

proposed rule, if adopted, would have on small entities. The IRFA considered two alternatives. The first alternative is the status quo alternative in which only qualified persons, as defined under current Federal regulations, would be eligible to hold QS. The second alternative would allow eligible communities in the GOA, as defined in this proposed action, to hold halibut and sablefish QS for use by residents of those eligible communities. The second alternative would address concerns noted in the IRFA regarding the lack of initially issued QS and the loss of QS in remote, fishery-dependent GOA communities and thus, address negative impacts sustained by these communities through loss of participation in the IFQ fisheries that would continue under the status quo. This action proposes to implement the second alternative considered in the IRFA.

As of December 31, 2001, the most recent year for which data are available for analysis, NMFS records show 1,534 halibut QS holders in Area 2C, 2,047 QS holders in 3A, and 585 QS holders in Area 3B. Similarly, as of December 31, 2001, NMFS data indicate 486 sablefish QS holders in the Southeast Area, 300 QS holders in the West Yakutat Area, 442 QS holders in the Central Gulf Area, and 177 QS holders in the Western Gulf Area. All of these QS holders could be considered small entities for purposes of the Regulatory Flexibility Act (RFA). The proposed rule could impact the estimated 860 registered commercial halibut buyers participating in the commercial halibut and sablefish IFQ program, many of which are small entities. Also classified as small entities under the RFA are the 42 communities that would qualify as eligible to participate in the IFQ Program as small government jurisdictions with fewer than 50,000 residents.

Analysis of the proposed action indicates no adverse impact on small entities from this action. This action does not reallocate QS away from existing QS holders. The potential adverse effects of this proposed action would be limited to the potential increase in competition which may exist between CQEs, existing QS holders, and new entrants in the QS market. This competition could increase the market price of QS for all persons seeking to purchase QS. No data exist to determine if this potential increase in QS price would occur, or if it would disadvantage existing QS holders or new entrants relative to CQEs.

The ability of CQEs to compete in the QS market is limited by 3 factors: Their access to capital, the amount of QS available on the market, and the

cumulative use cap. The cap limits CQEs to holding a maximum of 3 percent of the total halibut and sablefish QS in each IFQ regulatory area per year, for a total of 21 percent of the total halibut and sablefish QS in each IFQ regulatory area in the GOA. Limiting the amount of QS that communities can purchase each year would mitigate the effects of expanding the universe of potential new participants in the QS market.

This action may have an economic benefit for small entities, to the extent that this action provides additional fishing opportunities to rural fishermen. The benefit is largely due to the redistribution of fishing opportunities, and is primarily a social benefit, not a strictly economic benefit. However, the potential economic benefits of this possibility can not now be measured or estimated.

Net benefits cannot be quantified because of the importance of non-market social costs and benefits in the proposed action. The sale of QS to the CQEs will increase the revenues of some community members who may wish to exit the fishery, or redirect capital into other industries within the larger communities incurring a net loss of QS. To the extent that residents within larger communities currently hold proportionally more quota shares, these residents, and presumably the communities where they live, will benefit from the compensation received by the sale of quota, otherwise they would not voluntarily choose to sell. Although the Council and NMFS do not anticipate that this rule would have a significant impact on a substantial number of small entities, they are unable to state this with certainty and therefore prepared an IRFA.

This proposed rule contains collection-of-information requirements subject to the Paperwork Reduction Act (PRA). The following requirement and estimated response time has been approved by OMB under control number 0648-0272: 2 hours for Application for Transfer Eligibility Certificate (TEC).

The following requirements have been submitted to OMB for approval: 200 hours for the Application to Become a CQE; and 40 hours for the CQE annual report; 2 hours for an Application for Transfer of QS or IFQ; 30 minutes for Approval of Transfer of QS from Governing Body; and 10 hours for a community petition for, and State comments on, forming a governing body.

These estimates include the time for reviewing instructions, searching existing data sources, gathering and

maintaining the data needed, completing and reviewing the collection of information, and sending the initial application to NMFS to become a CQE, and sending the annual report to NMFS and the community governing body of the community that the CQE represents.

Public comment is sought regarding: whether this proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; the accuracy of the burden estimate; ways to enhance the quality, utility, and clarity of the information to be collected; and ways to minimize the burden of the collection of information, including through the use of automated collection techniques or other forms of information technology. Send comments on these or any other aspects of the collection of information to Sue Salvesson, Assistant Regional Administrator for Sustainable Fisheries, at the ADDRESSES above, and to the Office of Information and Regulatory Affairs, OMB facsimile or email at the ADDRESSES above.

Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the PRA, unless that collection of information displays a currently valid OMB Control Number.

There are no duplicative, overlapping, or conflicting Federal rules associated with this proposed rule.

List of Subjects in 50 CFR Part 679

Alaska, Fisheries, Recordkeeping and reporting requirements.

Dated: October 8, 2003.

Rebecca Lent,

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

For the reasons discussed in the preamble, 50 CFR part 679 is proposed to be amended as follows:

PART 679—FISHERIES OF THE EXCLUSIVE ECONOMIC ZONE OFF ALASKA

1. The authority citation for 50 CFR part 679 continues to read as follows:

Authority: 16 U.S.C. 773 *et seq.*, 1801 *et seq.*, 3631 *et seq.*, Title II of Division C, Pub. L. 105-277; Sec. 3027, Pub. L. 106-31, 113 Stat. 57; 16 U.S.C. 1540(f).

2. In § 679.2, the definition for “Eligible community” is revised and new definitions for “Community quota entity (CQE)” and “Eligible community resident” are added in alphabetical order to read as follows: