulf of Maine. Subsequently, based on catch information from ongoing redfish research showing areas with large amounts of redfish, at the end of FY 2012 and into FY 2013 sectors were allowed to use a 4.5-inch (11.4-cm) mesh codend to target redfish. To date, the exemption has required 100-percent monitoring with either an ASM or observer onboard every trip, primarily because of concerns over a greater retention of sub-legal groundfish, as well as non-allocated species and bycatch. Once sectors were allowed the use of a 4.5-inch (11.4-cm) mesh codend under the redfish exemption, all trips were monitored for target and bytcatch thresholds to ensure compliance with the intent of the exemption, which is to target redfish. Additionally, the thresholds were monitored at the sub-trip level, whereby hauls using mesh 4.5 inches (11.4 cm) and greater were monitored separately from hauls not using the exemption (i.e., hauls using mesh 6.5 inches (16.5 cm) and greater). While this provided additional flexibility to switch codends during the trip and, therefore, allowed vessels to switch between using and not using the exemption on a given trip, it added an additional layer of monitoring for these trips. Having monitors on every redfish exemption trip has allowed NMFS to observe changes in catch rates of target and non-target species when using different codend mesh sizes, helping to ensure that we can monitor the use of the exemption (i.e., accurately monitor catch thresholds), when requested to do so, on a haul-by-haul level.

TABLE 5—REDFISH EXEMPTIONS FROM PREVIOUS FYS

Exemptions	Rulemaking	Date	Citation
6.0 inch with 100% NMFS-funded coverage	FY 2012 Sector Operations Final Rule	May 2, 2012	77 FR 26129.
4.5 inch with 100% NMFS-funded coverage	FY 2012 Redfish Exemption Final Rule	March 5, 2013	78 FR 14226.
4.5 inch with 100% Industry-funded coverage	FY 2013 Sector Operations Interim Final Rule	May 2, 2013	78 FR 25591.

NE Multispecies FR documents can be found at *http://www.nero.noaa.gov/sfd/sfdmultifr.html.*

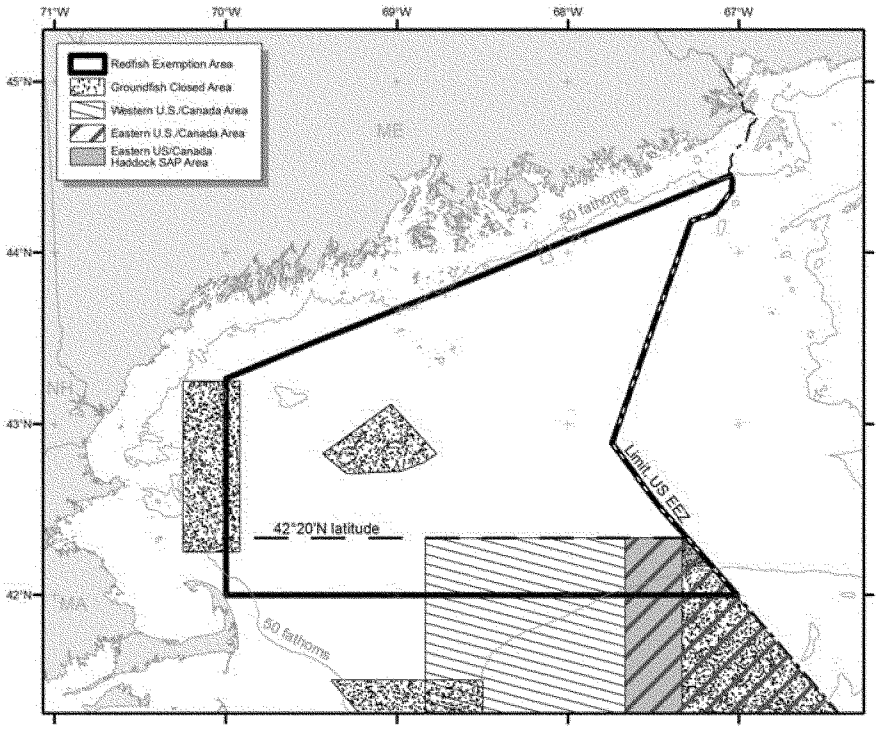
As of the end of FY 2012, 14 trips had used the exemption allowing a 4.5-inch (11.4-cm) mesh codend, and all trips were monitored by either a federally funded NEFOP observer or ASM. While most trips were effectively able to target redfish and minimize groundfish discards, not all trips were able to meet the target and bycatch thresholds. In preparation for the FY 2013 rule, we raised numerous concerns about the impacts of implementing additional monitoring requirements and using federally funded monitoring for the exemption. We found that allowing trips that are randomly selected for federally funded NEFOP or ASM coverage provided an incentive to take an exemption trip when selected for coverage, thereby reducing the number of observers/monitors available to cover standard sector trips (i.e., trips not utilizing this exemption). If fewer observers/monitors deploy on standard sector trips, then the exemption undermines both the ability to meet required coverage levels and the reliability of discard rates calculated for unobserved standard sector trips. Therefore, beginning in FY 2013, we required sectors using this exemption to pay for 100 percent of the at-sea cost for a monitor on all redfish exemption trips. To date, sectors have not submitted an ASM proposal to monitor trips using this exemption in FY 2013 and, therefore, no trips have used the exemption in FY 2013.

