

**Small-Mesh Multispecies
Fishing Year 2016-2017 Specifications,
Supplemental Information Report (SIR)
and
Regulatory Flexibility Analysis (RFA)**

**Prepared by the
New England Fishery Management Council
in consultation with the
National Marine Fisheries Service
and the Mid-Atlantic Fishery Management Council**

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1.4 LIST OF ACRONYMS

ABC	Annual Biological Catch
ACL	Annual Catch Limit
AM	Accountability Measure
APA	Administrative Procedures Act
CEQ	Council on Environmental Quality
CFR	Code of Federal Regulations
CZMA	Coastal Zone Management Act
EA	Environmental Assessment
ESA	Endangered Species Act
F	Fishing Mortality Rate
FMP	Fishery Management Plan
GARFO	Greater Atlantic Regional Fisheries Office (formerly Northeast Regional Office/NERO)
GB	Georges Bank
GOM	Gulf of Maine
IRFA	Initial Regulatory Flexibility Analysis
MMPA	Marine Mammal Protection Act
MRIP	Marine Recreational Information Program
MSA	Magnuson-Stevens Fishery Conservation and Management Act
MSY	Maximum Sustainable Yield
MT	Metric tons
NEFSC	Northeast Fisheries Science Center
NEFMC	New England Fishery Management Council
NEPA	National Environmental Policy Act
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
OFL	Overfishing Limit
PDT	Whiting Plan Development Team
PRA	Paperwork Reduction Act
RFA	Regulatory Flexibility Act
RMA	Regulated Mesh Area
SAW	Stock Assessment Workshop
SBA	Small Business Administration
SNE	Southern New England
SSC	Scientific and Statistical Committee
TAL	Total Allowable Landings
US	United States
VMS	Vessel Monitoring System
VTR	Vessel Trip Report

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2.0 PURPOSE OF THIS SUPPLEMENTAL INFORMATION REPORT (SIR)

The purpose of this SIR is to determine if the proposed modifications to the 2016-2017 red hake specifications will require a supplement to the Environmental Assessment (EA) that was prepared for the Small-Mesh Multispecies Fishing Year 2015-2017 Specifications (NEFMC 2015a), as required by the National Environmental Policy Act (NEPA).

In making a determination on the need for additional analysis under the National Environmental Policy Act (NEPA), the NEFMC and NMFS have considered and have been guided by the Council on Environmental Quality (CEQ) NEPA regulations and applicable case law. The CEQ's regulations state that "[a]gencies shall prepare supplements to either draft or final environmental impact statements if: (i) the agency makes substantial changes in the proposed action that are relevant to environmental concerns; or (ii) there are significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts." 40 Code of Federal Regulations (C.F.R.) § 1502.09(c) (emphasis added). In addition, we have considered the CEQ's "significance" criteria at 40 C.F.R. § 1508.27 to determine whether any new circumstances or information are "significant," which could require a new environmental assessment. Next, the current recreational measures were describe and compare to the proposed modifications in the context of the March 2015 EA supporting changes to 2015-2017 specifications that supported the current measures. Any significant new circumstances or information that are relevant to environmental concerns and that have a bearing on the proposed action or its impacts are also considered in making this determination about whether a new or supplemental EA is needed.

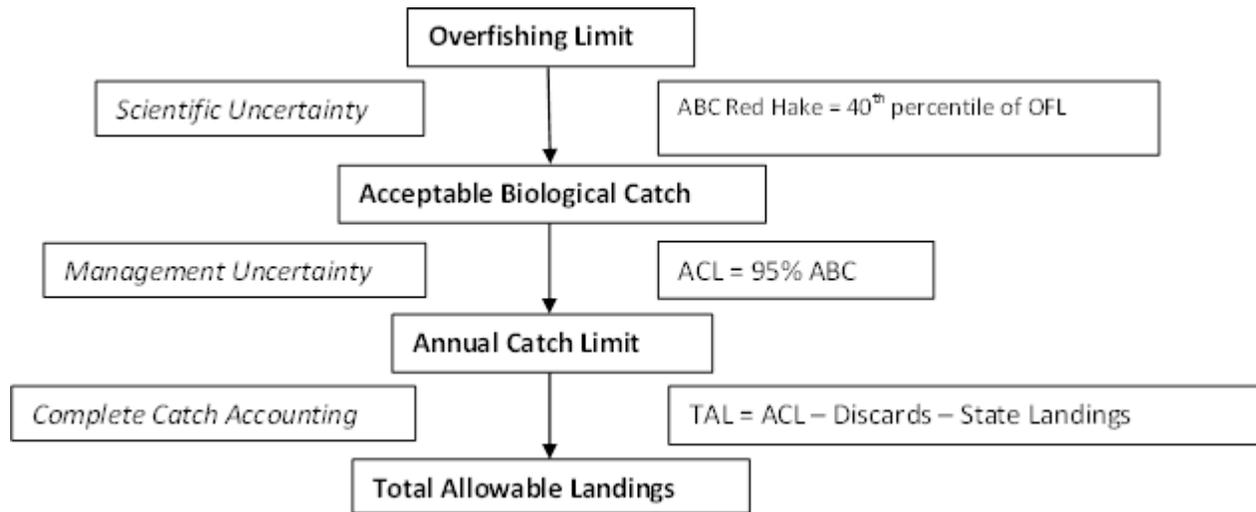
3.0 PROPOSED NEW ACTION

The proposed action is in response to an assessment update that estimates changes in the stock biomass of northern red hake and southern red hake. The assessment updates the information that is used to determine the overfishing level (OFL) for each stock. Both assessments also update the estimates of scientific uncertainty in the estimated risk of overfishing at various potential catch limits and the proportion of red hake discards in the catch.

The proposed specifications for the 2016-2017 fishing years include adjustments to the northern and southern red hake specifications to respond to new assessment data. Adjustments to silver hake and whiting are not proposed because there is no new information or assessment. The northern and southern red hake OFL is derived from 2013-2015 NMFS spring bottom trawls survey data. In the southern area, the 2014 survey data are adjusted to account for the effects that not surveying strata 61 to 68 (Map 2) would have had during 2004-2013. The ABC accounts for updated estimates of scientific uncertainty and the TAL is derived from the (updated) 2012-2014 average discard/catch ratio.

The Whiting PDT recommended that the Council change the red hake specifications based on an assessment update for red hake, which had been requested by the Council after it set the 2015-2017 specifications. The assessment update (see NEFMC 2015a, Section 6.0) re-estimated the overfishing level (OFL), due to changes in red hake biomass, indexed by spring survey data. Following the procedures (see diagram shown below) previously approved by the Council and its SSC, the ABC specifications would also be adjusted. The updated data in the assessment include 2014 estimated catches, the 2015 spring survey data for northern red hake, and the 2014 (adjusted – see explanation in Section 6.0 of this document) and 2015 spring survey data for southern red hake.

Figure 1. Diagram of the small-mesh multispecies specification framework approved by the Council and analyzed in Amendment 19 (NEFMC 2013).



The recommended red hake ABC specifications for 2016-2017 are shown in **boldface** in the table below. Following previously approved procedures, the ABC specifications are estimated using the 40th percentile from the updated scientific uncertainty estimate. The risk of overfishing at the proposed 2016-2017 ABC is estimated to be 14% for northern red hake and 25% for southern red hake.

The Annual Catch Limits (ACLs) account for management uncertainty using a constant 5% buffer (NEFMC 2013). The Total Allowable Landings (TAL) are used to set in-season accountability measure triggers and include an estimate of the proportion of catch discarded, updated to include 2012-2014 catch data.

Table 1. Proposed 2016-2017 red hake specifications and existing 2015-2017 silver hake specifications.

Stock	OFL (mt)	ABC (mt)	ACL (mt)	Change from prev. spec.	TAL (mt)	Change from prev. spec.
Northern red hake	556	496	471	+72.6%	120	+15.6%
Northern silver hake	43,608	24,383	23,161	0%	19,948.7	0%
Total	44,164	24,670	23,632	0.8%	20,068.7	NA
Southern red hake	1,816	1,717	1,631	-46.0%	746	-43.0%
Southern whiting	60,148	31,180	29,621	0%	23,833.4	0%
Total	61,964	32,897	31,252	-4.3%	24,579.4	NA

4.0 BACKGROUND OF ORIGINAL ACTION

In addition to adjustments to silver hake specifications, red hake possession limits, and red hake accountability measures, the 2015-2017 Small-Mesh Multispecies Specifications document proposed new specifications for northern and southern red hake stocks, based on results from a 2014 assessment update (NEFMC 2014). That assessment included catch estimates for the 2013 calendar year and the latest three-year survey biomass value (2012-2014 for northern red hake and 2011-2013 for southern red hake).

The current specifications for the 2015-2017 fishing years were based on stock assessments conducted in 2014, using estimates of 2013 catch and 2011-2014 survey data. The OFL for northern silver hake and southern whiting¹ were derived using the 2011-2013 NMFS fall bottom trawl surveys to estimate stock biomass. The northern red hake OFL was derived using the 2012-2014 NMFS spring surveys, while the southern red hake OFL was derived using the 2011-2013 NMFS spring surveys. In all cases, the discard rates to set the Total Allowable Landings (TAL) specification were determined using the 2011-2013 average discard/catch ratio.

Current red hake specifications for the 2015-2017 fishing years are shown in the table below (287 mt ABC for northern red hake and 3,179 mt ABC for southern red hake). Following previously approved procedures, the ABC specifications were estimated using the 40th percentile from the updated scientific uncertainty estimates. The risk of overfishing at the proposed 2015-2017 ABC was estimated to be 6% for northern red hake and 29% for southern red hake (NEFMC 2014).

