

The bidder must immediately scrap the state-registered reduction vessel and allow NMFS to observe and certify the scrapping.

After receiving a bidder's payment instructions and certification of compliance, NMFS will disburse the reduction payment, unless NMFS has

reason to believe that the bidder has not performed in accordance with his or her duties and obligations. NMFS will disburse reduction payments only to accepted bidders, unless they explicitly instruct NMFS to do otherwise. If a reduction vessel needs to be scrapped, NMFS will withhold funds sufficient to

cover the cost of such scrapping until its completion.

IV. Program Process

The following table outlines, in chronological order, the program's process:

Step	Action
One	NMFS publishes this notice in the Federal Register , together with a pro forma invitation to bid and bidding document.
Two	NMFS receives and analyzes public comments.
Three	NMFS publishes a final notice in the Federal Register , together with the final draft of the invitation to bid and bidding document.
Four	NMFS mails each permit owner of a groundfish trawl permit (other than those issued to whitening catcher-processors) a notice that indicates that NMFS will subsequently mail him or her a bidding package.
Five	NMFS formally invites each qualified bidder to bid by mailing to him or her a bidding package that also informs him or her that a referendum will occur after NMFS has accepted bids.
Six	NMFS mails a notice to persons holding any fee-share fishery permit (other than those to whom NMFS sent the mailing in step five) indicating that NMFS has invited bids. The notice will also state that NMFS will, without further notice, mail him or her a referendum ballot(s) and voting instructions after NMFS has accepted bids.
Seven	Bidders submit bids.
Eight	NMFS receives bids until the bid receipt deadline.
Nine	NMFS scores, tallies, and accepts or rejects each bid and mails to each bidder an acceptance or rejection notice.
Ten	NMFS mails to each person eligible to vote in the referendum a ballot(s) and voting instructions.
Eleven	The referendum occurs.
Twelve	NMFS receives votes until the vote receipt deadline and afterwards tallies the votes.
Thirteen (A)	If the referendum fails: (a) NMFS mails to each eligible voter a notice that the referendum is unsuccessful, and (b) NMFS mails to each accepted bidder a notice that the reduction contracts are without force and/or effect.
Thirteen (B)	If the referendum is successful: (a) NMFS mails to each accepted bidder a notice that the referendum is successful and reminds him or her that he or she must perform the reduction contract duties and obligations, (b) NMFS mails to each person who voted a notice indicating that the referendum was successful, (c) NMFS publishes a reduction payment tender notification in the Federal Register , (d) NMFS tenders reduction payments to each accepted bidder by requesting the bidder's payment instructions, (e) Accepted bidders relinquish their reduction permits and reduction vessel fishing privileges, and (f) Accepted bidders certify their compliance with their contractual obligations.
Fourteen	NMFS disburses reduction payments upon its receipt of payment instructions and certification of compliance.
Fifteen	NMFS undertakes a separate rulemaking about fee payment and collection.
Sixteen	NMFS establishes fee amounts.
Seventeen	(a) NMFS mails fish sellers and fish buyers a reduction loan fee payment and collection notice, (b) Fish sellers begin paying the fees, and fish buyers begin collecting and disbursing the fees to NMFS, and (c) NMFS receives collected-fee disbursements from fish buyers.

V. Reduction Loan

The reduction loan's repayment maturity will be 30 years. Its principal amount will be the total of all reduction payments made under this program, less \$10 million. NMFS will determine the reduction loan's interest rate in accordance with the framework regulations at 50 CFR 600.1012.

VI. Fee Payment and Collection

Section 212 provides that the United States may enter into agreements with

California, Oregon, and Washington to collect the fees that repay the reduction loan. Unless and until NMFS arranges to do so, however, fish sellers will pay the fees and fish buyers will collect, deposit, disburse, record, and report on the fees in accordance with the applicable portions of the framework regulations.

NMFS will establish any fee rates necessary for fish sellers to repay the reduction loan sub-amount applicable to the reduction fishery and to each of the

six fee-share fisheries. NMFS will undertake a separate rulemaking to do this. The fee rates may not exceed five percent of the delivery value of fee fish from each of these fisheries, but will be less if NMFS determines that smaller percentages are sufficient to amortize the respective reduction loan sub-amounts over the 30-year reduction loan's term.