§54.706 Contributions.
(e) Any entity required to contribute to the federal universal service support mechanisms shall retain, for at least five years from the date of the contribution, all records that may be required to demonstrate to auditors that the contributions made were in compliance with the Commission’s universal service rules. These records shall include without limitation the following: Financial statements and supporting documentation; accounting records; historical customer records; general ledgers; and any other relevant documentation. This document retention requirement also applies to any contractor or consultant working on behalf of the contributor.

§54.713 Contributors’ failure to report or to contribute.
(a) A contributor that fails to file a Telecommunications Reporting Worksheet and subsequently is billed by the Administrator shall pay the amount for which it is billed. The Administrator may bill a contributor a separate assessment for reasonable costs incurred because of that contributor’s filing of an untruthful or inaccurate Telecommunications Reporting Worksheet, failure to file the Telecommunications Reporting Worksheet, or late payment of contributions. Failure to file the Telecommunications Reporting Worksheet or to submit required quarterly contributions may subject the contributor to the enforcement provisions of the Act and any other applicable law. The Administrator shall advise the Commission of any enforcement issues that arise and provide any suggested response. Once a contributor complies with the Telecommunications Reporting Worksheet filing requirements, the Administrator may refund any overpayments made by the contributor, less any fees, interest, or costs.
(b) If a universal service fund contributor fails to make full payment on or before the date due of the monthly amount established by the contributor’s applicable Form 499–A or Form 499–Q, or the monthly invoice provided by the Administrator, the payment is delinquent. All such delinquent amounts shall incur from the date of delinquency, and until all charges and costs are paid in full, interest at the rate equal to the U.S. prime rate (in effect on the date of the delinquency) plus 3.5 percent, as well as administrative charges of collection and/or penalties and charges permitted by the applicable law (e.g., 31 U.S.C. 3717 and implementing regulations).
(c) If a universal service fund contributor is more than 30 days delinquent in filing a Telecommunications Reporting Worksheet Form 499–A or 499–Q, the Administrator shall assess an administrative remedial collection charge equal to the greater of $100 or an amount computed using the rate of the U.S. prime rate (in effect on the date the applicable Worksheet is due) plus 3.5 percent, of the amount due per the Administrator’s calculations. In addition, the contributor is responsible for administrative charges of collection and/or penalties and charges permitted by the applicable law (e.g., 31 U.S.C. 3717 and implementing regulations). The Commission may also pursue enforcement action against delinquent contributors and late filers, and assess costs for collection activities in addition to those imposed by the Administrator.
(d) In the event a contributor fails both to file the Worksheet and to pay its contribution, interest will accrue on the greater of the amounts due, beginning with the earlier of the date of the failure to file or pay. If a universal service fund contributor pays the Administrator a sum that is less than the amount due for the contributor’s universal service contribution, the Administrator shall adhere to the “American Rule” whereby payment is applied first to outstanding penalty and administrative costs charges, next to accrued interest, and third to outstanding principal. In applying the payment to outstanding principal, the Administrator shall apply such payment to the contributor’s oldest past due amounts first.

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DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
50 CFR Part 600
[Docket No. 070607179–7509–02]
RIN 0648–AV66
Fishing Capacity Reduction Program for the Longline Catcher Processor Subsector of the Bering Sea and Aleutian Islands Non-pollock Groundfish Fishery, Industry Fee System
AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.
ACTION: Final rule.

SUMMARY: NMFS establishes regulations to implement an industry fee system for repaying a $35 million Federal loan financing a fishing capacity reduction program in the longline catcher processor subsector of the Bering Sea and Aleutian Islands (BSAI) non-pollock groundfish fishery. This action implements the fee collection system to ensure repayment of the loan.

DATES: This final rule is effective, and fee payment collection begins, on October 24, 2007.

ADDRESSES: Copies of the Environmental Assessment/Regulatory Impact Review/Final Regulatory Flexibility Analysis (EA/RIR/FRFA) prepared for the program and the FRFA for this final rule may be obtained from Leo Erwin, Chief, Financial Services Division, National Marine Fisheries Service, 1315 East-West Highway, Silver Spring, MD 20910–3282.

Comments involving the burden-hour estimates or other aspects of the collection-of-information requirements contained in this final rule should be submitted in writing to Leo Erwin, at the above address, and to David Rostker, Office of Management and Budget (OMB), by email at David_Rostker@omb.eop.gov or by fax to 202–395–7285.

FOR FURTHER INFORMATION CONTACT: Leo Erwin at 301–713 2390.

SUPPLEMENTARY INFORMATION:
I. Background
Sections 312(b)–(e) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(b) through (e)) generally authorized fishing capacity reduction programs. In particular, section 312(d) authorized industry fee systems for repaying the reduction loans which finance reduction program costs. Subpart L of 50 CFR part 600 (§§600.1000 through 600.1017) is the framework rule generally implementing sections 312(b)–(e). Subpart M of 50 CFR part 600 (§§600.1100 through 600.1105) contains specific fishery or program regulations. Sections 1111 and 1112 of the Merchant Marine Act, 1936 (46 U.S.C. 1279f and 1279g) generally authorized reduction loans.

