

Executive Summary

Under the Restructured Observer Program, all catcher/processors are in the full observer coverage category unless they meet the requirements for an allowance to be placed in partial coverage. The placement of catcher/processors in full coverage enables NMFS to obtain independent estimates of catch, at-sea discards, and prohibited species catch (PSC) for catcher/processor vessels. In recognition of the relatively high cost of full coverage for smaller catcher/processors and the limited amount of catch and bycatch by these vessels, the Council recommended two limited allowances for placing a catcher/processor in partial coverage. Both of these allowances were based on vessel activity from 2003 to 2009.

Since implementation of the Restructured Observer Program, owners and operators of some catcher/processors with relatively small production have requested that the Council and NMFS revise these allowances to include vessels that began processing after 2009. These operators believe that the costs they incur for full observer coverage are disproportionate to the revenues they earn and that these high costs preclude them from operating in some fisheries.

In December 2014, the Council adopted a motion, reprinted in Appendix A. The Council Motion contained a Purpose and Need statement that the allowance for placing a catcher/processor in partial coverage should, at a minimum, be based on a measurement of ongoing production that shows that the catcher/processor processes a small amount of groundfish relative to the rest of the catcher/processor fleet. The Council Motion also stated that the current regulations do not provide a way to move a catcher/processor placed in partial coverage into full coverage if production increases to a level deemed appropriate for full coverage.

The Council Motion stated that this action should maintain a relatively limited exception to the general requirement that all catcher/processors are in the full coverage category, provide an appropriate balance between data quality and the cost of observer coverage; and establish a basis for placing catcher/processors into partial coverage that is not unduly difficult to apply and to enforce.

This Regulatory Impact Review (RIR) examines the benefits and costs of a proposed regulatory amendment to modify provisions of the Restructured Observer Program that allowed certain small catcher/processors to qualify for partial observer coverage rather than the full observer coverage generally required of catcher/processors. The modifications would increase the number of catcher/processors that may qualify for partial coverage. The preparation of an RIR is required under Presidential Executive Order (E.O.) 12866 (58 FR 51735: October 4, 1993).

Based on information to date, NMFS has concluded that this action would qualify for a Categorical Exclusion from further review under the National Environmental Protection Act (NEPA) because it would be an amendment to a previously analyzed and approved action and would have no effect on the human environment beyond what was analyzed in prior actions.

Description of Alternatives

Two alternatives (no action and action) are under consideration.

Alternative 1. No action; maintain existing exemptions. The existing exemptions from full coverage exempt three classes of catcher/processors: (1) vessels under 60 feet which acted as a catcher vessel and a catcher/processor in any year from 2003 through 2009; (2) vessels that processed less than 5,000 pounds on an average daily basis in their last year of production from 2003 through 2009; (3) vessels that

processed less than one metric ton of groundfish on every day during the preceding fishing year, which means a maximum of 365 metric tons in a year.

The first two exemptions are permanent, namely if a catcher/processor meets those exemptions based on the vessel's activity from 2003 to 2009, the catcher/processor is in partial coverage permanently, without any limit on the groundfish production by the vessel. NMFS has placed three vessels in partial coverage under these two exemptions.

The third exemption—processing one metric ton or less on every day in a year—is valid for one year. Under this exemption, NMFS placed one vessel in partial coverage for one year because this vessel processed no groundfish in the prior year and therefore processed one metric ton or less on every day in the year. No catcher/processor that actually did any processing from 2009 to 2014 processed one metric ton or less on every day in any of those years. The one metric ton exemption has very limited utility. One vessel has qualified for the one metric ton exemption in 2015. However, if this vessel operates in an economically meaningful way in 2015, it will not be able to use the exemption in 2016.

Alternative 1, the Status Quo alternative, is essentially a closed system. It allows the owners of catcher/processors that met production criteria from 2003 through 2009 to permanently choose partial coverage. It allows these catcher/processor owners to maintain partial coverage irrespective of how much groundfish they process.

Alternative 1 does not meet most of the Council's objectives for this action. Alternative 1 does not place catcher/processors in partial coverage based on any determination of the vessel's ongoing production and therefore it is not based on whether the vessel's ongoing production is small relative to the rest of the fleet. Alternative 1 does not provide a way to move a catcher/processor placed in partial coverage into full coverage if production increases to a level deemed appropriate for full coverage. Alternative 1 does not provide a balance between data quality and the cost of observer coverage because vessels are placed in partial coverage based on their activity from 2003 to 2009; the hybrid allowance is based on any activity by a catcher/processor as a catcher vessel between 2003 to 2009; and the 5,000 pounds allowance was not the result of an empirical examination of fleet-wide production data.