Table 2. Existing 2015-2017 ABC specifications for small-mesh multispecies stocks.

Stock	OFL (mt)	ABC (mt)	ACL (mt)	Change from prev. spec.	TAL (mt)	Change from prev. spec.
Northern red hake	331	287	273	+2.6%	104.2	+15.4%
Northern silver hake	43,608	24,383	23,161	+85.0%	19,948.7	+122.3
Total	43,939	24,670	23,434	+81.2%	20,052.9	+121.2%
Southern red hake	3,400	3,179	3,021	-2.4%	1,309.4	-2.0%
Southern whiting	60,148	31,180	29,621	-8.2%	23,833.4	-12.6%
Total	63,548	34,359	32,642	-7.7%	25,142.8	-11.9%

5.0 CHANGES FROM THE ORIGINAL ACTION

In the northern management area (Map 1), the largest new year class in the time series first appeared in the 2014 spring survey. The new assessment data include the 2014 catch and 2015 spring survey biomass estimates to better estimate the true size of this large new year class.

¹ 'Whiting' refers in this document to a mix of silver and offshore hakes, commonly caught together on fishing trips and marketed as one product.

Increasing the northern red hake specifications will allow the fishery to benefit from this biomass increase, avoid unnecessary discards that could be caused if the current specifications are unchanged, without substantially changing the low risk that the catch limits would cause overfishing in 2016-2017.

In the southern management area, the new assessment data include the 2014 catch and the 2014-2015 spring survey biomass estimates. Unlike the 2015-2017 specifications in the north, the 2014 spring survey data were previously omitted from the biomass estimate because eight sampling strata (61-68; Map 2) that apply to the southern red hake stock were not surveyed, due to a mechanical breakdown of the survey ship. The new assessment makes the necessary adjustments to correct the 2014 survey biomass data (accounting for the average contribution of these missing strata during 2014-2013) and apply the 2013-2015 survey data to re-estimate the OFL. Previously, only the 2011-2013 survey data were available to set the 2015-2017 OFL. In the southern management area, the adjusted 2014 and unadjusted (i.e. complete) 2015 spring surveys both indicated a large decline in stock biomass from historically high levels. This decline was not related to overfishing because recent catches of southern red hake were well below the OFL (and even less than the re-estimated OFL).

Following approved procedures established in Amendment 19 (see Figure 1), the scientific uncertainty estimate is used to set the Acceptable Biological Catch (ABC) with a sufficient buffer below the overfishing level (OFL), keeping the risk of overfishing at about the same level that was approved for the original 2015-2017 specifications. The discard proportion is used to set the Total Allowable Landings (TAL) specification, which determines when in-season accountability measures (AM) take effect to reduce the risk that total catches would exceed the ACL.

Reducing the southern red hake specifications will reduce the risk of overfishing if current catches increase. Although the current catches have been below the proposed ACL, the adjustments will lower the TAL and trigger in-season AMs to prevent overfishing if catches increase from current levels.

Table 3. Recommended 2016-2017 red hake specifications compared to prior annual fishing year specifications.

Stock	Assessment Year	Spec. Year	OFL (mt)	ABC (mt)	ACL (mt)	ACL Change from 2014 Assessment Update	TAL (mt)	TAL Change from Spec. Year (2013-2015)
Northern red hake	2015	2016-2017	556	496	471	72.6%	120	15.6%
Northern red hake	2014	2015-2017	331	287	273	N/A	104	N/A
Northern red hake	2010	2012 - 2014	314	280	266	N/A	88	N/A
Southern red hake	2015	2016-2017	1,816	1,717	1,631	-46.0%	746	-43.0%
Southern red hake	2014	2015-2017	3,400	3,179	3,021	N/A	1,309	N/A
Southern red hake	2010	2012 - 2014	3,448	3,259	3,096	N/A	1,336	N/A

6.0 NEW INFORMATION AND CIRCUMSTANCES

Following procedures approved in Amendment 18, red hake specifications in the northern management area (see Map 1) used 2012-2014 spring survey data (three-year moving average). The 2014 data, however, indicated a very large year class of 15-21 cm red hake (Figure 2) which had not yet entered the fishery and contributed very little to the OFL estimate. Knowing that the sizes of new year classes are often uncertain and that growth rates may be affected, the Council requested the Northeast Fisheries Science Center (NEFSC) to prepare an operational red hake assessment and present it to the Whiting PDT and the Council in 2015. The new data includes commercial and recreational catch estimates for 2014 and the 2015 spring survey results. The new data indicate that the new year class is indeed very large, is beginning to enter the fishery, and now contributes to a substantial increase in stock biomass (Figure 3) and thus changes the OFL estimate. Also, the new data and assessment indicate that northern red hake are no longer subject to overfishing (Figure 4), a status change from 2013.

Map 1. Statistical areas used to define the northern and southern red and silver hake stocks.

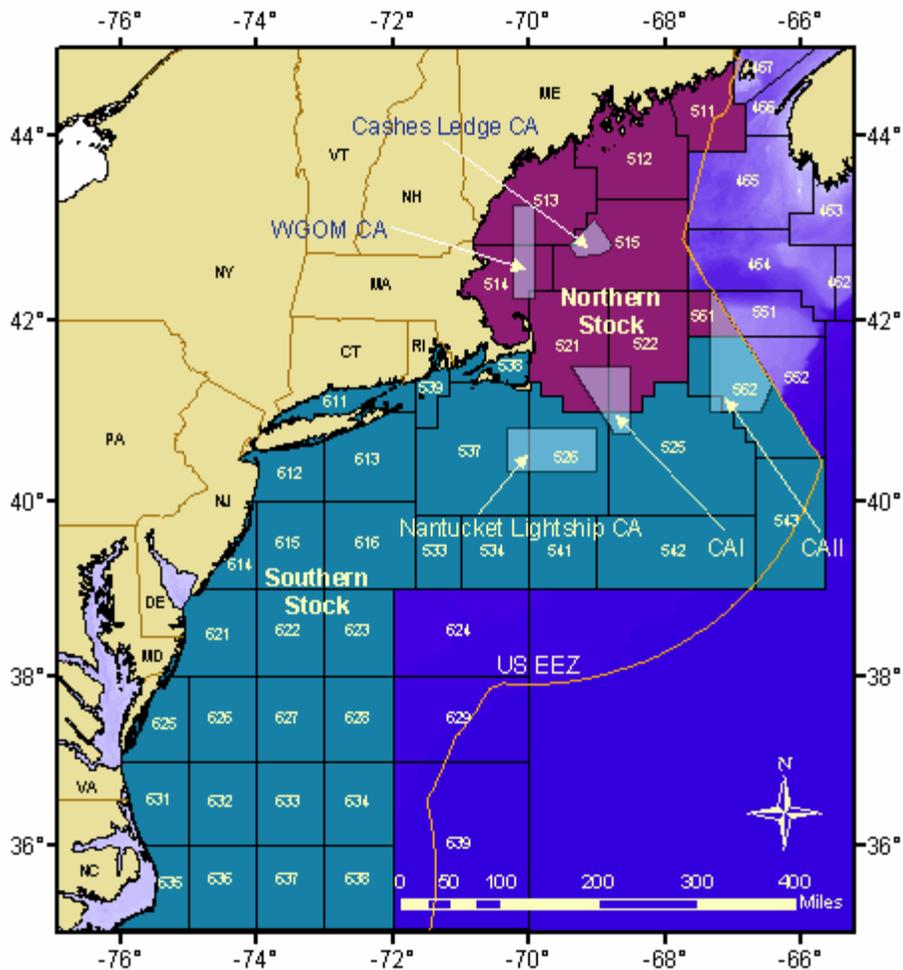


Figure 2. Northern red hake spring survey catch at length, showing size and growth of large year class from 15-21 cm in 2014 and from 24-36 cm in 2015. The area of the circles represents the relative abundance of observed red hake at length in annual NMFS spring bottom trawl surveys.

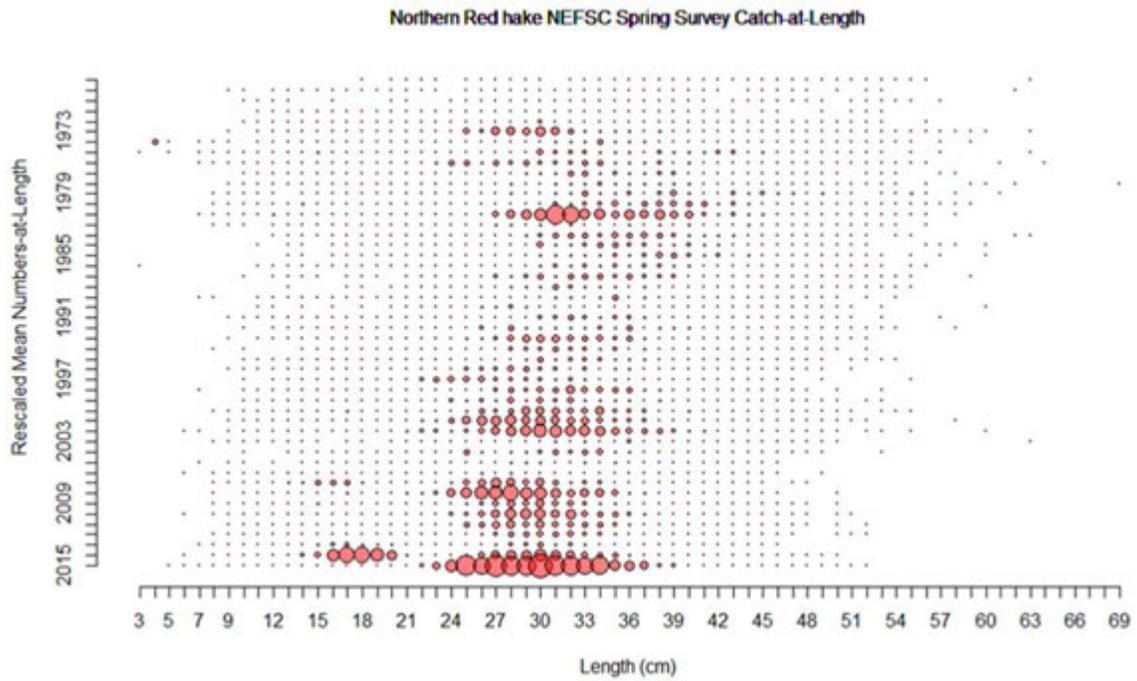


Figure 3. Trend in northern red hake biomass in NEFSC spring surveys, with a three-year moving average used to estimate OFL and set specifications.

