

specified eligible voting class based on their respective involvement in the fishery.

NMFS is expressly seeking comments as to alternative approaches for weighting votes, whether they focus on the following or propose entirely new alternatives not addressed below.

The following alternatives are not necessarily mutually exclusive and were considered individually and in combinations. For the purpose of these alternatives, the term "license" refers to a Class 1 license and/or endorsement, consistent with the context of Section 407(c)(2) of the Magnuson-Stevens Act.

(1) Allocating one half (or some other fraction) of a vote per qualifying pound to the qualifying historical vessel captain. Section 407(c)(2) of the Magnuson-Stevens Act specifically identifies such vessel captains as eligible to vote in the referendums; thus, implicitly it acknowledges the need for some level of multiple counting, unless all current license holders, whose license was previously fished by a qualifying historical captain, are subject to the same pound to vote ratio (see alternative 5 below). Fractionalizing historical captains' pound to vote ratio would reduce the impact of weighting multiple votes by the pounds from a single license's landings history, but this option alone would not eliminate such multiple counting of landings associated with a single license;

(2) Allocating one half vote (or some other fraction) per qualifying pound to both the lessor and lessee license holders to avoid double counting of the associated poundage. As is the case with historical captains, using this option alone would not eliminate the multiple counting of poundage associated with a single license. However, in combination with some fractionalization of historical captain weighting and associated reductions in lessor/lessee proportional votes, it would eliminate such multiple counting (see alternative 5);

(3) Allocating one vote per pound of landings to both lessors and lessees, while allocating two votes per pound to license holders who are not involved in lease arrangements with their license. This option addresses the multiple counting of landings by allowing all poundage to be counted at least twice, which while actually increasing the quantity of pounds multiple counted would provide the same treatment for virtually all poundage. This would result in increasing the voting weight of landings associated with non-leased licenses to the same level as the landings associated with leased licenses, *i.e.*, all pounds would be counted at least twice;

(4) Votes could be weighted based on an individual's level of participation in the fishery, measured by length of time they held a license. This could be applied to all license holders, or some portion thereof, such as only lessors and lessees, and would prorate the respective weight of a vote based on the number of years of participation in the fishery. For example, using the 3-year time period established for historical captain eligibility, a participant could be awarded one vote per pound if they held a license for 3 or more years, two-thirds of a vote per pound if they held a license for less than 3 but at least 2 years, and one-third of a vote if they held it less than 2 years. Once again, this would not eliminate multiple counting of poundage, but would increase the weighting factor for longer-term participants in the fishery;

(5) The total allowable weighted votes allocated to participants in each referendum could be capped by the total number of pounds harvested, which would eliminate all multiple counting of poundage. Then all participants with eligibility tied to a particular license would have their vote weighted at a ratio equal to all other participants associated with that license, so that their combined vote would be equal to one vote per one pound of landings associated with that license. For example, if a historical captain is eligible based on his landings under a specific license during the relevant time period, and that license is now held by a license holder who is not involved with lease arrangements with that license, but who is not the same historical captain, then each would get one-half of a vote per pound of landings associated with the license. In this example, should the current holder lease the same license, then each participant would have their vote weighted as one-third of a vote per pound, so that their combined vote would equal the total number of pounds associated with the license. While this option would eliminate all multiple counting, it is not directly tied to participation in the fishery.

Classification

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

The Chief Counsel for Regulation of the Department of Commerce certified to the Chief Counsel for Advocacy of the Small Business Administration that this proposed rule, if adopted, would not have a significant economic impact on a substantial number of small entities. The basis for this certification follows.

The Magnuson-Stevens Act, as amended, provides the statutory basis for the proposed rule. The proposed rule would implement up to two referendums on a potential Individual Fishing Quota (IFQ) for the commercial red snapper fishery in the Gulf of Mexico, consistent with the requirements of the Magnuson-Stevens Act. The primary purpose of this proposed rule is to notify potential participants in the referendums, and members of the public, of the procedures, schedule, and eligibility requirements that NMFS would use in conducting the referendums.

One hundred and thirty-seven entities have been identified as having a vessel permit with a red snapper Class 1 license during the specified eligibility time frame and, therefore, qualify for participation in the referendums. Approximately 37 of these licenses are currently being fished on vessels operated by other entities through lease arrangements. One additional vessel captain has been identified as a referendum qualifier. Although the number of Class 1 licenses and vessel captains is known with certainty, lease arrangements may be subject to cancellation prior to a referendum such that the total number of eligible entities due to lease arrangements is not known with certainty. Although new lease arrangements are also a possibility, such that the number of lease arrangements could increase from the current total, increased leasing is not expected since this would dilute the voting power of the Class 1 license holder, absent control over the subsequent vote by the lessee. Thus, it is expected that the number of lease qualifiers will decline by some unknown amount. Assuming, however, that all current qualifiers maintain their status, the total number of entities that qualify for participation in the referendum is 175.

The total red snapper fishery is valued at approximately \$10 million in ex-vessel revenue on an annual basis. Although participants in this fishery do not harvest red snapper exclusively, among those vessels that target red snapper (as determined by whether the revenues from red snapper on an individual trip were greater than the revenues from any other individual species), approximately 57 percent of annual revenues for these vessels came from red snapper sales. If all qualifiers target red snapper and all red snapper ex-vessel revenues are attributed to these participants, and assuming red snapper revenues equal 57 percent of total commercial revenues for these participants, the average ex-vessel revenue per entity is approximately \$100,000 ($(\$10 \text{ million}/0.57)/175$). If evaluated over the number of Class 1 licenses (137), the appropriate average revenue is approximately \$128,000. Although it is logical to assume that the qualifiers target red snapper, these estimates are biased high since all red snapper revenues cannot be attributed to either categories of entities. Thus, the average ex-vessel revenue per entity is less than either figure.

All referendum qualifiers that would be directly affected by the proposed rule are commercial fishing operations. The Small Business Administration defines a small business that engages in commercial fishing