

Regulatory Flexibility Analysis (FRFA), and a Regulatory Impact Review (RIR), which document economic impacts on the affected fishery, small entities, and the nation as a whole.

Comment 2: The revised quotas will put fishermen out of business. The current quotas are good and the overall fishery is improving.

Response: According to the 2002 LCS stock assessment, the LCS complex is overfished and overfishing is occurring (Cortes, 2002). As such, the 2002 stock assessment recommends that adjustments to quotas be made in the form of percent reductions in catch. Economic analyses indicate that the LCS quota was worth \$2,895,521 in 2001 under the baseline for comparison (*i.e.*, 1,285 mt dw). Implementation of the preferred alternatives will result in a 21-percent reduction in total gross revenues for both the fishery as a whole as well as small entities. If NMFS did not act, the quotas from the 1999 HMS FMP, which are 20-percent lower than the LCS quotas finalized in this rule, would go automatically into place and result in a 24-percent reduction in total gross revenues for both the fishery as a whole and small entities.

Comment 3: The combination of the classification for LCS and quota basis would stabilize some of the economic impacts that have unfolded upon the directed shark participants since 1997 due to regulations and inadequate science.

Response: While the combination of the final actions would increase total gross revenues by 33 percent to both the fishery as a whole as well as small entities, this economic benefit may be short-lived if the fishery continues to decline as a result of substantial increases of regulatory discards that are anticipated with multiple closures in a mixed LCS fishery. Fishermen would likely need to increase effort in order to make up for lost catches during partial closures, which may result in increased protected resource interactions and mortality on non-targeted species. Moreover, longer sorting times per set are likely to increase opportunity costs to fishery participants. Additionally, lengthening of trips may occur in order for fishermen to compensate for lost catches during a partial closure. Increased time at sea reduces the profits fishermen gain due to increased costs for fuel, bait and ice, and could raise safety at sea concerns if fishermen fish longer or harder to counteract for lost revenues.

Comment 4: The regional quotas and estimates of catches by region are flawed and will put North Atlantic fishermen out of business. This regional

quota and a trimester approach will give the North Atlantic 1.3 percent of the quota or 14.4 mt dw for each season. This is not sufficient to maintain a crew.

Response: NMFS combined information from two separate databases containing regional landings information as reported by dealers and states to NMFS. The landings information represent the best available information pertaining to regional data. Given that regional quotas seek to maintain historical landings, as opposed to reducing landings, NMFS does not expect that regional quotas would change previous fishing practices or result in any significant economic impact. To the extent that the LCS quota itself is being reduced, fishermen in all regions will likely have reduced landings. However, NMFS believes that having more open seasons (*i.e.*, three as opposed to two) and spreading the open seasons out more evenly, will result in greater economic stability for fishery participants, including crew members. Additionally, over time, regional quotas may allow NMFS the flexibility to manage quotas to each region's maximum economic advantage.

Comment 5: NMFS received a range of comments regarding the economic impact of a trimester approach. Comments include: We cannot support the trimester season approach because it would hurt the market and because it could have economic costs for fishermen who would need to switch their gear types three times a year instead of two times. Grocers need at least a month to develop their advertising and know their potential supply and price; a trimester approach would not give enough time for grocers to advertise. I like the trimester approach because it would allow for more advertising and therefore a higher price. I do not need to switch my gear because I use the same gear for grouper, sharks, and tuna. NMFS, as part of the Department of Commerce, should be more sensitive to seafood markets and should know that changing the seasons from biannual to trimesters will cause extreme harm to the established market routine for sharks.

Response: NMFS recognizes that trimesters may take time for fishermen and associated communities (*e.g.*, dealers, processors, retail agents) to adapt to, given that new markets will need to be established at different times of the year. Fishery participants will need time (*i.e.*, between two weeks and a month) to work with grocers to advertise shark products and under trimester seasons the time available for such advertisements may be further limited, as compared with the no action

alternative. Additionally, since fishermen may be able to land sharks at the same time as other fish, there could be fluctuations in markets for other fisheries. Spreading open seasons out more evenly over the calendar year could, in the long-term, result in greater economic stability for fishermen and associated communities because the amount of time between open and closed seasons would be reduced and sharks would be available in the market more frequently throughout the year. In order to reduce the economic impacts associated with trimesters, NMFS will implement a delay in effectiveness to give fishery participants an opportunity to work with dealers and grocers to enhance markets and advertising solutions in advance of season openings. NMFS also recognizes that variation in open seasons could result in short-term social and economic burdens, given that fishermen will need to adjust fishing practices, including but not limited to, re-rigging gear more often to fish for shark, as opposed to other species, during what would otherwise be a closed season. Social and economic costs associated with switching gear more often may be minimized, if shark fishery participants use the same gear in other fisheries (*e.g.* similar gear is used to fish for shark, grouper, and tuna). Trimester seasons are preferred to quarterly seasons because trimesters will minimize the costs of switching gear (*i.e.*, only three times as opposed to four per year) and give a higher percentage of the quota to each open season than would occur under a quarterly season approach.

Comment 6: I want a buyout if you are going to set the regional quotas and trimester seasons. My vessel is worth more than \$200,000 to me.

Response: NMFS has the authority to reduce capacity under the Magnuson-Stevens Act (Section 312(b)-(e)) and may investigate options to reduce capacity during a future rulemaking.

Comment 7: If NMFS bans drift gillnet, all shark gillnet fishermen, including those already using strikenet gear, will go out of business because you can only use strikenet from January through April when the LCS are schooling and the season is open. You cannot use strikenet to target SCS which is what shark gillnet fishermen rely on when the LCS season is closed. You also cannot use strikenet gear in the summer because the sharks in this area are not schooling. Shark gillnet fishermen cannot fish for Mackerel due to the Florida net ban; therefore, most of their money comes from shark fishing. Strikenet fishing requires two large vessels to retrieve the gear, two small