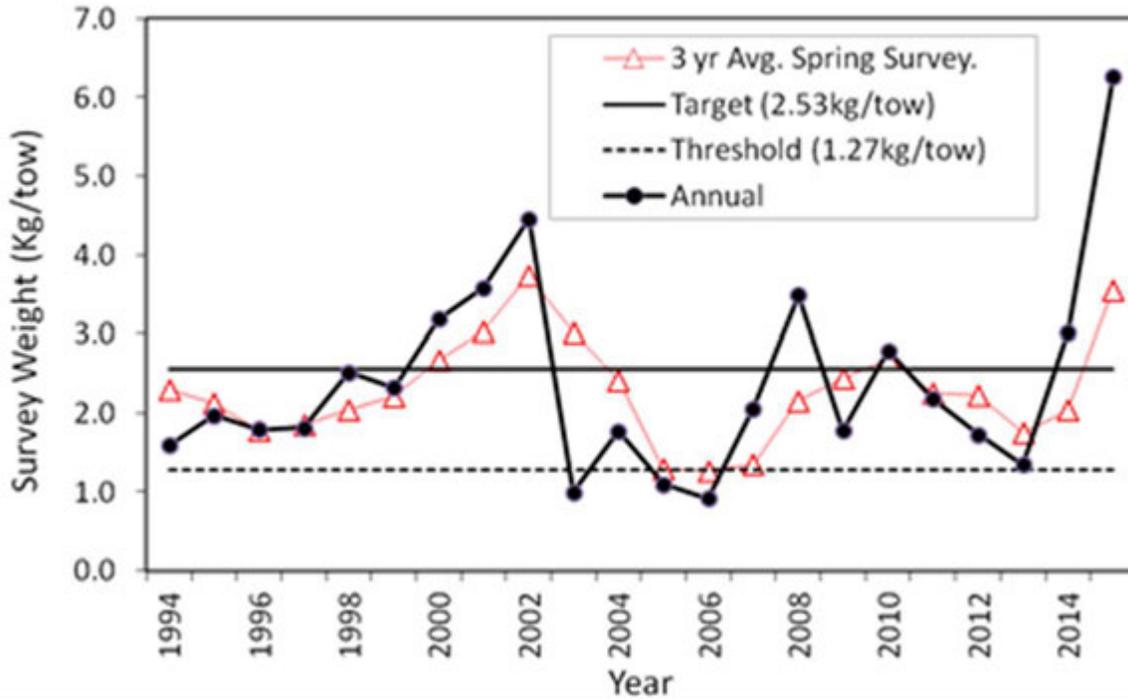
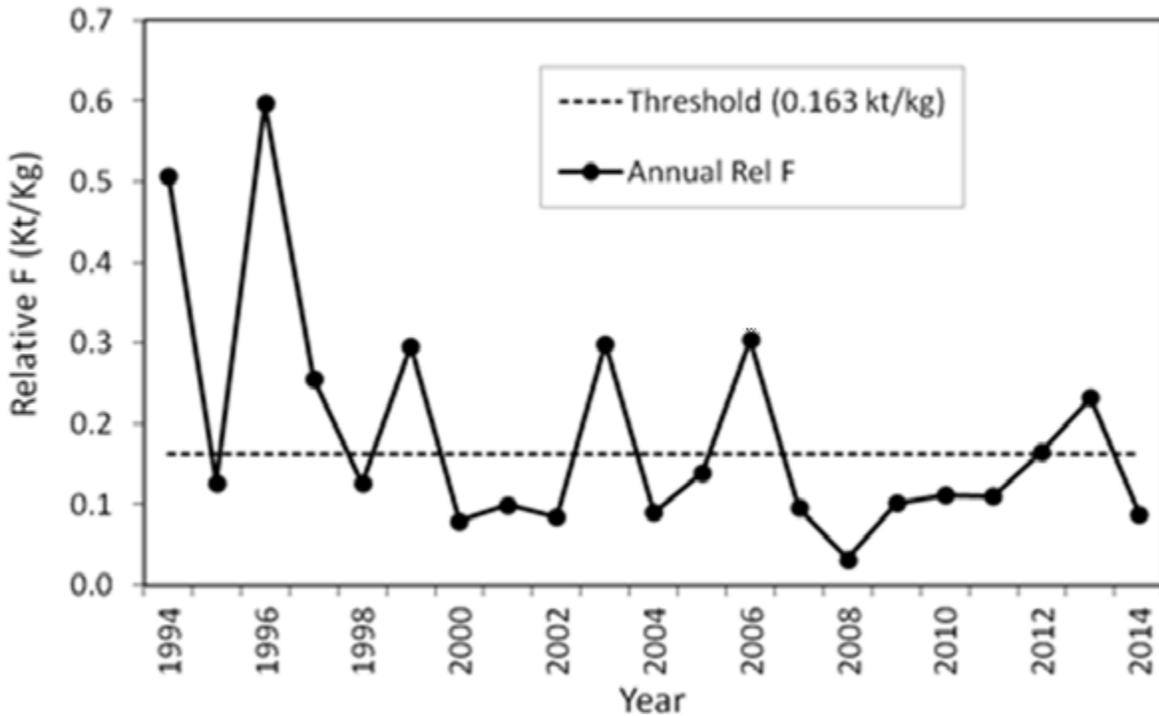
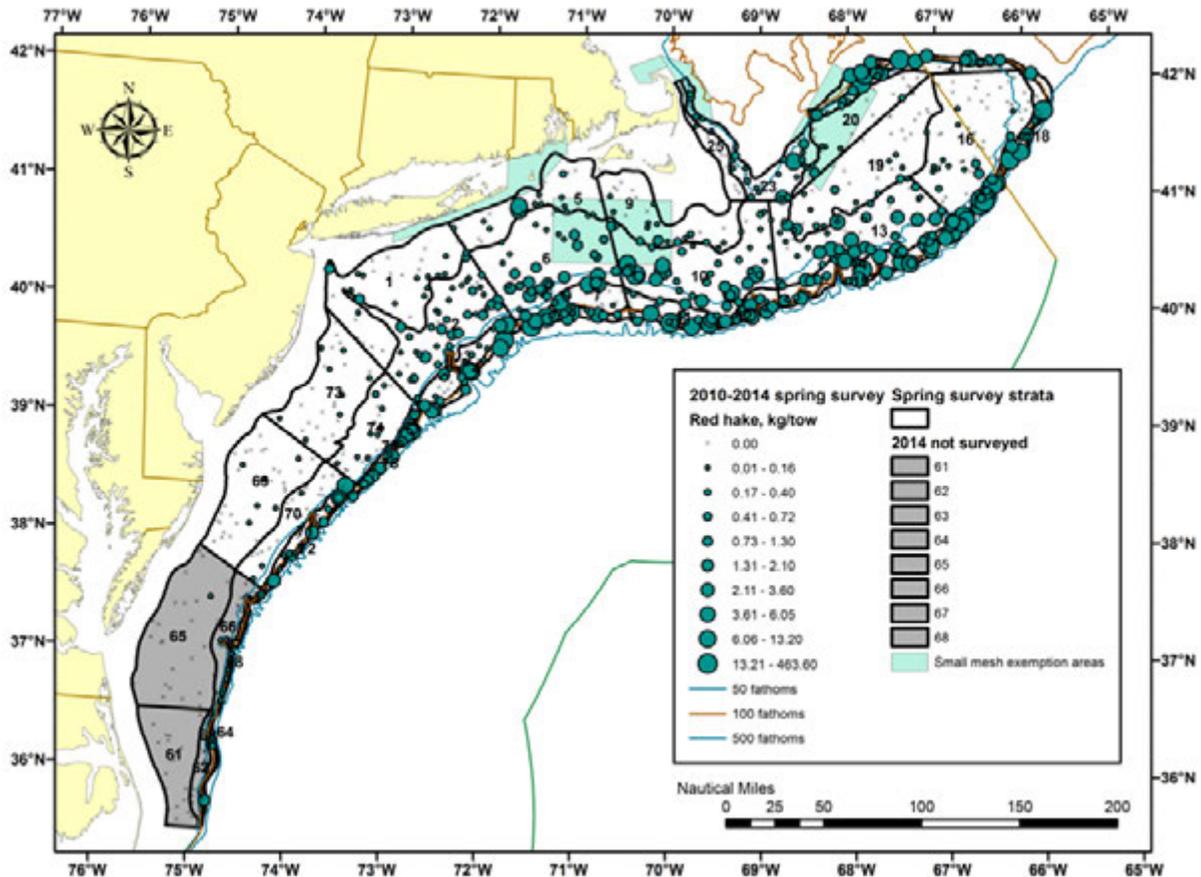


Figure 4. Trend in northern red hake exploitation rate (catch/spring survey biomass).



The 2015-2017 specifications for red hake in the southern management area (see Map 1) were set using the 2011-2013 spring survey data and estimated catches through 2013. Unlike the northern management area, spring survey data for 2014 were incomplete due to a mechanical breakdown of the RV Bigelow and there was insufficient time to analyze the proper adjustment to account for the four unsurveyed strata (Map 2). The new operational assessment includes catch estimates through 2014, 2015 spring survey data, as well as 2014 spring survey data properly adjusted to account for the four unsurveyed strata.

Map 2. 2010-2014 spring survey red hake catch per tow, showing unsampled strata (strata 61-68, shaded grey) in the 2014 spring survey



Most of the change in the southern red hake OFL is due to a reduction in survey catches in 2014 and 2015 (a two-year update). Being at the southern end of the stock boundary, the unsurveyed strata typically account for a small percent of the total swept area biomass and typically have lower catch per tow values. The NEFSC adjusted the 2014 survey data to account for the average ratio of stratified mean catch in the surveyed strata (0.733 kg/tow) to the stratified mean values during 2004-2013 for all strata (0.630 kg/tow) used for the southern red hake stock assessment. With the adjustment for the unsurveyed strata applied in 2014, the OFL is estimated to be 1,816 mt. Without the adjustment (i.e. assuming that there were no red hake biomass in these four unsurveyed strata in 2014), the OFL is estimated to be 1,914 mt (a 5.4% difference).

The new data indicates that although biomass remains above the overfished threshold, biomass has declined from the 2011-2013 values (Figure 5) that were used to set the 2015-2017 specifications.

Estimated catches remain low and have been below the proposed ABC specifications (Figure 6) for at least five years.

Figure 5. Trend in southern red hake biomass in NEFSC spring surveys, with a three-year moving average used to estimate OFL and set specifications.

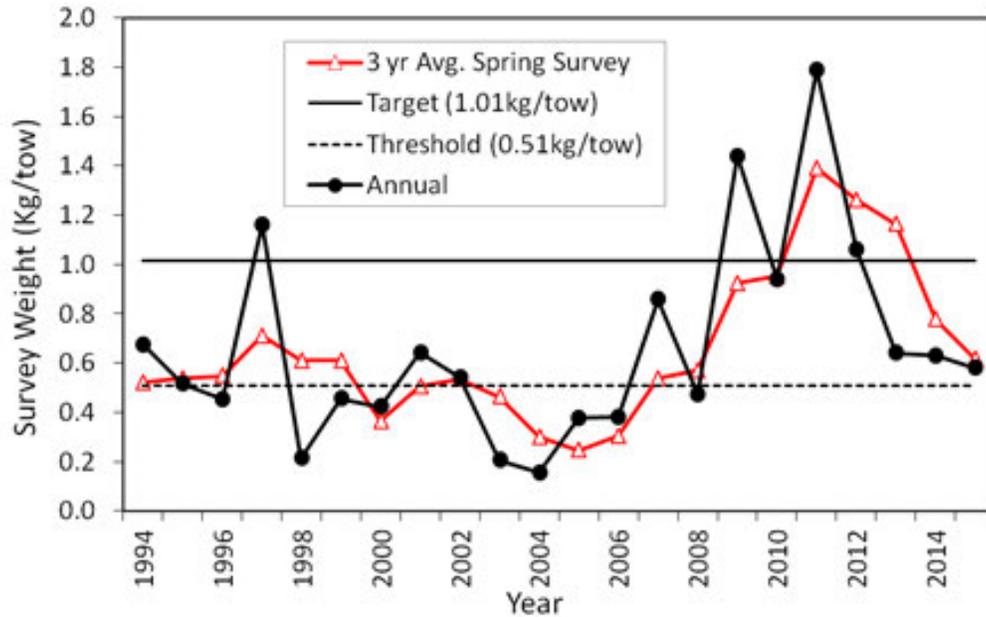
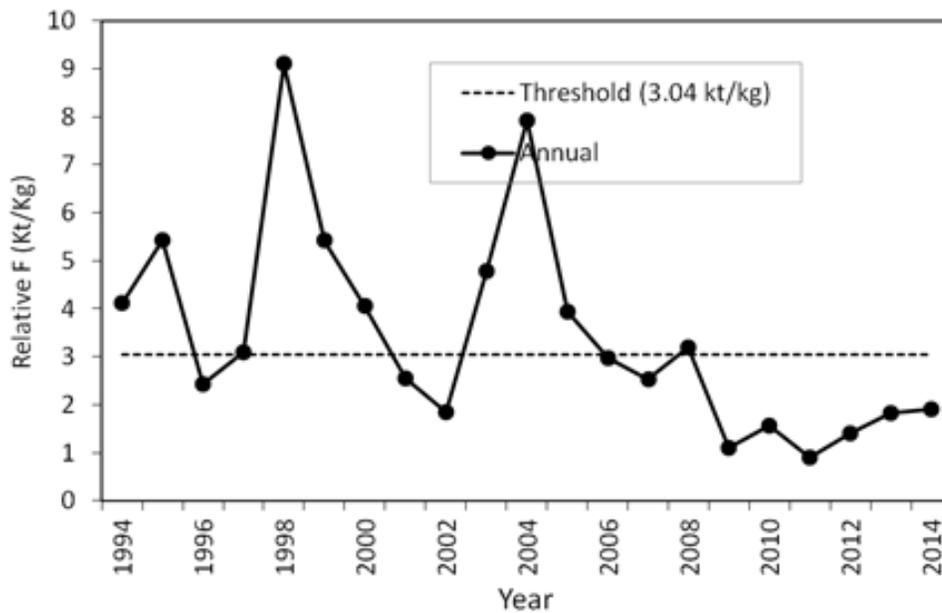


Figure 6. Trend in southern red hake exploitation rate (catch/spring survey biomass).



7.0 NEPA COMPLIANCES AND SUPPORTING ANALYSIS

Council on Environmental Quality requirements indicate that a supplemental NEPA analysis must be prepared if a new proposed action is substantially different from a previously completed but related action. However, not every change to a proposed action, including the presence of new information, necessitates the development of a new or supplemental NEPA analysis. NOAA Fisheries Service provided guidance to Councils on the use of “non-NEPA documents”. The guidance refers to the following two standards to help NOAA staff determine whether a new or supplemental NEPA document is necessary or if a non-NEPA document (supplemental information report (SIR)) may be used to demonstrate that an original NEPA document sufficiently considered and analyzed the proposed actions and its effects. At this time, it appears that a SIR would be appropriate given the information discussed below. Should this information change or new information become available during the development of the action, this recommendation may no longer be appropriate.

1. *Were substantial change(s) made to the proposed action that is/are relevant to environmental concerns? Is the proposed action a minor variation of the alternatives in the previous EA?*

The basis for previously analyzed management measures are not proposed to be changed in this action. This includes possession limits, possession limit triggers to ensure the total allowable landings is not exceeded, and a back-stop measure for the southern area to prevent early season closures in the event of drastic increases in effort.

- The assessment update used the same model and specifications approach as was previously analyzed, just updated with more recent information. The most recent information results in changes to red hake specifications, but overall the small-mesh multispecies specifications are not substantially different than what was previously analyzed in the EA for the 2015-2017 specifications (Table 4).

2. *Are there significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts?*

While the new values appear to be very different than the prior values (73% ABC increase in the north, 47% ABC decrease in the south), there are some important considerations when discussing the impacts that these updated specifications might have.

- The previous specifications EA (NEFMC 2015a), as well as the EAs supporting the establishment of the catch limits for this fishery (NEFMC 2013), evaluate the impacts on the Valued Ecosystem Components (target, non-target/bycatch, and protected species, habitat, and human communities) of the small-mesh fishery as a whole. When considered in this context, as shown in the table, there is very little change in the specifications beyond what has been previously analyzed.
- The northern red hake ACL has been exceeded in recent years, but the overall catch has been well below the total available quotas because whiting is the primary target species in this complex. As described in the 2015 specifications EA, silver hake and whiting landings are typically around 15-20% of their available quota for either area (see table below). There is no indication that whiting landings in either stock area are expected to increase beyond recent catch, and are expected to remain well below the analyzed catch limits.

Table 4. Comparison between proposed 2016-2017 small-mesh multispecies specifications and 2014 catch and landings.

Stock	ABC (mt)	Change from prev. spec.	2014 Catch	Percent of proposed ABC	TAL (mt)	2014 Landings	Percent of proposed TAL
Northern red hake	496	+72.6%	278	56.0%	120	74	61.7%
Northern silver hake	24,383	0%	2,991	12.3%	19,948.7	2,520	12.6%
Total	24,670	0.8%	3,269	13.3%	20,068.7	2,594	12.9%
Southern red hake	1,717	-46.0%	1,277	74.4%	746	603	80.8%
Southern whiting	31,180	0%	5,653	18.1%	23,833.4	5,022	21.1%
Total	32,897	-4.3%	6,930	21.1%	24,579.4	5,625	22.9%

- Red hake is not the primary target species and the catch limits for red hake are not the primary driver in red hake catch. A significant portion of the red hake stock is discarded (73.5% in the north and 52.8% in the south); especially by the small-mesh fleet. Since the market for red hake is limited and the primary target is silver hake, it is not expected that the change in red hake catch limits in either region will change fishing behavior or effort beyond what has previously been analyzed.
- The ecological value of red hake is relatively less than it is for other species, particularly silver hake (whose catch limits are not changed by this proposed action). This consideration has been seriously evaluated by the Council’s SSC and has been factored into the red hake ABC control rule. Due to this and other considerations, the red hake ABC control rule is less conservative than it is for silver hake because the overall economic and ecological consequences of temporary overfishing is less.
- The 51st Stock Assessment Workshop (NEFSC 2011) evaluated the current red hake stock definition compared to an alternative single-stock hypothesis, but could not definitely determine if either hypothesis was the more likely of the two. The SAW Report notes that it is equally probable that there is only a single stock of red hake versus two stocks². The two-stock structure began as a management tool to align more closely with the primary target species of silver hake (for which two stocks are more likely). Because of this, it is very likely that there is mingling between the two “stocks”, especially near the boundary of the two management areas, i.e. central Georges Bank and Cultivator Shoals. Catches, particularly from the Cultivator Shoals Area, may have been derived from one stock or the other, probably varying on a seasonal basis, but the assessment assumes that all of the catches from this area come from the northern stock.

