

proposing to use approved scup GRA monitors rather than NMFS-certified observers. This likely would reduce the costs associated with data collection for each participating vessel. Individual vessels would need to assess changes in costs and revenues upon their operations before participating in the non-mandatory Scup GRA Access Program. An analysis of Vessel Trip Report (VTR) data (1996–1999) indicates that, on average, 72 vessels had directed *Loligo* trips (i.e., greater than 50 percent of the total landings were *Loligo*) in the GRAs, for a total of 209 trips. Assuming that all of these vessels choose to fish the same number of trips in the GRAs, a 100-percent observer requirement would mean that approximately 209 trips would be required to carry observers in the GRAs. The actual total number of trips required to carry an observer would vary, depending upon the individual decisions of vessel owners regarding the potentially increased profitability of fishing in the GRAs versus additional observer costs.

The proposed (status quo) commercial scup possession limits for Winter I (15,000 lb (6.8 mt) per trip) and Winter II (1,500 lb (680 kg) per trip) were chosen as an appropriate balance between the economic concerns of the industry (e.g., landing enough scup to make the trip economically viable) and the need to ensure the equitable distribution of the quota over the period. The proposed Winter I possession limit was selected specifically to coordinate with the 15,000 lb (6.8 mt) per week possession limits recommended by the Commission to be implemented by most states while satisfying concerns about enforcement of possession limits. Changes in possession limits can impact profitability in various ways. These impacts would vary depending on fishing practices. These possession limits are expected to constrain commercial landings to the commercial TAL, and distribute landings equitably throughout the periods to avoid derby-style fishing effort and associated market gluts. According to anecdotal information potential price fluctuations occur as result of irregular supply. The recommended possession limits for Winter I would allow fishermen to determine when the best time for them to fish and further help to avoid market gluts and unsafe fishing practices. Because the Council determined that the status quo scup possession limits minimize negative economic impacts on the industry, alternatives to the proposed possession limits were not analyzed.

The final rule to implement Framework 3 to the FMP (68 FR 62250, November 3, 2003) implemented a process, for years in which the full Winter I commercial scup quota is not harvested, to allow unused quota from the Winter I period to be rolled over to the quota for the Winter II period. In any year that NMFS determines that the landings of scup during Winter I are less than the Winter I quota for that year, NMFS will, through a notification in the **Federal Register**, increase the Winter II quota for that year by the amount of the Winter I underharvest, and adjust the Winter II possession limits consistent with the amount of the quota increase, based on the possession limits established through the annual specifications-setting process.

Framework 3 allows for the transfer of unused scup quota from Winter I to Winter II period. A complete description and impact analysis of the provision allowing the rollover of unused quota from Winter I to Winter II period is found in Framework 3. Overall it is anticipated that allowing the transfer of unused quota from Winter I to Winter II period will result in positive economic and social impacts to fishermen and communities as quota not landed in Winter I due to poor weather conditions, changes in the distribution of scup, or market conditions (i.e., low price) will not be lost. In addition, any scup regulatory discards which have occurred in Winter II (i.e., when the fishery closes early) can be converted into landings.

The summer flounder RSA allocation in the Preferred Alternative, if made available to the commercial fishery, could be worth as much as \$263,873 dockside, based on a 2002 ex-vessel price of \$1.51/lb. Assuming an equal reduction in fishing opportunity among all active vessels (i.e., the 796 vessels that landed summer flounder in 2002), this could result in a loss in potential revenue of approximately \$331 per vessel. Changes in the summer flounder recreational harvest limit as a result of the 174,750-lb (79-mt) RSA are not expected to be significant. The RSA would reduce the recreational harvest limit from 11.28 million lb (5,117 mt) to 11.21 million lb (5,085 mt). It is unlikely that the recreational possession, size, or seasonal limits would change as the result of the RSA allocation.

The scup RSA allocation in the Preferred Alternative, if made available to the commercial fishery, could be worth as much as \$105,600 dockside, based on a 2002 ex-vessel price of \$0.66/lb. Assuming an equal reduction in fishing opportunity for all active commercial vessels (i.e., the 499 vessels

that landed scup in 2002), this could result in a loss of potential revenue of approximately \$212 per vessel. Changes in the scup recreational harvest limit as a result of the RSA allocation would be insignificant. The 160,000-lb (73-mt) RSA would reduce the scup recreational harvest limit from 4.03 million lb (1,828 mt) to 3.99 million lb (1,812 mt). It is unlikely that scup recreational possession, size, or seasonal limits would change as the result of the RSA allocation.

The black sea bass RSA allocation in the Preferred Alternative, if made available to the commercial fishery, could be worth as much as \$233,190 dockside, based on a 2002 ex-vessel price of \$1.73/lb. Assuming an equal reduction in fishing opportunity for all active commercial vessels (i.e., the 736 vessels that caught black sea bass in 2002), this could result in a loss of approximately \$317 per vessel. Changes in the black sea bass recreational harvest limit as a result of the RSA allocation would be insignificant. The 134,792-lb (61-mt) RSA would reduce the black sea bass recreational harvest limit from 4.08 million lb (1,851 mt) to 4.01 million lb (1,819 mt). It is unlikely that the black sea bass possession, size, or seasonal limits would change as the result of this RSA allocation.

Overall, long-term benefits are expected as a result of the RSA program due to improved fisheries data and information. If the total amount of quota set-aside is not awarded for any of the three fisheries, the unused set-aside amount will be restored to the appropriate fishery's TAL.

In summary, the 2004 commercial quotas and recreational harvest limits contained in the Preferred Alternative would result in substantially higher summer flounder and black sea bass landings and a small increase in scup landings, relative to 2003. The proposed specifications contained in the Preferred Alternative were chosen because they allow for the maximum level of landings, yet still achieve the fishing mortality and exploitation targets specified in the FMP. While the commercial quotas and recreational harvest limits specified in Alternative 3 would provide for even larger increases in landings and revenues, they would not achieve the fishing mortality and exploitation targets specified in the FMP.

The proposed possession limits for scup were chosen in part because they are intended to provide for economically viable fishing trips that will be equitably distributed over the entire quota period.