Alternative 1 does create an extremely limited exemption by essentially excluding any catcher/processor that began processing after 2009. Alternative 1 is not unduly difficult to apply and enforce.

Alternative 2. Revise the allowances for NMFS to place small catcher/processors into partial coverage. Under this alternative, the basic criterion for placing a catcher/processor in partial coverage in a fishing year is the vessel's prior production *except* if the catcher/processor is under an independent obligation to operate subject to full coverage due to its participation in a catch share program or similar arrangement.

Catcher/processors subject to independent requirements for $\geq 100\%$ coverage include catcher/processors operating under the American Fisheries Act (AFA), the Amendment 80 Quota Share Program, the Rockfish Quota Share Program, the Community Development Quota (CDQ) Program, the Aleutian Islands pollock fishery, and the longline catcher/processor subsector. While operating under an independent requirement for $\geq 100\%$ observer coverage, a catcher/processor under this action would not be eligible for partial coverage. This limitation significantly reduces the catcher/processor activity that is even potentially subject to partial coverage under the action alternative.

With this limitation, Alternative 2 has five elements.

Element 1 – What is the production threshold for placing a catcher/processor in partial coverage?

Element 1 has 10 options, corresponding to five measures of production and two levels (a lower and higher) for each measure of production. The Council chooses one option.

ES-1 Production thresholds for analysis from Council’s December 2014 Motion (action alternative)

Option	Measure	Threshold based on 10 th percentile approach		Threshold based on kernel density distribution approach	
		Pounds (metric tons)			
1.	Average daily production	1A.	11,000 (5.0)	1B.	15,500 (7.0)
2.	Average weekly production	2A.	42,000 (19.1)	2B.	79,000 (35.8)
3.	Maximum daily production	3A.	26,000 (11.8)	3B.	44,000 (20.0)
4.	Maximum weekly production	4A.	94,000 (42.6)	4B.	197,000 (89.4)
5.	Annual production	5A.	677,000 (307.1)	5B.	2,665,000 (1,208.8)

Sources: Percentile based thresholds summarized from Table 4 in Appendix B of Discussion Paper (Nov. 28, 2014); kernel density based thresholds derived from Table 5 in Appendix B. Tonnage estimates based on rounded pound values reported in table.

Analysts examined NMFS’s production data for catcher/processors for six years: 2009 to 2014. When we excluded processing activity subject to an independent requirement for ≥ 100% coverage, no trawl catcher/processors would have been eligible for partial coverage under any production alternatives in the Council Motion.

Analysts compared the past production of the three vessels that currently qualify for partial coverage with each of the production thresholds in the Council Motion [Table 7]. These three vessels processed below all of the higher production thresholds [Options 1B, 2B, 3B, 4B, 5B] in every year and would have qualified for partial coverage in every year. In most years, these three vessels processed below most of the lower production thresholds [Options 1A, 2A, 3A, 4A, 5A]

Analysts compared the production of the catcher/processors currently in full coverage from 2009 to 2014 with each of the production thresholds in the Council Motion [Table 8]. Between four and eight vessels produced below the production thresholds in the Council Motion. In this category of vessels, six vessels was the most common number of vessels that met the production threshold.

The owners of some vessels have stated that they would begin processing if partial coverage were available. These are persons that wish to process sablefish A Quota Share in the BSAI and owners of jig catcher/processors.

The Council could choose any production threshold in Element 1 and “maintain a relatively limited exception to the general requirement that all catcher/processors are in the full coverage category.” [Council Motion, Appendix A] The production threshold in Option 5B—the higher annual production—includes the most groundfish production [Table 14]. Therefore, an estimate of groundfish production under Option 5B provides an estimate of the maximum amount of groundfish production that would be subject to partial coverage under Alternative 2. The RIR estimates that, under Option 5B, Alternative 2 would place in partial coverage two-tenths of one percent of aggregate BSAI and GOA groundfish production:

The catcher/processor production by the eleven vessels directly regulated by this action accounted for about 3 percent of non-trawl catcher/processor production during the six years from 2009 through 2014. If the fixed gear catcher/processor production estimate was increased by another 400 metric tons, a hypothetical figure suggested in the

discussion of sablefish “A” quota shares, the percentage of fixed gear catcher/processor production under partial coverage would not change.