For FY 2014, we are proposing an exemption that would allow vessels to use a 6-inch (15.2-cm) or larger mesh codend to target redfish when fishing in the Redfish Exemption Area (see below). The vessels participating in the redfish fishery would be subject to the same NEFOP and ASM target coverage as standard groundfish trips (i.e., less than 100 percent of trips would be monitored). NMFS believes that the standard target coverage is appropriate for FY 2014 for the following reasons. First, there are fewer concerns regarding the retention of sub-legal groundfish and non-allocated species when using a 6-inch (15.2-cm) or larger mesh codend, versus when the exemption allowed the use of 4.5-inch (11.4-cm) or larger codend. Second, at the request of the sectors, we would monitor the exemption for an entire trip, rather than for part of a trip. That is, regardless of how many 6-inch (15.2-cm) or 6.5-inch (16.5-cm) mesh codend hauls are made on a given trip, it would not change the applicability of any restrictions associated with the exemption (e.g., thresholds). This approach would allow vessels to retain the flexibility to switch codends during a redfish trip and allow us to monitor the thresholds at the trip level versus the haul level. Because a 6-inch (15.2-cm) mesh and a 6.5-inch (16.5-cm) mesh codend net fall under the same ''large'' mesh category for both stock assessments and the SBRM, there is less concern for monitoring the differences in selectivity and bycatch patterns compared to trips that had previously been allowed the use of a 4.5-inch (11.4-cm) mesh codend net, which falls under a different category for stock assessments and the SBRM. For all trips, VTRs would be used to identify whether or not the 6-inch (15.2-cm) mesh codend net was actually used on the trip. Lastly, both observed and unobserved redfish trips would be considered a separate strata from non-redfish trips. There are expected behavioral and catch rate differences given the thresholds that apply to the exemption, and because of the requirement to use the exemption in a defined area.

Under this exemption, a vessel would be required to declare its intent to use 6-inch (15.2-cm) mesh codend nets to target redfish by submitting a Trip Start Hail through its VMS unit prior to departure. The hail would be used for monitoring and enforcement purposes. A vessel may fish using a 6-inch codend (15.2-cm), or greater, on a standard trawl within the GOM and GB BSAs, exclusively in the Redfish Exemption Area defined below. However, consistend with current requirements, each time the vessel switches codend mesh size or statistical area, it must fill out a new VTR. For all trips (by sector, by month) declaring this exemption, NMFS would continue to monitor landings for the entire trip to determine if 80 percent of the total groundfish catch is redfish; and for observed trips only, determine if total groundfish discards, including redfish, is less than 5 percent of total catch. The NMFS Greater Atlantic Regional Administrator (RA) reserves the right to rescind the approval of this exemption for the sector in question if a sector does not meet these thresholds. The thresholds are based upon Component 2 of the REDNET report (Kanwitt 2012) and observer data for trips conducted in FY 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.