3. *Should any new information or change to the action have been known and/or included at the time the previous EA was drafted?*

² From the 51st SAW Report, page 556: It is equivocal whether not there are two stocks, one stock or more. There is not enough information to come to a definitive conclusion.

- The northern red hake biomass increase is being driven by a larger than average year class. This year class and the potential impacts of the year class were discussed in the previous EA (NEFMC 2015a, Sections 6 and 7), but the magnitude of the biomass that would be contributed by the strong year class could not be reliably estimated. Although the current specifications include the 2014 survey data when this strong year class became evident, the fish in this year class were small (15-21 cm) and did not contribute significantly to total biomass estimated at that time. Survival and growth could vary from the historic average before the fish became selected by the fishery, especially since the sheer size of the year class may have affected red hake survival and growth. The 2015 spring survey indicated that the original estimates of this strong year class were on target and would contribute to a greater stock biomass than was indicated by the 2014 spring survey when the fish were small. The southern stock area decline was also discussed in the previous specifications EA (NEFMC 2015a, Sections 6 and 7).

4. *Are data or other analyses required in order to characterize the impacts of the proposed action?*

The impacts of the proposed action are largely the same as in the previous action (NEFMC 2015a), since the risk of red hake overfishing (see table below) is about the same as previously analyzed (NEFMC 2015b) and the changes in catch limits are expected to cause little changes in fishing behavior, targeting of red hake or other species, fishing costs, or revenue from landing red hake. Updated information and analyses that had bearing on adjusting the red hake specifications are presented in Section 6.0 of this document.

The proposed reduction in the southern catch limit is non-binding, when compared with landings or catch during the last five years and the northern red hake catch limit increases are not expected to cause an increase in fishing activity. Some northern red hake catch may be converted to landings, since the action could postpone the in-season accountability measures but it is not expected to increase the number or length of trips in the small-mesh multispecies fishery.

Table 5. Estimated risk of overfishing when catch is equal to the ABC, estimated by the assessment update (NEFMC 2015b).

	Existing specifications	Proposed specifications
Northern red hake	6%	14%
Southern red hake	29%	25%

5. *Has the public had an opportunity to comment on the prior NEPA document on impacts similar to the proposed action and alternatives?*

In addition to the opportunity for comment during the development of the EAs for Amendment 19 (NEFMC 2013) and for the 2015-2017 Specifications (NEFMC 2015a), the public had several opportunities to review and comment specifically on the proposed adjustments to the 2016-2017 specifications.

Early deliberations by the Council’s Plan Development Team (PDT) were held³ on August 3 and 27, 2015 when the results of the 2014 fishery performance report and the 2014 operational assessments for

³ [1] August 3, 2015 PDT meeting: <http://www.nefmc.org/calendar/aug.-3-2015-whiting-plan-development-team-meeting>

[2] August 27, 2015 PDT meeting: <http://www.nefmc.org/calendar/aug.-27-2015-whiting-plan-development-team-conference-call>

red hake were presented and the PDT's recommendations were drafted. Although attendance at these meetings is often sparse, they are listed on the NEFMC public calendar and are open to the public.

The PDT gave a summary report of the new data and presented its recommendations to a joint meeting of the Small-Mesh Multispecies Committee and Advisory Panel, held on September 10, 2015⁴. The meeting was well attended and the committee decided to recommend the new adjustments to the Council at its September 29 to October 1, 2015 meeting⁵. The Council approved the new measures and directed the Council staff to prepare the necessary documents, pending review and approval of the ABC specifications by the Council's Scientific and Statistical Committee, at its October 13, 2015 meeting⁶. All three of these meetings are published in the Federal Register, placed on the NEFMC public calendar, and were open to public participation. This document will furthermore be subject to public comment through proposed rulemaking, as required under the Administrative Procedure Act and, therefore, may be improved based on comments received.

8.0 CONCLUSION

After considering the proposed action in Section 3.0, new information in Section 6.0, and new circumstances in Section 7.0, NMFS has determined that a supplement to the EA for the 2015-2017 specifications (NEFMC 2015a) is unnecessary because the adjustments are limited to these specifications and have impacts that were analyzed previously on the fishery and the managed stocks. Considerations in support of this conclusion include the following: 1) the changes to the red hake specifications are not expected to substantially change the risk of overfishing, change the number or length of trips targeting small-mesh multispecies, or change the profits or revenue from fishing for small-mesh multispecies. Red hake are not a key ecosystem species and therefore the potential increase in northern red hake catch is not expected to have a meaningful effect on the ecosystem, and 2) no new information or circumstances exist that have a bearing on environmental concerns that are significantly different from when the original Finding of No Significant Impact was signed on April 29, 2015. The specifications EA (NEFMC 2015a) thus remains valid to support the proposed action.

⁴ September 10, 2015 Joint Small-Mesh Multispecies Committee and Advisory Panel: <http://www.nefmc.org/calendar/sept.-10-2015-joint-whiting-committee-advisory-panel-meeting>

⁵ September 29-October 1, 2015 Council meeting: <http://www.nefmc.org/calendar/september-2015-council-meeting-1>

⁶ October 13, 2015 SSC: <http://www.nefmc.org/calendar/oct.-13-14-2015-ssc-meeting>

9.0 RELATIONSHIP TO APPLICABLE LAWS

9.1 Magnuson-Stevens Fishery Conservation and Management Act

9.1.1 Consistency with National Standards

Section 301 of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) requires that regulations implementing any fishery management plan or amendment be consistent with the ten national standards listed below.

9.1.1.1 National Standard 1

Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery for the United States fishing industry.

The proposed action complies with the National Standard 1 requirements because the proposed action will adjust the catch limits and 2016-2017 specifications (i.e. ABC, ACL, TAL) to be consistent with the estimated stock biomass. These specification adjustments are expected to have approximately the same low risk of overfishing as the existing 2015-2017 specifications.

9.1.1.2 National Standard 2

Conservation and management measures shall be based on the best scientific information available.

The measures in this proposed action are based on the best and most recent scientific information available including landings reports and Standardized Bycatch Reporting Methodology estimated discards through December 2014, Marine Recreational Information Program (MRIP) data through December 2014, and NMFS spring survey catch/tow data through spring 2015.

9.1.1.3 National Standard 3

To the extent practicable, an individual stock of fish shall be managed as a unit throughout its range, and interrelated stocks of fish shall be managed as a unit or in close coordination.

Red hake is managed as two stocks, one ranging from northern Georges Bank to the Gulf of Maine, and the other from Georges Bank south to Cape Hatteras, NC. These two management areas (see Map 1) encompass and manage red hake as a unit throughout its range.

9.1.1.4 National Standard 4

Conservation and management measures shall not discriminate between residents of different states. If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be: (A) fair and equitable to all such fishermen; (B) reasonably calculated to promote conservation; and (C) carried out in such a manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

The measures in the FMP and in this proposed action are the same for all participants across states in federal waters (though states themselves may establish different seasons). The proposed action is expected to have a neutral impact on conservation, and does not create an allocation that could allow excessive accumulation of fishing privileges.

9.1.1.5 National Standard 5

Conservation and management measures shall, where practicable, consider efficiency in the utilization of fishery resources; except that no such measure shall have economic allocation as its sole purpose.

The measures in the FMP and in this proposed action are designed to maximize overall fishing opportunities for participants, subject to sustainable limits on catch, and as such should not impair efficient utilization of fishery resources.

9.1.1.6 National Standard 6

Conservation and management measures shall take into account and allow for variations among, and contingencies in, fisheries, fishery resources, and catches.

Changes in fisheries occur continuously, both as the result of human activity (for example, new technologies or shifting market demand) and natural variation (for example, oceanographic perturbations). In order to provide the greatest flexibility possible for future management decisions, the fishery management plan includes a Framework Adjustment mechanism with a list of possible Framework Adjustment measures that the NEFMC and NMFS can utilize in response to changing conditions.

9.1.1.7 National Standard 7

Conservation and management measures shall, where practicable, minimize costs and avoid unnecessary duplication.

The measures in the FMP and in this proposed action are designed to maximize overall fishing opportunities for participants, subject to sustainable limits on catch, and as such do not impose additional costs or create any unnecessary duplication.

9.1.1.8 National Standard 8

Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse impacts on such communities.

The proposed action adjusts the catch limits and specifications to a sustainable level that has a very low probability of causing overfishing. Coupled with wide-spread exemption areas where vessels from various communities may fish, the FMP minimizes adverse impacts on communities by promoting sustainable fishing practices.

9.1.1.9 National Standard 9

Conservation and management measures shall, to the extent practicable, (A) minimize bycatch and (B) to the extent bycatch cannot be avoided, minimize the mortality of such bycatch.