The sum of the catcher/processor production by these eleven vessels plus a hypothetical 400 metric tons of sablefish catcher/processor production, accounted for about two-tenths of a percent of aggregate BSAI and GOA groundfish production during the same 2009 through 2014 period. [Section 3.7.12]

Even though none of the production measures would include a significant amount of groundfish production, the production measures have different features. The *maximum daily or maximum weekly production measure* could exclude a catcher/processor from partial coverage for an outlier day or week, even though it overall processed a small amount of groundfish relative to the rest of the fleet. The *average daily production measure* is not in line with how NMFS defines a trip by a catcher/processor, namely production in a week. The *average weekly production measure* is in line with how NMFS defines a trip by a catcher/processor. This measure would put in full coverage a catcher/processor that has intense periods of production, even if the vessel was quiescent during part of the year, because that activity would increase the vessel’s average weekly production figures. The *annual measure* is easy to understand and is a direct measure of the vessel’s impact on the resource but might allow a catcher/processor in partial coverage that has intense periods of activity during the year.

Element 2. What is the basis year for placing a catcher/processor in partial coverage?

NMFS cannot use the vessel’s production in the year immediately prior to the fishing year to determine whether a catcher/processor is eligible for partial coverage. The calendar year ends December 31 and fishing begins January 1. Even if NMFS could somehow discount the last few weeks of fishing in December, NMFS uses the entire year before the fishing year to develop the Annual Deployment Plan (ADP) for the upcoming fishing year. And if a vessel owner must request partial coverage, an option under Element 4, the vessel owner needs time after the end of the fishing year to make that request.

NMFS will determine whether a catcher/processor may be placed in partial coverage by the vessel’s production in the fishing year minus two years. Thus, for fishing year 2017, NMFS will develop the ADP during 2016 and will determine whether a catcher/processor is eligible for partial coverage based on the vessel’s activity in 2015. If the vessel had no activity in 2015, NMFS will go back to the vessel’s most recent year of production before 2015 but not prior to 2009.

Element 3. If a vessel has no production in the basis year as determined under Element 2, how should NMFS determine whether to place a catcher/processor in partial coverage?

This situation would be a new catcher/processor or a catcher/processor with a gap in processing activity since 2008 with, again, the important caveat that a new catcher/processor in any catch share program with $\geq 100\%$ observer requirements would not be eligible for partial coverage while operating in that program.

The Council must choose one option. Under **Option 1**, NMFS would place a new catcher/processor in full coverage until the vessel had its own production history. Under **Option 2**, NMFS would place a new catcher/processor in partial coverage until the vessel had its own production history. Under **Option 3**, NMFS would place a new trawl catcher/processor in full coverage until it had its own production history. Since almost all trawl catcher/processor activity is in full coverage anyway due to independent requirements, Option 3 will largely be unnecessary but it would guarantee that 100% of trawl catcher/processor activity would always be in full coverage.

Element 4. For a catcher/processor to be in partial coverage, will the vessel owner have to choose partial coverage?

The Council must choose one option. Under **Option 1**, the vessel owner must choose partial coverage for the upcoming fishing year by a deadline in the prior year. Under **Option 2**, NMFS would place a catcher/processor in partial coverage based on its prior production without any action by the owner. These options are only for vessels that produce below the production threshold for partial coverage.

Upon review, it appears that Option 1 is clearly better. Option 1 allows owner choice, which is a good feature of a regulation as long as owner choice does not infringe upon another objective. Option 1 allows the owner to choose full coverage, which does provide NMFS with additional data. NMFS has allowed other vessel owners who were eligible for partial coverage to choose full coverage. Option 1 does not place on NMFS the obligation to notify each year the vessels that do, and do not, qualify for partial coverage. Option 1 places the responsibility on the vessel owner to request full coverage.

Element 5. Should the basic production criterion for placing a catcher/processor in partial coverage be modified based on additional factors? If so, which factors?

The Council may choose any or all factors. **Option 1 is an annual hybrid allowance**, namely whether a catcher/processor acts as a catcher vessel and a catcher/processor during the year. This would not meet the Council's objectives because it would not place a catcher/processor in partial coverage based on whether it processed a small amount of groundfish relative to the overall groundfish fleet. A catcher/processor could process high levels of groundfish even if it sometimes operated as a catcher vessel.