Vessels that have declared into this exemption may also fish in the GB BSA under the universal exemption that allows the use of a 6-inch (15.2-cm) mesh codend nets in the GB BSA while using selective trawl gear (e.g., haddock separator trawl, Ruhle trawl). These would be areas on GB, south of the Redfish Exemption Area. Vessels that declare the redfish exemption may also use codends with a 6.5-inch (16.5-cm) mesh codend, or larger, in any open area on the same trip. This is similar to the flexibility given to vessels using a 6-inch (15.2-cm) mesh codend in the GB BSA while using selective trawl gear, and then fishing in another BSA with a 6.5-inch (16.5-cm) mesh codend using a standard trawl. Allowing vessels to fish both inside and outside the Redfish Exemption Area on the same trip provides flexibility to target other allocated stocks after successfully targeting redfish; however, all catch from each trip declaring this exemption would be considered in evaluating compliance with the thresholds. Because this exemption is designed for vessels to target redfish in the defined area, but allows the flexibility of using multiple mesh sizes and/or trawl types in multiple areas, all on the same trip, the NOAA Office of Law Enforcement (OLE) has expressed some concern about enforcing the exemption. Therefore, we are specifically seeking comment on this exemtpion, given the enforcement concerns.

Figure 3 – Redfish Exemption Area



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

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

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

The proposed FY 2014 Redfish Exemption Area would have slight modifications from previous years. In the west, the boundary has shifted from 69°55′ W. long. to 70°00′ W. long. This change incorporates the request to fish in some areas of deeper water that were previously not accessible on a redfish trip. Vessels would continue to be excluded from the Western GOM CA. In the south, the boundary of 42°00′ N. lat. would extend all the way to the Hague Line, which also adds some areas with deeper water that was previously not accessible on a redfish trip. Vessels would still be required to comply with the seasonal restrictions of accessing the northern portions of CA II through the Eastern U.S./Canada Haddock SAP. Lastly, a northern boundary would be added to mimic the 44460 Loran line, which was a historic reference for vessels wishing to fish in waters greater than 50 fathoms (91.4 m). The new northern boundary is being added to address concerns from the NEFSC that juvenile groundfish are primarily found in shallower water (<50 fathoms (91.4 m)) in the northern GOM. Prohibiting the use of small mesh in these shallower area would afford protection for these juvenile fish.

We specifically request comment on reducing the monitoring on these trips to the same level as standard sector trips (i.e., less than 100 percent of trips), and the degree to which industry would be able to take advantage of this exemption. We also request comment on revoking this exemption during the FY, if necessary to mitigate impacts. Lastly, we request comment on the enforceability of vessels using this exemption when also fishing outside of the redfish area on the same trip.

If the small-mesh redfish exemption is approved, we intend to monitor the exemption very 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 vessels were switching between 6-inch (15.2-cm) and 6.5-inch (16.5-cm) mesh codends, and not sending the appropriate information on their VTR(s), we would have concerns. Given these concerns, we remind sectors that the RA retains authority to rescind approval of this exemption, if it is needed.

Requested Exemptions We Propose To Deny Because They Were Previously Rejected and No New Information Was Provided (2)

We propose to deny the following two exemption requests because they were previously rejected as proposed, and the requesting sectors provided no new information that would change our previous decision: (21) GOM Sink Gillnet Mesh Exemption in May, and January through April; and (22) 6.5-inch (16.51-cm) minimum mesh size requirement for trawl nets to target redfish in the GOM with codend mesh size as small as 4.5-inch (11.4-cm) with 100 percent NMFS-funded observers or ASMs. We did not analyze these exemptions in the FY 2014 sector EA because no new information was available to change the analyses previously published in past EAs.