The proposed action is not expected to have any impact on bycatch in the southern management area and could reduce discarding in the northern management area since a higher TAL could allow vessels to land more red hake during trips that target silver hake or other species.

9.1.1.10 National Standard 10

Conservation and management measures shall, to the extent practicable, promote safety of human life at sea.

The proposed action is not expected to change how vessels in these fisheries operate and therefore not expected to have any impact on safety at sea.

9.1.2 Magnuson-Stevens Act Fishery Management Plan (FMP) Requirements

9.1.2.1 REQUIRED PROVISIONS OF THE MAGNUSON-STEVENS ACT

Section 303 (a) of the MSA contains 15 required provisions for FMPs that are listed below. The requirement applies to the FMP as currently amended, and not the submission document for this proposed action. All of the items in this list are addressed in either previous amendments (<http://www.nefmc.org/management-plans/detail/small-mesh-multispecies>), the original 2012-2014 specifications Environmental Assessment, the supplemental Environmental Assessment for the 2015-2017 specifications, or the most recent stock assessment products, which are available at: <http://www.nefsc.noaa.gov/saw/reports.html>. Nothing in this action changes the consistency of the FMP with these required provisions.

9.1.2.2 DISCRETIONARY PROVISIONS OF THE MAGNUSON-STEVENS ACT

Section 303b of the Magnuson-Stevens Act contains 14 additional discretionary provisions for Fishery Management Plans. They may be read on pages of 59 and 60 of National Marine Fisheries Service's redline version of the Magnuson-Stevens Act at: http://www.nmfs.noaa.gov/msa2007/MSA_Amended%20by%20Magnuson-Stevens%20Reauthorization%20Act%20%281-31-07%20draft%29.pdf. Given the limited scope of this action, there are no significant impacts related to such provisions.

9.2 National Environmental Policy Act of 1969 (NEPA)

The Council has preliminarily determined that the 2012-2014 specifications Environmental Assessment (NEFMC 2013) and the Supplemental Environmental Assessment for the 2015-2017 specifications (NEFMC 2015a) remain valid for this action. Thus, there is no need to supplement these analyses and their Findings of No Significant Impact.

9.3 Marine Mammal Protection Act (MMPA)

None of the specifications proposed in this document are expected to alter fishing methods or activities. Therefore, this action is not expected to affect marine mammals or critical habitat in any manner not considered in previous consultations on the fisheries.

For further information on the potential impacts of the fishery and the proposed management action on marine mammals, see Sections 6.5 and 7.5 in NEFMC 2015a.

9.4 Endangered Species Act (ESA)

Section 7 of the Endangered Species Act requires Federal agencies conducting, authorizing, or funding activities that affect threatened or endangered species to ensure that those effects do not jeopardize the continued existence of listed species. The proposed action is not expected to substantially change the amount of small-mesh fishing effort or the way the fishery is prosecuted, due to market limitations and restrictions on when and where vessels may use small-mesh trawls to target red hake and whiting. These changes are not expected to be significant relative to the broader distribution of any species listed as threatened or endangered.

Based on the information available at this time (Sections 6.5 and 7.5 in NEFMC 2015a), the Council believes that NMFS will concur that the action proposed for the small-mesh multispecies fishery would be unlikely to jeopardize any ESA-listed species or alter or modify any critical habitat.

9.5 Coastal Zone Management Act (CZMA)

Section 307(c)(1) of the Coastal Zone Management Act (CZMA) of 1972, as amended, requires that all Federal activities that directly affect the coastal zone be consistent with approved state coastal zone management programs to the maximum extent practicable. The CZMA provides measures for ensuring stability of productive fishery habitat while striving to balance development pressures with social, economic, cultural, and other impacts on the coastal zone. It is recognized that responsible management of both coastal zones and fish stocks must involve mutually supportive goals. The NEFMC has developed this specification package and will submit it to NMFS; NMFS must determine whether this action is consistent to the maximum extent practicable with the CZM programs for each state (Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, and North Carolina). Letters documenting NMFS' determination will be sent to the coastal zone management program offices of each state. Given the minor change involved and given that the Council includes representation from the relevant coastal states (and no CZMA issues were raised), it is expected that this action is consistent with the relevant states' CZM programs.

9.6 Administrative Procedure Act (APA)

Section 553 of the APA establishes procedural requirements applicable to informal rulemaking by Federal agencies. The purpose of these requirements is to ensure public access to the Federal rulemaking process, and to give the public adequate notice and opportunity for comment. At this time, the NEFMC is not requesting any abridgement of the rulemaking process for this action.

9.7 Information Quality Act (IQA)

Utility of Information Product

The information presented in this document is helpful to the intended users (the affected public) by presenting a clear description of the purpose and need of the proposed action, the measures proposed, and the impacts of those measures. A discussion of the reasons for selecting the proposed action is included so that intended users may have a full understanding of the proposed action and its implications. The

intended users of the information contained in this document include individuals involved in the small-mesh multispecies fishery, (e.g., fishing vessels, processors, fishery managers), and other individuals interested in the management of the small-mesh multispecies fishery. The information contained in this document will be helpful and beneficial to owners of vessels holding limited access small-mesh multispecies permits since it will notify these individuals of the measures contained in this specification package. This information will enable these individuals to adjust their management practices and make appropriate business decisions. Until a proposed rule is prepared and published, this document is the principal means by which the information contained herein is available to the public. The information provided in this document is based on the most recent available information from the relevant data sources. The information contained in this document includes detailed and relatively recent information on the small-mesh multispecies resource and, therefore, represents an improvement over previously available information. This document will be subject to public comment through proposed rulemaking, as required under the Administrative Procedure Act and, therefore, may be improved based on comments received.

This document is available in several formats, including printed publication, and online through the NEFMC's web page (www.nefmc.org). The *Federal Register* notice that announces the proposed rule and the final rule and implementing regulations will be made available in printed publication, on the website for the Greater Atlantic Regional Fisheries Office (www.greateratlantic.fisheries.noaa.gov), and through the Regulations.gov website. The *Federal Register* documents will provide metric conversions for all measurements.

Integrity of Information Product

The information product meets the standards for integrity under the following types of documents:

Other/Discussion (e.g., Confidentiality of Statistics of the Magnuson-Stevens Fishery Conservation and Management Act; NOAA Administrative Order 216-100, Protection of Confidential Fisheries Statistics; 50 CFR 229.11, Confidentiality of information collected under the Marine Mammal Protection Act.)

Prior to dissemination, information associated with this action, independent of the specific intended distribution mechanism, is safeguarded from improper access, modification, or destruction, to a degree commensurate with the risk and magnitude of harm that could result from the loss, misuse, or unauthorized access to or modification of such information. All electronic information disseminated by NMFS adheres to the standards set out in Appendix III, "Security of Automated Information Resources," of OMB Circular A-130; the Computer Security Act; and the Government Information Security Act. All confidential information (e.g., dealer purchase reports) is safeguarded pursuant to the Privacy Act; Titles 13, 15, and 22 of the U.S. Code (confidentiality of census, business, and financial information); the Confidentiality of Statistics provisions of the Magnuson-Stevens Act; and NOAA Administrative Order 216-100, Protection of Confidential Fisheries Statistics.

Objectivity of Information Product

For purposes of the Pre-Dissemination Review, this document is considered to be a “Natural Resource Plan.” Accordingly, the document adheres to the published standards of the Magnuson-Stevens Act; the Operational Guidelines, Fishery Management Plan Process; the Essential Fish Habitat Guidelines; the National Standard Guidelines; and NOAA Administrative Order 216-6, Environmental Review Procedures for Implementing the National Environmental Policy Act. This information product uses information of known quality from sources acceptable to the relevant scientific and technical communities. Several sources of data were used in the development of the specification package. These data sources included, but were not limited to, historical and current landings data from the Commercial Dealer database, vessel trip report (VTR) data, and fisheries independent data collected through the NMFS bottom trawl surveys. The analyses contained in this document were prepared using data from accepted sources. These analyses have been reviewed by members of the Whiting Plan Development Team and by the NEFMC Scientific and Statistical Committee where appropriate.

Despite current data limitations, the conservation and management measures considered for this action were selected based upon the best scientific information available. The analyses important to this decision used information from the most recent complete calendar years, generally through 2012. The data used in the analyses provide the best available information on the number of permits, both active and inactive, in the fishery, the catch (including landings and discards) by those vessels, the landings per unit of effort (LPUE), and the revenue produced by the sale of those landings to dealers. Specialists (including professional members of plan development teams, technical teams, committees, and Council staff) who worked with these data are familiar with the most current analytical techniques and with the available data and information relevant to the small-mesh multispecies fishery. The policy choice is clearly articulated in Section 2.0, that being the management alternative considered in this action. The supporting science and analyses, upon which the policy choice was based, are summarized and described in Sections 6.0 and 7.0 of the 2015-2017 specifications package (NEFMC 2015a) and in the Amendment 19 EA (NEFMC 2013). All supporting materials, information, data, and analyses within this document have been, to the maximum extent practicable, properly referenced according to commonly accepted standards for scientific literature to ensure transparency. The review process used in preparation of this document involves the responsible Council, the Northeast Fisheries Science Center, the Greater Atlantic Regional Fisheries Office, and NOAA Fisheries Service Headquarters. The Center’s technical review is conducted by senior level scientists with specialties in population dynamics, stock assessment methods, population biology, and the social sciences. The Council review process involves public meetings at which affected stakeholders have opportunity to provide comments on the document. Review by staff at the Regional Office is conducted by those with expertise in fisheries management and policy, habitat conservation, protected species, and compliance with the applicable law. Final approval of the action proposed in this document and clearance of any rules prepared to implement resulting regulations is conducted by staff at NOAA Fisheries Service Headquarters, the Department of Commerce, and the U.S. Office of Management and Budget. In preparing this action for the NE Multispecies FMP, NMFS must comply with the requirements of the Magnuson-Stevens Act, the National Environmental Policy Act, the Administrative Procedure Act, the Paperwork Reduction Act, the Coastal Zone Management Act, the Endangered Species Act, the Marine Mammal Protection Act, the Information Quality Act, and Executive Orders 12630 (Property Rights), 12866 (Regulatory Planning), 13132 (Federalism), and 13158 (Marine Protected Areas). The Council has determined that the proposed action is consistent with the National Standards of the Magnuson-Stevens Act and all other applicable laws.