Option 2 examines a gear factor, namely whether a catcher/processor that processes below the production threshold should be excluded from partial coverage because it used particular gear. As discussed under Element 3, a categorical exclusion of trawl catcher/processors would exclude with certainty a class of vessels that probably would already be excluded because they almost always operate in programs that have independent $\geq 100\%$ observer coverage requirements. Although the Council Motion referred to whether a catcher/processor uses "particular gear," it is most likely that the Council had in mind trawl gear under this factor.

As for the three catcher/processors currently in partial coverage, the exclusion of vessels that use hook-and-line gear would exclude from partial coverage 97% of the processing activity of these three vessels. A gear exclusion for hook-and-line vessels would essentially eliminate the exemption from full coverage for three currently qualified vessels, which is likely not the intent of the Council. As for the eight additional vessels that might qualify in any given year for partial coverage, an exclusion of vessels that use hook-and-line gear would exclude about one-third (36%) of the groundfish production of those eight vessels.

An exclusion of vessels that use pot gear would exclude about two-third (63%) of the groundfish production of those eight vessels. As for the two to four additional vessels that might harvest IFQ sablefish in the BSAI, these are also hook-and-line vessels and this is a fishery where vessels owners have requested relief from the cost of full coverage because of the high cost of operating in the remote BSAI sablefish fishery. A hook-and-line gear exclusion would exclude from the possibility of partial coverage a category of vessels that have brought this issue to the Council's attention.

An exclusion from partial coverage of catcher/processors that use jig gear would be unreasonable and was almost certainly was not contemplated by the Council. Catcher/processors using jig gear process a tiny amount of groundfish relative to the rest of the fleet. Jig gear vessels are not subject to any PSC limits.

This is the other category of vessel owners—in addition to the sablefish hook-and-line vessels—that has submitted oral and written testimony that the cost of full coverage has deterred them from processing.

Option 3 examines a PSC factor, namely whether a catcher/processor that otherwise qualifies for partial coverage should be excluded when it is operating in a fishery with a PSC limit, namely a PSC limit on harvest of halibut, salmon, crab, and herring. All trawl catcher/processors operate in fisheries with one or more PSC limits. As noted, trawl catcher/processors are already subject to independent requirements for $\geq 100\%$ observer coverage but if the Council adopted a gear limitation under Option 2, this would eliminate categorically from partial coverage the group of vessels with the most closely monitored PSC limits.

The other category of vessels that operates under a halibut PSC limit are catcher/processors using hook-and-line gear while directed fishing for groundfish other than sablefish. This is primarily hook-and-line catcher/processors targeting Pacific cod. With the three vessels in partial coverage under the status quo, 11% of their activity is targeting Pacific cod. If Alternative 2 included a PSC factor, Alternative 2 would remove from partial coverage some fishing that is currently in partial coverage. With the eight catcher/processors that might newly qualify for partial coverage, most of their activity (63%) is with pot gear, which does not have a halibut PSC limit. About one-third of their activity is with hook-and-line, mostly targeting Pacific cod. From 2010 – 2014, these eight vessels caught two percent of fixed gear (non-trawl) PSC halibut. [Table 13]. The RIR in section 3.7.2 concluded that, in general, this action would have a negligible impact on PSC data.

It would not create administrative difficulties to exclude trawl gear from this action. It would create administrative difficulties to exclude small catcher/processors based on a hybrid vessel factor, other gear types, or what a vessel was targeting. It would be easier to administer Alternative 2 if, at the beginning of the year, NMFS could determine whether a small catcher/processor would be in partial or full coverage for the entire fishing year, based on their production in the basis year.

Alternative 2, without additional factors, achieves the Council objective of maintaining a very limited exception to the rule that catcher/processor activity is subject to full observer coverage. Applying the highest production threshold for partial coverage, namely the high annual production threshold in Option 5B, NMFS estimates that Alternative 2 would place two-tenths of one percent of aggregate BSAI and GOA production in partial coverage.¹

Summary of the RIR Cost-benefit analysis

Table ES-2 (based on Table 15 in Section 3.8) summarizes the impacts of this action, as discussed in this RIR. Alternative 1 is the status quo, the no action alternative, and the baseline for this analysis. Thus, impact measures are provided for Alternative 2, the action alternative, measured as a deviation from Alternative 1. Since Alternative 1 impacts are the inverse of Alternative 2 impacts, they are not described separately in the table. An Alternative 1 column is provided to emphasize the existence of the two alternatives.

Table ES-2 Summary of alternatives and major impacts

Costs or benefits	Impact	Alternative 1	Alternative 2
Objectives of this action	Exemption for small C/Ps		All options provide relief from high full observer costs for a class of small catcher/processors.
	Exemption based on current C/P production		All options are based on ongoing production. This makes it possible for new vessels to obtain the exemption, and for vessels to be moved to full coverage if

¹ Table 14 and text after Table 14.

	Relatively limited exemption	Baseline. Impacts are reverse of those identified for Alternative 2 (the action alternative)	their production levels increase. However, basing exemption on previous year production is impracticable; basis year must be two years before the current fishing year.
	Appropriate data quality and cost balance		The exemption appears to be limited with respect to the production by the vessels potentially qualifying for partial coverage. Eight catcher/processors that processed between 2009 to 2014 may newly qualify for partial coverage. These eight vessels accounted for a small percent (about 2/10ths of a percent from 2009 through 2014) of groundfish production. An additional 400 tons of sablefish may be harvested by two to four vessels that may begin processing under these provisions.
			The options under consideration appear to have relatively modest net adverse impacts on data quality.
Benefits	Impact on C/Ps with current partial coverage eligibility		Six C/Ps currently qualify for partial coverage under current regulations; only three of these have ever taken advantage of their partial coverage eligibility. The three C/Ps that have taken advantage of their partial coverage exemption would have been eligible for partial coverage in each year from 2011 to 2016 under options 1A, 4A, and 1B through 5B. From 2011 to 2013, one of these vessels would not have been eligible under options 2A, 3A, and 5A.
	Impact on C/Ps currently operating with full coverage		The number of catcher/processors qualifying in a year from 2011 to 2014 that actually fished in that year varies for each of the ten options under consideration, and is never as many as eight under any option in any year. From 5 to 7 vessels qualify in 2015 and 2016, but the number that will fish in those years cannot be identified at this time.
	Impact on CVs currently operating with partial coverage		NMFS examined the vessels that would have qualified and fished in 2013, and estimates that these operations would have saved about \$200,000 in observer costs. From a national perspective, costs would have been reduced as well, but by considerably less, since the cost of providing observer coverage to the catcher/processors newly eligible for partial coverage (described as the fiscal impact in the analysis) would have fallen on the vessels already eligible for partial coverage.
	Impact on vessels using sablefish "A" quota shares		The analysis did not identify many of these that were expected to begin to operate as catcher/processors. In general, there would be a slight reduction in observer coverage requirements for these vessels, as the fiscal impact of the action reduced assessment revenues available for their coverage.
Costs	Impact on estimates of retained catch		The alternatives under consideration may improve the profitability of catcher/processor sablefish operations in the Aleutian Islands for some small vessels. Analysts best estimate is increased harvests on the order of 150 to 400 metric tons by two to four vessels.
	Impact on estimates of discarded groundfish catch		Some loss of information as fewer observer days of information are collected from directly regulated vessels, and as fiscal impacts reduce the number of days that observers may be deployed on vessels currently under partial coverage. Some additional information on sablefish stocks in the Aleutian Islands is possible, if fishing activity increases there. Impacts, and impacts on discarded groundfish, PSC, and other ecosystem elements, are mitigated by the small proportion of FMP groundfish catch that may be impacted by this action.
	Impact on estimates of PSC		On C/Ps with full coverage, discard estimates are made by observers; currently, partial coverage C/P discard estimates are based on vessel self-reports. However this is likely to change to extrapolations from similar operations. Once this happens, the net impact would be to reduce the precision of discard estimates.
	Impact on estimates of other ecosystem impacts		Primary impact on PSC estimates will be on estimates of crab catch by pot vessels, particularly Golden King Crab. This fishery is not subject to PSC limits, thus economic impact is likely to be small. These C/Ps account for small percentages of other fixed gear PSC.
Other types	Crew		Reduced information on seabird takes from observers. Mitigated somewhat by the large proportion of catch from pot vessels, which are believed to have small seabird takes. Additional sablefish fishing in the Aleutian Islands may increase potential for actual seabird takes. Impact on information about marine mammal takes will be minimal, as fixed gear is responsible for few takes. Impact on information on benthic habitat will be minimal given the limited role of observer data in monitoring benthic habitat impacts.
			Crew are paid on a share system, and will share, along with vessel owners and