The GOM Sink Gillnet Mesh Exemption was proposed for FY 2013,

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 FY 2013 (78 FR 25591, May 2, 2013). The justifications for denying this exemption request in FY 2013, remain for FY 2014.

We received an exemption request for redfish trips using a 4.5-inch (11.4-cm) mesh size for FY 2013 and, at the time, raised concern about providing NMFS-funded observers or ASMs for this exemption in both the proposed rule (78 FR 16220, March 14, 2013) and the final rule (78 FR 25591, May 2, 2013). In summary, 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). Given these concerns, we approved the exemption for FY 2013, but required industry-funded monitoring for at-sea costs on 100 percent of the trips using the exemption. We have required 100 percent industry-funded monitoring due to concerns over a greater retention of sub-legal groundfish, non-allocated species bycatch, and because of the additional requirements of monitoring the exemption at the sub-trip level.

The redfish request to use a 4.5-inch (11.4-cm) mesh codend nets for FY 2014 with a NMFS-funded observer or ASM onboard, rather than with an industry-funded monitor, is identical to the request for FY 2013. We continue to have similar concerns about this requested exemption as we did last year, primarily because the request requires a NMFS-funded observer or ASM. Because of the reasons described above for not approving access to this exemption when using a federally funded NEFOP or ASM, we are proposing to deny this exemption request.

A second redfish exemption request, described above (exemption #20), is proposed for approval.

Requested Exemptions We Propose To Deny Because They Are Prohibited (6)

We propose denying the following six exemption requests and do not analyze them in the EA because they are prohibited or not authorized by the NE multispecies regulations. These include exemptions from: (23) pre-trip notification system (PTNS) requirements, (24) ASM and observer requirements for vessels using the electronic monitoring (EM) program, (25) prohibition on permit splitting, and (26) ASM requirements for handgear vessels. In addition, sector have requested that we: (27) Exclude 10-inch (25.4-cm) mesh or greater gillnets from the list of ''gear capable of catching groundfish/multispecies'', and (28) exempt 10-inch (25.4-cm) mesh or greater gillnets from all groundfish regulations.

PTNS is not a regulatory requirement; rather, it is a means for selecting and distributing observer and ASM coverage in the fishery. PTNS is required for all sector trips as part of the NMFS monitoring program until a sector has an approved ASM program that includes a system for distributing monitoring. Sectors are prohibited from requesting exemptions from permitting restrictions (i.e., including permit splitting) and gear restrictions designed to minimize habitat impacts. Because sectors are also prohibited from requesting exemptions from reporting requirements (including ASM requirements), we will not consider requests for exemptions from ASM. Moreover, we have not approved EM as an acceptable monitoring tool for the NE multispecies fishery at this time, so it cannot replace observers or ASM. NMFS and the Council are currently in the final phase of studying the applicability of EM.

Amendment 16 authorized NMFS to grant sectors exemptions from specified multispecies management measures. Exemption requests #27 and #28, are an attempt to exclude certain trips from all groundfish management measures, except ACLs. The sector requesting the exemption submitted catch data to support the exemption request. However, the data submitted were only from trips using gillnets with 10-inch (25.4-cm) mesh or greater, that had low groundfish catch, rather than all trips using the gear, regardless of the amount of groundfish caught. While groundfish catch by this gear may be minimal during certain times of the year, in certain areas, or by certain vessels, the catch data submitted are not representative of all trips that use extra-large mesh gillnets. In fact, there are data showing that some vessels use extra-large mesh gillnets to target groundfish in the GOM and GB in some cases have caught significant amounts of groundfish as bycatch when targeting other fisheries. It would be more appropriate to consider specific areas and times where 10-inch (25.4-cm) mesh or greater gillnets could be used with minimal groundfish catch independent of the sector exemption request process; specifically, through an exempted fishery request for targeting non-groundfish species (i.e., monkfish, skates).

