

Butterfish Fishery Management Plan (FMP). This action extends the limited entry program for the *Illex* squid fishery for an additional year and is intended to further the objectives of the FMP and the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act).

**DATES:** Effective June 30, 2003.

**ADDRESSES:** Copies of Framework 3, including the Environmental Assessment (EA), Regulatory Impact Review (RIR) and Final Regulatory Flexibility Analysis (FRFA) are available upon request from Daniel T. Furlong, Executive Director, Mid-Atlantic Fishery Management Council, 300 South New Street, Dover, DE 19904-6790. The EA/RIR/FRFA is accessible via the Internet at <http://www.nero.noaa.gov/ro/doc/com.htm>.

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**SUPPLEMENTARY INFORMATION:** In 1997, Amendment 5 to the FMP established a limited entry program for the *Illex* squid fishery in response to a concern that fishing capacity could otherwise expand to overexploit the stock. At the time the program was established, there was a concern that the capacity of the limited entry vessels might prove, over time, to be insufficient to fully exploit the annual quota. In response to this concern, a 5-year sunset provision was placed on the *Illex* squid limited entry program. Framework 2 to the FMP extended the *Illex* squid moratorium for 1 year, and it is currently scheduled to end on July 1, 2003. Since the implementation of the limited entry program, the *Illex* squid fishery's performance has demonstrated that the current fleet possesses the capacity to harvest the long-term potential yield from this fishery. The Mid-Atlantic Fishery Management Council (Council) must prepare an amendment to the FMP (Amendment 9) to evaluate whether or not the limited entry program should be made permanent. In the meantime, this action extends the *Illex* squid moratorium through July 1, 2004, to prevent overcapitalization while Amendment 9 is being prepared and considered by the Council. This extension would comply with the criteria in section 303(b)(6) of the Magnuson-Stevens Act. The extension would allow the Council additional time to consider long-term management for the *Illex* squid fishery, including the limited entry program. Vessels that took small quantities of *Illex* squid in the past may continue to do so under the incidental catch provision of the FMP.

### Comments and Responses

The Council developed Framework 3 under the framework abbreviated rulemaking procedure codified at 50 CFR part 648, subpart B. This procedure provided the public with the opportunity to comment on the proposed actions at Council meetings held in October and December 2002. In addition, the proposed rule provided an opportunity for public comment. Two commenters submitted one comment on the proposed rule.

*Comment:* The commenters supported extending the *Illex* squid moratorium through July 1, 2004, while Amendment 9 is being prepared and considered by the Council.

*Response:* This final rule implements the proposed measure.

There were no changes from the proposed rule.

### Classification

This final rule has been determined to be not significant for purposes of Executive Order 12866.

The Council and NMFS prepared a FRFA for this action. Two comments were submitted on the proposed rule, but were not specific to the initial regulatory flexibility analysis (IRFA) or economic impacts of the rule. No changes were made to the proposed rule as a result of the comments received. This action does not contain any reporting, or recordkeeping requirements. There are 73 vessels that have been issued moratorium permits, all of which would be impacted by this action. Since the data are not available to calculate per vessel costs for vessels participating in the *Illex* moratorium fishery, individual vessel profitability could not be estimated. Therefore, changes in gross revenue of the aggregate fleet is used as a proxy for changes in individual vessel profitability. Furthermore, assumptions are made that revenue losses and gains are shared equally among all vessels. NMFS' guidelines suggest consideration of disproportionate economic impacts between large and small entities that may result from the regulatory action. Because there are no large entities (vessels) participating in this fishery, small vessels will not be placed at a competitive disadvantage relative to large vessels, thus rendering the issue of disproportionate impacts between these two classes moot. The FRFA consists of the IRFA and a summary of the analyses done in support of this action. A copy of the analyses is available from the Council (see **ADDRESSES**) or via the Internet at <http://www.nero.noaa.gov/ro/doc/com.htm>. A summary of the FRFA follows:

In addition to the preferred Alternative 1, the Council considered three non-preferred alternatives. Alternative 2 would extend the moratorium on entry to the *Illex* fishery for an additional 2 years (through July 1, 2005); Alternative 3 would extend the moratorium on entry to the *Illex* fishery for an additional 3 years (through July 1, 2006); and Alternative 4 would allow the moratorium on entry to the *Illex* fishery to expire on July 1, 2003 (no action).

The preferred alternative and Alternatives 2 and 3 would extend the moratorium on entry of new vessels into the *Illex* fishery; therefore, no impact is expected on vessels in the fishery in 2003 (and the first half of 2004), compared to individual vessel revenues in 2002. The Council assumed that the market and prices would remain stable. Therefore, any changes in individual vessel revenues would be the result of factors outside the scope of the moratorium (e.g., change in fishing practices for individual vessels, or changes in abundance and distribution of *Illex* squid).

Under Alternative 4, the no-action alternative, the *Illex* fishery would revert to open access. This would result in an increase in fishing effort in the *Illex* fishery. New vessels entering the fishery would limit per vessel share of the *Illex* squid quota and reduce revenues for the present participants. Computing the total revenue losses for the existing moratorium vessels is impossible due to the unpredictability of redirection of effort into the *Illex* squid fishery. Therefore, the Council developed a sensitivity analysis to determine the impact of the entry of additional vessels into the fishery on revenues earned by individual vessels already engaged in the fishery. The sensitivity analysis examined three scenarios that presumed revenues derived from landings of *Illex* squid would be reduced by 75, 50, and 25 percent. The analysis was based on 1998 data because in 1998 the *Illex* quota was completely harvested. Therefore, those data would allow the greatest impact to be assessed.

Under scenario 1, the review of revenue impacts examined the landings of vessels that landed at least 1 pound (0.45 kg) of *Illex* in 1998 and presumed that revenues derived from landing *Illex* for these vessels would be reduced by 75 percent. The 109 impacted vessels (the 73 vessels with moratorium permits, plus open access vessels who landed *Illex* in 1998) were projected to be impacted by revenue losses that ranged from less than 5 percent for 79 vessels, to a maximum of 40-49 percent