of impacts			operators, in possible benefits from this action.
	Observers and observer providers		Observers and observer providers associated with the full observer coverage program will lose some business; the observers and observer provider associated with the partial coverage program will gain some business. Net impact would be fewer observer days needed overall.
	Safety		Net impact on safety at sea cannot be determined. Fewer observers on vessels means fewer souls at risk. More vessel activity in remote Aleutians can have two opposing impacts: (1) more souls in waters remote from assistance in case of trouble; (2) for operations already out in Aleutians, greater potential for good Samaritan assistance if more boats are out there.
	Communities		There may be some community impacts if some vessels begin to process fish at sea instead of delivering it to shore. This might be offset by increased viability and activity by qualifying catcher/processers if this occurs. Overall impact is likely to be small given small part of the fleet impacted.
	Management and enforcement		Limited impacts on in-season management. Loss of information may result in more conservative approach to in-season management in certain instances, but impact would be mitigated by small volume of production, and use of IFQ management for sablefish, and the fact that most impacted fisheries are not PSC limited. Loss of some spatial data from observers could be compensated for with strengthened VMS requirements for qualifying vessels. Weekly average catch measure may be best since it accounts for intensity of fishing activity.
Net impact			The net efficiency impact of the action is likely to be small. Minor reductions in observer costs must be set against minor changes in the value of the data on the fisheries and their impacts. On balance, given the uncertainty associated with both the cost and benefit measures, this action may create either net efficiency benefits or costs, but neither are likely to be large. The Council's objectives are primarily concerned with equitable treatment of small catcher/processers, and with respect to this, this action appears to reduce their burdens, while maintaining a relatively limited exception of the general requirement that all catcher/processers remain in partial coverage.

Table ES-3 summarizes information for the three catcher/processers that currently permanently qualify for partial coverage, and for the catcher/processers that may qualify under Alternative 2, on the number of fishing years they would qualify. The basis years underlying these calculations are 2009 through 2014; the fishing years are 2011 through 2016. Clearly, only limited fishing has taken place thus far in 2015, and no fishing during 2016. This table does not account catcher vessels which may shift to catcher/processor operations if they could do so and qualify for partial coverage.

Table ES-3 Number of years active fixed gear catcher/processers would qualify for partial coverage under each threshold, 2011 through 2016 (six years).

Vessel ID	Lower thresholds					Upper thresholds				
	Avg daily	Avg weekly	Max daily	Max weekly	Annual	Avg daily	Avg weekly	Max daily	Max weekly	Annual
A	5	5	5	5	5	5	5	5	5	5
B	6	6	5	6	4	6	6	6	6	6
C	2	3	6	6	5	6	6	5	5	6
D	3	3	3	3	3	3	3	3	3	3
E	0	0	0	0	0	0	0	0	0	2
F	6	5	6	6	6	6	6	6	6	6
G	3	3	3	3	4	3	3	4	4	4
H	2	2	2	2	2	2	2	2	2	2
I	0	0	0	0	0	0	0	0	3	4
J	6	6	6	6	6	6	6	6	6	6
K	4	4	4	4	4	4	4	4	4	4

Source: NMFS AKRO CAS2 and AKRO calculations.

In Chapter 4, an Initial Regulatory Flexibility Analysis (IRFA) addresses the statutory requirements of the Regulatory Flexibility Act (RFA) of 1980, as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601-612). This IRFA evaluates the potential adverse economic impacts on small entities directly regulated by the proposed action.

- NMFS estimates that about 15 entities may be directly regulated by this action. These include three catcher/processors that already qualify for partial coverage under the status quo; eight vessels currently acting as catcher/processors that may qualify for partial coverage in some years under the action alternative; an estimated four vessels that may begin to operate as catcher/processors in the Aleutian Islands sablefish fishery under the action alternative. Any account of directly regulated vessels must be an estimate, since this action may cause some vessels to begin to operate as catcher/processors. NMFS does not believe that this will be a large number. An estimate of the number of small directly regulated entities will be prepared after the Council chooses a preliminary preferred alternative.
- Directly regulated entities, seeking to take advantage of their eligibility for partial observer coverage under the action alternative, will have to contact NMFS and notify NMFS of their desire to do so. Persons will have to apply for eligibility in each year using a simple form. NMFS estimates the annual cost for all members of the public who will apply will be \$600.
- No relevant Federal rules have been identified that would duplicate or overlap with the proposed action.
- The action alternative is meant to reduce relative burdens on directly regulated smaller catcher/processors, and in fact does so, in comparison with the status quo.