

vessels are commercial vessels; there is no recreational component of the fishery. All of the commercial vessels that have been permitted in the fishery will be affected by this final rule. Based on the Small Business Administration's current definition of a small entity in the fish harvesting sector (annual gross revenues not exceeding \$3.5 million), the vast majority of these vessels are small entities. One company did own as many as 12 permitted vessels during the 1996–2000 time period. None of these vessels were active in the fishery during these years, and this company had zero landings and gross revenues from the fishery during these years. However, data on the company's operations in other fisheries have led to a determination that this company is a large entity. To maintain confidentiality, additional, detailed information regarding this company's operations cannot be provided.

At least 111 small entities (vessels) that have been active in the fishery are not expected to qualify for the limited access permit and could experience some short-term loss in revenue resulting from limiting access in the South Atlantic rock shrimp fishery off Georgia and Florida. The average loss in gross revenue per vessel would be expected to be no larger than \$1,365 annually in the short term. Vessels that entered the fishery in 2001 could experience higher losses in average revenue, though data are not presently available to make such a determination. However, it is expected that some of these vessels may mitigate this loss by participating in other fisheries. Because information is not available on these vessels' economic dependence on the rock shrimp fishery, it is not possible to calculate the impact of limited access on their profitability. Since the single, large entity earned zero gross revenues from the fishery, no measurable economic impact would be imposed on this entity as a result of this action. Further, this entity would not be subject to other actions only applicable to limited access permit holders, and thus would not be affected by those actions.

For the 168 vessels expected to qualify for limited access permits, each would be required to pay a \$50 fee per permit application. In addition, a time burden would be imposed as a result of having to apply for the limited access permit. The time burden for completing the application is estimated at 20 minutes. According to 2000 data from the Bureau of Labor Statistics, the average hourly wage for first-line supervisors/managers in the fishing, forestry, and farming industries is \$16.72. Thus, the monetary value of this

time burden is \$5.58 per vessel. As a result, the total cost of this action per qualifying vessel is \$55.58, or \$9337 for all qualifying vessels. However, since these permits will be renewed, via application, biannually rather than annually, the total cost per year would be approximately \$27.79. In cases where vessel owners have qualified as the result of a transfer in catch history, documentation would be needed to support a determination of eligibility. The time burden associated with compiling such documentation is estimated at 1 hour, for an additional one-time cost of \$16.72 in the first year. Therefore, for these vessels, the monetary value of the time burden associated with this action is estimated at \$19.51 per vessel. Thus, total annual costs would be \$44.51 in the first year, and \$27.79 in years thereafter.

For vessel owners that do not initially qualify for a limited access permit, two additional opportunities exist to obtain such a permit. Specifically, the vessel owner may submit a request to the RA for reconsideration of an initial determination of non-eligibility. The time burden associated with filing such a request is estimated to be 2 hours. In addition, these vessel owners may submit a request to be placed on a list of those desiring the re-issuance of a permit that was not renewed in a timely manner by an initial qualifier. The time burden associated with filing this request is estimated to be 5 minutes. Thus, the monetary value of these time burdens is \$35 per vessel. Although it is not possible to perfectly predict how many non-qualifiers will submit such requests, those owners whose vessels were active in the fishery but did not qualify are most likely to submit one or both requests. Given that 111 active vessels are not expected to qualify, and since these vessels would have also submitted an application and therefore paid the requisite and non-refundable \$50 fee, the total burden per vessel would be \$85 for all such vessels, or \$9435 in the aggregate.

The final rule is expected to result in lesser impacts than rejected option 2, which would limit eligibility to those who had met the criteria prior to December 31, 1999, rather than December 31, 2000. Rejected option 2 would exclude an additional 26 vessels, most of which were very active in the fishery in 2000, and the average annual short-term revenue loss per active vessel would increase from \$1,365 to \$4,153. Given the possibility of continued entry of new vessels into the fishery and an exacerbation of the current overcapacity problem, the no action option (rejected option 1) is not acceptable. Rejected

option 3 would only enable those who entered the fishery after April 4, 1994, to obtain non-transferable permits. Relative to the final rule, this option is more restrictive on recent participants and was not supported by industry representatives. Also, it is likely that rejected option 3 would not reduce the initial level of overcapacity in the fishery. Based on the objectives of the FMP and the issues being addressed, the final rule is superior to the rejected alternatives.

The minimum mesh size requirement applicable to the limited access area could increase costs for those vessel owners whose gear does not meet the proposed minimum mesh size and who obtain limited access endorsements. The gear replacement cost is expected to be between \$75 and \$80 per net (\$150 to \$320 per vessel). During the 1996–2000 time period, active vessels expected to qualify for a limited access permit earned between \$31,902 and \$127,319 in gross revenues per year from the rock shrimp fishery. These vessels also typically earn revenues from other fisheries, such as the penaeid shrimp fisheries of the South Atlantic and Gulf of Mexico. Since the minimum mesh size is the predominant mesh size presently being used in the fishery, a majority of vessel owners likely will not incur these costs. However, for those owners not presently using the minimum mesh size or larger, the gear modification expense could represent between 0.1 percent and 1 percent of their annual gross revenues from this fishery in the first year.

The final rule will result in gear replacement costs for those vessels that utilize trawl nets with a smaller mesh size. Compared to the no action option, this measure would impose a higher cost on the industry. However, the Council's Rock Shrimp Advisory Panel was of the opinion that the replacement cost for the cod end would be recovered in the future as overall yields increase from allowing recruitment of small shrimp that escape to larger size classes. Also, the time saved from not having to cull many small, unmarketable shrimp in each haul could translate into more tows per trip. In comparison to rejected options 3 and 4, the Advisory Panel felt that the recommended mesh size would be more effective at allowing the escapement of small, unmarketable shrimp than the 1 and 3/4-inch (4.45–cm) mesh size. However, the 2-inch (5–cm) mesh size would allow escapement of a much higher proportion of marketable shrimp compared to this proposed mesh size. Under the assumption that the net replacement cost would be recouped from higher