9.8 Paperwork Reduction Act (PRA)

The Paperwork Reduction Act (PRA) concerns the collection of information. The intent of the PRA is to minimize the Federal paperwork burden for individuals, small businesses, state and local governments, and other persons, as well as to maximize the usefulness of information collected by the Federal government. There are no changes to the existing reporting requirements previously approved under this FMP for vessel permits, dealer reporting, or vessel logbooks. This action does not contain a collection-of-information requirement for purposes of PRA.

9.9 Regulatory Flexibility Act (RFA)

The purpose of the Regulatory Flexibility Analysis (RFA) is to establish a principle of regulatory issuance that agencies shall endeavor, consistent with the objectives of the rule and of applicable statutes, to fit regulatory and informational requirements to the scale of businesses, organizations, and governmental jurisdictions subject to regulation. To achieve this principle, agencies are required to solicit and consider flexible regulatory proposals and to explain the rationale for their actions to assure such proposals are given serious consideration. The RFA does not contain any decision criteria; instead the purpose of the RFA is to inform the agency, as well as the public, of the expected economic impacts of various alternatives contained in the FMP or amendment (including framework management measures and other regulatory actions) and to ensure the agency considers alternatives that minimize the expected impacts while meeting the goals and objectives of the FMP and applicable statutes.

With certain exceptions, the RFA requires agencies to conduct an Initial Regulatory Flexibility Analysis (IRFA) for each proposed rule. The IRFA is designed to assess the impacts various regulatory alternatives would have on small entities, including small businesses, and to determine ways to minimize those impacts. An IRFA is conducted to primarily determine whether the proposed action would have a “significant economic impact on a substantial number of small entities.” In addition to analyses conducted for the RIR, the IRFA provides:

- 1) A description of the reasons why action by the agency is being considered;
- 2) A succinct statement of the objectives of, and legal basis for, the proposed rule;
- 3) A description and, where feasible, an estimate of the number of small entities to which the proposed rule will apply;
- 4) A description of the projected reporting, record-keeping, and other compliance requirements of the proposed rule, including an estimate of the classes of small entities which will be subject to the requirements of the report or record; and,
- 5) An identification, to the extent practicable, of all relevant federal rules, which may duplicate, overlap, or conflict with the proposed rule.

If it is clear that an action would not have adverse or disproportional impacts to small entities, the RFA allows Federal agencies to certify the proposed action(s) as not having a “significant impact on a substantial number of small entities”, rather than preparing an IRFA. The agency must then prepare a certification memo to the Small Business Administration (SBA) that documents:

- 1) A statement of basis and purpose of the rule;
- 2) A description and estimate of the number of small entities to which the rule applies;
- 3) A description and estimate of economic impacts on small entities, by entity size and industry;
- 4) An explanation of the criteria used to evaluate whether the rule would impose significant economic impacts;

- 5) An explanation of the criteria used to evaluate whether the rule would impose impacts on a substantial number of small entities; and,
- 6) A description of, and explanation of the basis for, assumptions used.

The decision on whether or not to certify is generally made after the final decision on the preferred alternatives for the action and may be documented at either the proposed rule or the final rule stage.

Description of reasons why action by the agency is being considered

The purpose of the actions and need for management is described in Section 2.0. Briefly, the purpose of these actions is to adjust red hake specifications for the 2016-2017 fishing years to account for changes in stock biomass as estimated by the 2014 update assessment. The proposed modification to the 2016-2017 specifications for red hake would increase the ACL for northern red hake by 72.6% (from 273 mt to 471 mt and decrease the ACL for southern red hake by 46.0% (from 3,021 mt to 1,631 mt). All other fishery specifications for small-mesh multispecies would remain unchanged.

The small-mesh multispecies specifications are intended to meet the goals and objectives for this fishery by establishing catch limits that promote sustainable yield and prevent overfishing. The specifications are set to achieve optimum yield, which is the amount of fish that will achieve the maximum sustainable yield, as reduced by any relevant economic, social, or ecological factor. Accountability measures that are already in place will ensure the overall sustainability of the resource.

Statement of the objectives of, and legal basis for, the proposed actions

Amendment 19 established a process and framework for setting annual catch limits (ACLs) and accountability measures (AMs), as required by the 2007 reauthorization of the MSA.

Description and estimate of the number of small entities to which the proposed rule will apply

Small entities include "small businesses," "small organizations," and "small governmental jurisdictions." The Small Business Administration (SBA) has established size standards for all major industry sectors in the U.S., including commercial finfish harvesters (NAICS code 114111), commercial shellfish harvesters (NAICS code 114112), other commercial marine harvesters (NAICS code 114119), for-hire businesses (NAICS code 487210), marinas (NAICS code 713930), seafood dealers/wholesalers (NAICS code 424460), and seafood processors (NAICS code 311710). A business primarily involved in finfish harvesting is classified as a small business if it is independently owned and operated, is not dominant in its field of operation (including its affiliates), and has combined annual receipts not in excess of \$20.5 million for all its affiliated operations worldwide. For commercial shellfish harvesters, the other qualifiers apply and the receipts threshold is \$5.5 million. For other commercial marine harvesters, for-hire businesses, and marinas, the other qualifiers apply and the receipts threshold is \$7.5 million. A business primarily involved in seafood processing is classified as a small business if it is independently owned and operated, is not dominant in its field of operation (including its affiliates), and has combined annual employment, counting all individuals employed on a full-time, part-time, or other basis not in excess of 500 employees⁷ for all its affiliated operations worldwide. For seafood dealers/wholesalers, the

⁷ In determining a concern's number of employees, SBA counts all individuals employed on a full-time, part-time, or other basis. This includes employees obtained from a temporary employee agency, professional employee organization or leasing concern. SBA will consider the totality of the circumstances, including criteria used by the IRS for Federal income tax purposes, in determining whether individuals are employees of a concern. Volunteers (i.e., individuals who receive no compensation, including no in-kind compensation, for work performed) are not considered employees. Where the size standard is number of employees, the method for determining a concern's size

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other qualifiers apply and the employment threshold is 100 employees. A small organization is any not-for-profit enterprise which is independently owned and operated and is not dominant in its field. Small governmental jurisdictions are governments of cities, boroughs, counties, towns, townships, villages, school districts, or special districts, with population of fewer than 50,000.

The proposed actions regulate commercial fish harvesting entities engaged in the Northeast multispecies limited access fishery and the small-mesh multispecies fishery. For the purposes of the RFA analysis, the ownership entities, not the individual vessels, are considered as regulated entities.

Ownership entities in regulated commercial harvesting businesses

Individually-permitted vessels may hold permits for several fisheries, harvesting species of fish that are regulated by several different fishery management plans, even beyond those impacted by the proposed actions. Furthermore, multiple permitted vessels and/or permits may be owned by entities affiliated by stock ownership, common management, identity of interest, contractual relationships, or economic dependency. For the purposes of this analysis, ownership entities are defined by those entities with common ownership personnel as listed on permit application documentation. Only permits with identical ownership personnel are categorized as an ownership entity. For example, if five permits have the same seven personnel listed as co-owners on their application paperwork, those seven personnel form one ownership entity, covering those five permits. If one or several of the seven owners also own additional vessels, with sub-sets of the original seven personnel or with new co-owners, those ownership arrangements are deemed to be separate ownership entities for the purpose of this analysis.

Ownership entities are identified on June 1st of each year based on the list of all permit numbers, for the most recent complete calendar year, that have applied for any type of Northeast Federal fishing permit. The current ownership data set is based on calendar year 2014 permits and contains gross sales associated with those permits for calendar years 2012 through 2014. Ownership entities are classified into the categories established by the SBA (primarily finfish, primarily shellfish, or primarily for-hire businesses) based on which activity generated the greatest gross revenue in calendar year 2014. The determination as to whether the entity is large or small is based on the average annual revenue from 2012 through 2014.

Directly regulated small-mesh multispecies fishing entities

The small-mesh exempted fishery allows vessels to harvest species in designated areas using mesh sizes smaller than the minimum mesh size required by Regulated Mesh Area (RMA) regulations. To participate in the small-mesh multispecies (whiting) exempted fishery, vessels must hold either a limited access multispecies permit (categories A, C, D, E or F) or an open access multispecies permit (category K). Note that a vessel cannot hold more than one of these Northeast multispecies permits at a time, but that a business entity that holds may hold multiple numbers of these permits. The current possession limit for red hake at the start of the fishing season is 5,000 pounds, regardless of area. Initial possession limits for silver and offshore hake combined vary by exemption area, management area (north or south) and mesh size used.

Limited access multispecies permit holders can target small-mesh multispecies with mesh smaller than the minimum regulated mesh size when not fishing under a DAS and while declared out of the fishery using VMS. Limited access multispecies permit holders may land whiting or red hake on any DAS or

includes the following principles: (1) the average number of employees of the concern is used (including the employees of its domestic and foreign affiliates) based upon numbers of employees for each of the pay periods for the preceding completed 12 calendar months; (2) Part-time and temporary employees are counted the same as full-time employees. [PART 121—SMALL BUSINESS SIZE REGULATIONS §121.106]

sector trip, up to the possession limits for vessels using mesh greater than 3 inches specified at §648.86(d)(1)(iii), or the incidental possession limit specified at §648.86(d)(4), if triggered for that stock.