NMFS may only grant sectors exemptions from certain groundfish regulations, and such exemptions apply only to groundfish trips made by sector vessels. An exemption from the definition of gear capable of catching groundfish is not possible because it would effectively define the trip in question as a non-groundfish trip, which would make the trip ineligible for sector exemptions. Further, we believe Amendment 16 prohibits NMFS from granting either an exemption from the definition of gear capable of catching groundfish, or from all groundfish regulations, because it would be a *de facto* exemption from reporting requirements (e.g., PTNS call-in requirements, ASM requirements, and application of the discard calculation methodology), which was expressly prohibited by Amendment 16.

Additional Sector Provisions

Inshore GOM Restrictions

Several sectors (with the exception of NEFS 4) 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 sector's 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 Web site where we currently provide roster, trip, discard, and observer information to sector managers. If approved, final declaration requirements would be outlined in the final rule and 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

The NCCS requested an exemption to allow a vessel to haul another vessel's fish trap gear, similar to the current exemptions that allow a vessel to haul another vessels gillnet gear, or hook gear. These exemptions have generally been referred to as ''community'' gear exemptions. Unlike hook and gillnet gear, the NE multispecies FMP does not prohibit a vessel from hauling another vessel's trap gear, therefore, we cannot grant an exemption. Because of this, it is more appropriate to consider community fish trap gear as a ''provision'' of the sector operations plan, rather than a requested exemption.

Regulations at § 648.84(a) require a vessel to mark all bottom-tending fixed gear, which would include fish trap gear used to target groundfish. To facilitate enforcement of that regulation, we propose requiring that any community fish trap gear be tagged by each vessel that plans on hauling the gear. 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 could be captured in the sector's operations plan to provide the opportunity for the sector to monitor the use of this provision and ensure that the OLE and the U.S. Coast Guard can enforce the provision.

At-Sea Monitoring Proposals

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

Sector EA

In order to comply with NEPA, one EA was prepared encompassing all 19 operations plans. 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 effects analysis (CEA) 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 19 sectors that this rule proposes to approve.

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 determine stock allocations for some stocks for FY 2014, 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 since we must publish a final rule prior to the start of FY 2014 on May 1, 2014, to enable sectors to fish at the start of the FY. A vessel enrolled in a sector may not fish in FY 2014 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 FY 2014. Both of these options would have very negative impacts for the permits enrolled in the sectors. Delaying the implementation beyond May 1, 2014, 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 FY 2013 and 2014, a delay would require sector vessels to remove gear that complies with an exemption, and redeploy the gear once the final rule is effective. Talking 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 FY 2014 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. This action is needed to provide flexible fisheries management that alleviates potential social and economic hardships resulting from those reductions. This action seeks to fulfill the purpose and need while meeting the biological objectives of the NE Multispecies FMP, as well as the goals and objectives set forth by the Council in the NE Multispecies FMP.

The regulated entities most likely to be affected by the proposed action are the 130 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 business.

Under the proposed rule, sector operations plans for FY 2014 would be approved, allowing sector participants to use the universal sector exemptions granted under Amendment 16 to the NE Multispecies FMP. In addition to the universal sector exemptions granted under the approval of individual sector operations plans, sector participants have requested relaxation of 28 other gear, area, administrative, and seasonal restrictions. This rule proposes to grant 20 of these exemptions. Because all of the regulated entities are considered small businesses per the SBA guidelines, the impacts of participating in sectors and using the universal exemptions and additional exemptions requested by individual sectors are not considered to be disproportional.

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. 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.

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 11, 2014.

Samuel D. Rauch III,

Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service.

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