

NMFS will also mail each of the following:

Action	NMFS will mail:
Bidder and voter notice	A notice to each crab license holder who is prospectively a qualifying bidder, voter, or both.
Bidder guidance	Detailed guidance to all qualifying bidders about the crab program, how to bid, and other bidding matters.
Invitation to bid, bidding form, and terms of capacity reduction agreement	An invitation to bid and a bidding form and bidding terms and agreements to each crab license holder who is on our prospectively qualifying bidder list.
Voter guidance	Detailed guidance to all qualifying voters about how to vote and other referendum matters.
Referendum ballots	A referendum ballot and instructions to each crab license holder who is on NMFS prospectively qualifying voter list.
Referendum results	The results of the referendum to each crab license holder.
Bid Acceptance/Reduction Contracts Unconditional	Notification, to each accepted bidder, that its bid was accepted and a successful referendum has fulfilled the one condition to performance of the reduction contracts.
Reduction payment tender	NMFS' tender of reduction payment to each accepted bidder (requesting the bidder's written reduction payment instructions).
Fee payment and collection notice	A notice to each fish seller and each fish buyer of the initial fee payment and collection requirement.

All website postings will be solely for the public's convenience and our failure or inability to post anything on a website does not affect the rights, privileges, duties, or obligations of any person involved.

Classification

The Assistant Administrator for Fisheries, National Marine Fisheries Service, determined that this final rule is consistent with the Consolidated Appropriations Act of 2001, as amended, the Magnuson-Stevens Fishery Conservation and Management Act, and other applicable laws.

In compliance with the National Environmental Policy Act, NMFS prepared an environmental assessment for this final rule. The assessment discusses the impact of this rule on the natural and human environment and integrates a Regulatory Impact Review and a Final Regulatory Flexibility Analysis. NMFS assessment has resulted in a finding of no significant impact. NMFS will send the assessment, the review and analysis to anyone who requests it (see **ADDRESSES**).

NMFS determined that this final rule is economically significant for purposes of Executive Order 12866. The rule may result in a reverse auction that could total up to \$100 million worth of successful bids. These bids represent the compensation for the net present value of the total losses that the fishermen expect to bear from exiting the market. The expected costs of the rule would also include administrative costs that would be incurred by NMFS in facilitating this auction. The benefits of the rule would be the increase in producer and consumer surplus resulting from the lower costs of harvesting the same amount of crab. The benefits expected by the remaining fishermen should at least equal the cost of compensating the exiting fishermen since this auction is voluntarily undertaken.

In compliance with the Regulatory Flexibility Act, NMFS prepared an analysis that describes the economic impact this final rule may have on small entities. In this final rule's preamble, NMFS described the rule and its legal basis. NMFS intends the analysis to aid in considering all reasonable regulatory alternatives that can minimize the economic impact on affected small entities.

This final rule's effect on post-reduction crab harvesters will depend on the crab program's nature and size. Our assessment, review, and analysis considered:

- (1) The effect of three alternatives:
 - (a) The status quo,
 - (b) Uniform reduction loan repayment fees, and
 - (c) Weighted reduction loan repayment fees; and
- (2) Based on five potential magnitudes of revoked crab licenses and vessels:
 - (a) 30,
 - (b) 45,
 - (c) 60,
 - (d) 75, and
 - (e) 90.

The preferred alternative, weighted reduction loan repayment fees, provides the most equitable method for allocating reduction loan repayment, and this is

the reduction loan repayment method section 144 of Pub. L. 106-554 requires.

The final rule's impact will be positive for both bidders whose bid offers NMFS accepts and post-reduction harvesters whose landing fees repay the reduction loan because the bidders and harvesters will assume the impact and fewer crab license holders after capacity reduction will be collectively able to catch more fish than if capacity had not been reduced:

(1) Bidders will volunteer to make bid offers at bid amounts of their own choice. Presumably, no bidder will volunteer to make a bid offer with a bid amount that is inconsistent with the bidder's interest; and

(2) Reduction loan repayment landing fees will be authorized, and NMFS can complete the crab program, only if at least two-thirds of crab license holders voting in a post-bidding fee referendum voted in favor of the fee. Presumably, crab license holders would not vote in favor of the fee unless they concluded that the crab program's prospective capacity reduction was sufficient to enable them to increase their post-reduction revenues enough to justify the fee.

Given the large levels of overcapacity existent in U.S. and other global fisheries, buyback vessels and permits should not be allowed to move into other fisheries. This cascade effect would only exacerbate the overcapacity problems that exist in those fisheries. For example, the sale of domestic vessels to overseas operators while reducing capacity in the U.S. would harm stocks of fish harvested globally. This would cause U.S. fishermen to compete with additional foreign fishermen; e.g. bluefin tuna, swordfish, sharks. This indirectly reduces net benefits to U.S. and global fishermen. Overall net benefit levels would be reduced in those fisheries in which capacity was transferred and indirectly in all related fisheries through continued or increased discarded bycatch levels, degradation of habitat, and other related problems.

NMFS believes that this action will affect neither authorized crab harvest levels nor crab harvesting practices.

NMFS has prepared a Regulatory Compliance Guide (RCG) for this final rule to comply with a requirement of the Small Business Administration. The RCG takes the form of questions and answers which explain the requirements for participation and other aspects of the program. It will be mailed by NMFS to all prospective bidders who may participate in the crab program.

This final rule contains information collection requirements subject to the