An open access, category K permit holder may fish for small-mesh multispecies when participating in an exempted fishing program. This category includes all gear types. These permits are required to submit VTRs, but are not subject to VMS requirements. Vessels with open access category K permits are subject to the same possession limits and accountability measures for small-mesh multispecies that limited access permit holders are.

Therefore, entities holding one or more limited access multispecies permits or one or more open access category K multispecies permits are the entities holding permits that are directly regulated by the proposed actions – these are the permits that have the potential to land small-mesh multispecies for commercial sale. While these entities may not have historically landed red hake, they have the potential to do so. These include entities that could not be classified into a business type because they did not earn revenue from landing and selling fish in 2014 and so are considered to be small.

There were 1,007 distinct ownership entities based on calendar year 2014 permits that could potentially target small-mesh multispecies. Of these, 990 are categorized as small and 17 are categorized as large entities per the SBA guidelines. These entities are directly regulated by the proposed actions and are described further in Table 6 and Table 7.

Table 6. Directly regulated small-mesh multispecies fishing entities, by business type and size.

Business Type	Total Number of entities	Number of small entities
Primarily finfish	358	358
Primarily shellfish	418	401
Primarily for-hire	94	94
Not Classified (no revenue)	137	137
Total Number of Regulated Entities	1,007	990

Table 7. Directly regulated small-mesh multispecies fishing entities, by average annual gross sales for 2012-2014.

Sales category	Total Number of entities	Number of small entities	Mean gross sales	Median gross sales	Mean permits per entity¹	Max permits per entity¹
<\$50K	319	319	\$ 10,037	\$ 1,285	1.25	30
\$50-100K	91	91	\$ 75,818	\$ 78,079	1.26	4
\$100-500K	296	296	\$ 242,256	\$ 218,714	1.32	4
\$500K-1mil	133	133	\$ 733,417	\$ 726,032	1.62	7
\$1-5.5mil	149	147	\$ 1,950,507	\$ 1,547,906	2.05	11
\$5.5-20.5mil	16	4	\$ 10,133,485	\$ 7,064,985	10.63	28
\$20.5mil+	3	0	\$ 21,951,941	\$ 21,893,630	15.67	16

¹ Mean and median numbers of permits per entity are calculated based on 2014 permits.

Directly regulated, active small-mesh multispecies fishing entities impacted

While 1,007 commercial entities are directly regulated by the proposed actions to update the 2016 to 2017 red hake specifications, not all of these entities land northern or southern red hake for commercial sale. Commercial entities that do not land red hake for sale, while regulated by proposed changes in red hake specifications, will not be impacted by these proposed changes since the current specifications for other small-mesh multispecies stocks would not be modified. Commercial fishing harvesting entities that land either northern or southern red hake for sale are both directly regulated and possibly impacted by the proposed changes in the 2016-2017 specifications for red hake.

To estimate the number of commercial entities that may experience impacts from the proposed changes to the 2016-2017 red hake specifications, active red hake entities are defined as those entities containing permits that are directly regulated and that landed any red hake (northern or southern stock) in 2014 for commercial sale. Landings of silver hake (northern or southern stock) have not been considered since the proposed action does not alter the 2015-2017 specifications for silver hake currently in place. Active red hake entities are described in Table 8, Table 9 and Table 10, and are a subset of those entities described in Table 6 and Table 7. There are 167 potentially impacted, directly regulated commercial entities, all of which are classified as small entities.

Table 8. Potentially impacted, directly regulated active red hake fishing entities, by business type and size.

Business Type	Total Number of entities	Number of small entities
Primarily finfish	98	98
Primarily shellfish	38	38
Primarily for-hire	31	31
Total	167	167

Table 9. Potentially impacted, directly regulated, active red hake fishing entities, by average annual gross sales for 2012-2014.

Sales category	Total Number of entities	Number of small entities	Mean gross sales	Median gross sales	Mean permits per entity¹	Max permits per entity¹
<\$50K	26	26	\$ 21,570	\$ 16,136	1.15	2
\$50-100K	14	14	\$ 76,000	\$ 81,466	1.21	4
\$100-500K	73	73	\$ 270,640	\$ 261,920	1.11	3
\$500K-1mil	36	36	\$ 727,070	\$ 720,026	1.31	4
\$1-5.5mil	18	18	\$ 1,749,834	\$ 1,496,997	2.22	6
\$5.5-20.5mil	0	0	-	-	-	-

¹ Mean and median numbers of permits per entity are calculated based on 2014 permits.

Table 10. Total number of potentially impacted, directly regulated entities landing red hake by stock area and the number of potentially impacted, directly regulated entities classified as small.

Stock	Total Number Business Entities	Number of Small Business Entities
Northern Red Hake	26	26
Southern Red Hake	140	140

Note: Entities may be landing more than one stock listed in the above table. Number of entities landing each stock is based on landings data from Fishing Year 2014.

Description of the projected reporting, record-keeping and other compliance requirements of the proposed rule, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for the preparation of the report or records

The proposed actions do not introduce any new reporting, record keeping, or other compliance requirements.

Identification of all relevant Federal rules, which may duplicate, overlap or conflict with the proposed rule

The proposed actions do not duplicate, overlap or conflict with any other Federal Rules.

Significance of economic impacts on small entities

Substantial Number Criterion

In colloquial terms, substantial number refers to “more than a few.” All of the regulated entities impacted by this action (100%) are considered small, and therefore preferred alternative will have impacts on a substantial number of small entities.

Significant Economic Impacts

The outcome of “significant economic impact” can be ascertained by examining two factors: disproportionality and profitability. Disproportionality refers to whether or not the regulations place small commercial entities at a significant competitive disadvantage to large commercial entities. Profitability refers to whether or not the regulations significantly reduce profits for a substantial number of small commercial entities.

Description of impacts on small entities

The proposed actions will impact all commercial entities harvesting northern or southern red hake. Adjustments to the original 2015-2017 specifications for northern and southern red hake were determined to be necessary due to new stock assessment information that indicated changes in stock biomass. For northern red hake, the proposed 2016-2017 specifications would increase the ACL by 72.6% and the TAL by 15.6%. For southern red hake, the proposed 2016-2017 specifications would decrease the ACL by 47.0% and the TAL by 43.0%. However, all 167 of the directly regulated commercial entities potentially impacted by the proposed changes in the red hake specifications are small business entities, and therefore,

small commercial entities are not placed at a significant competitive disadvantage by the proposed changes to the ACLs and TALs for northern and southern red hake.

Overall, the net impact on profits from the proposed changes in the 2016-2017 specifications for northern and southern red hake is expected to negligible relative to the current 2015-2017 specifications. As noted in Section 7.0, whiting is the primary target species in the small mesh multispecies complex, and the specifications for whiting would remain unchanged from the original 2015-2017 specifications. The market for red hake is limited, with a significant portion of the red hake stock discarded.

The proposed 2016-2017 specifications for northern red hake are less restrictive than those in the original 2015-2017 specifications, but large increases in landings or profits are not likely assuming other market conditions remain fairly constant. For 2014, landings of northern red hake were 61.7% of the proposed TAL (Table 4). Increasing the northern red hake specifications allows the fishery to benefit from a biomass increase for the northern red hake stock by avoiding unnecessary discards, as described in Section 3.0. Any impact on profit to fishing vessel owners and crew that land northern red hake from the less restrictive northern red hake specifications would likely be slightly positive. The increases in the northern red hake specifications have the potential to impact an estimated 26 business entities that are directly regulated and land northern red hake, all of whom are classified as small (Table 10).

The proposed changes in the 2016-2017 specifications for southern red hake would result in more restrictive limits on the stock's ACL and TAL than those in the original 2015-2017 specifications. More restrictive limits have been proposed because recent survey data indicated a large decline in stock biomass from historically high levels, but this decline was not due to overfishing as recent catches of southern red hake were below the OFL. The proposed reductions in southern red hake specifications are designed to reduce the risk of overfishing if southern red hake catches increase. The decreases in southern red hake specifications have the potential to impact an estimated 140 business entities, all of whom are classified as small (Table 10). However, the proposed modifications to the southern red hake specifications are not expected to alter fishing behavior or result in large reductions in red hake landings, revenues or profits, assuming other market conditions remain constant. The reduced ACL and TAL for southern red hake are not expected to be binding. Landings of southern silver hake and southern red hake in 2014 (and for any year from 2009 to 2013) were below both proposed specifications (see Table 11 below). Therefore, the short-run impact of the reduced southern red hake specifications on profitability is expected to be slightly negative to neutral.

Table 11. Landings of small-mesh multispecies stocks in fishing year 2014 compared to Total Annual Landings (TAL) limits for 2014 and the proposed 2016-2017 specifications⁸.

Stock	2014 Landings (mt)	2014 TAL (mt)	Proposed annual TAL (mt)	Percent change in annual TAL
Northern red hake	74	90.3	120	+33%
Northern silver hake	2,520	8,973	19,949	+122%
Southern red hake	603	1,336	746	-44%
Southern whiting	5,022	27,255	23,833	-13%

⁸ The silver hake and whiting specifications are not being changed by this proposed action.
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Small-Mesh Multispecies

10.0 LIST OF PREPARERS AND AGENCIES CONSULTED

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This document may be downloaded from: <http://www.nefmc.org/management-plans/small-mesh-multispecies>.

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