The FY 2005 Appropriations Act (Public Law 108–447, Section 219) authorized a fishing capacity reduction program for the longline catcher processor subsector of the BSAI non-pollock groundfish fishery (reduction fishery).
NMFS published the longline catcher subsector BSAI non-pollock reduction program’s (reduction program) proposed implementation rule on August 11, 2006 (71 FR 46364) and its final rule on September 29, 2006 (71 FR 57696). Anyone interested in the reduction program’s full implementation details should refer to these two documents. NMFS proposed and adopted the reduction program’s implementation rule as § 600.1105.

The reduction program’s objectives include promoting sustainable fishery management and maximum sustained reduction of fishing capacity from the reduction fishery at the least cost. This is a voluntary program in which, in return for reduction payments, selected offerors permanently relinquished their fishing licenses, surrendered the fishing histories upon which those licenses’ issuance were based, and permanently withdrew vessels from fishing.

NMFS financed the reduction program’s $35 million cost, which post-reduction pollock groundfish longline catcher processors repay over an anticipated 30-year term but fees will continue indefinitely for as long as necessary to fully repay the loan.

The fee amount, expressed in cents per pound rounded up to the next tenth of a cent, will be based upon the annual principal and interest due on the loan and could be up to 5 percent of longline catcher processor subsector BSAI Pacific cod landings. In the event that the total principal and interest due exceeds 5 percent of the ex-vessel Pacific cod revenues, an additional fee of one penny per pound will be assessed for pollock, arrowtooth flounder, Greenland turbot, skate, yellowfin sole and rock sole.

The Freezer Longline Conservation Cooperative (FLCC) received member offers and subsequently voted to accept four offers. The FLCC submitted a fishing capacity reduction plan (reduction plan) subsequently approved by NMFS. A referendum concerning the fees necessary for repayment of the $35 million loan followed the offer and acceptance process. Approval of the industry fee system required at least two-thirds of the votes cast in the referendum to be in favor before the reduction program could be implemented and payment tendered.

NMFS mailed ballots to 39 qualified referendum voters on March 21, 2007, after approving the reduction plan. The voting period opened on March 21, 2007, and closed on April 6, 2007. NMFS received 34 timely and valid votes and approved the fees. This exceeded the two-thirds minimum required for industry fee system approval. Consequently, this referendum was successful and approved the industry fee system.

On April 26, 2007, NMFS published a Federal Register notice (72 FR 20836) advising the public that NMFS would, beginning on May 29, 2007, tender the reduction program’s reduction payments to the four selected offerors. On May 29, 2007, NMFS required the selected offerors to permanently stop all fishing with the reduction vessels and permits. Subsequently, NMFS:

1. Disbursed $35,000,000 in reduction payments to the four selected offerors;
2. Revoked the relinquished reduction licenses;
3. Revoked each reduction vessel’s fishing history;
4. Notified the National Vessel Documentation Center to revoke the reduction vessels’ fishery trade endorsements and appropriately annotate the reduction vessel’s document; and
5. Notified the U.S. Maritime Administration to prohibit the reduction vessel’s transfer to foreign ownership or registry.

Selected offerors participating in the reduction program have received $35 million in exchange for relinquishing valid non-interim Federal License Limitation Program BSAI groundfish licenses endorsed for catcher processor fishing activity, catcher/processor, Pacific cod, and hook and line gear, as well as any present or future claims of eligibility for any fishing privilege based on such permit, and additionally, any future fishing privileges for the vessel named on the permit. Individual fishing quota shares are excluded from relinquishment.

On July 20, 2007, NMFS published proposed regulations in the Federal Register (72 FR 39779) to implement the program’s industry fee system.

II. Final Fee Regulations

NMFS has completed the reduction program except for implementing the industry fee system. This final rule implements the industry fee system. The final rule will be effective, and fee payment and collection will begin on October 24, 2007.

The fee amount will be calculated on an annual basis as: the principal and interest payment amount due over the proceeding twelve months, divided by the reduction fishery portion of the BSAI Pacific cod initial total allowable catch (ITAC) allocation in metric tons multiplied by 2,205 to convert into pounds, provided that the fees should not exceed 5 percent of the average ex-vessel production value of the reduction fishery.

The terms defined in § 600.1105 of the reduction program’s implementation rule and in § 600.1000 of the framework rule apply to this action. The framework rule’s § 600.1013 governs fee payment and collection in general, and this action applies the § 600.1013 provisions to the reduction program.

Under § 600.1013, the first ex-vessel buyers (fish buyers) of post-reduction fish (fee fish) subject to an industry fee system must withhold the fee from the trip proceeds which the fish buyers would otherwise have paid to the parties (fish sellers) who harvested and first sold the fee fish to the fish buyers. For the purpose of the fee collection, deposit, disbursement, and accounting requirements of this subpart, subsector members are deemed to be both the fish buyer and fish seller. In this case, all requirements and penalties of § 600.1013 that are applicable to both a fish seller and a fish buyer shall equally apply to parties performing both functions.

The BSAI Pacific cod ITAC was chosen as the basis for fee calculation of the reduction program because Pacific cod is the only directed fishery with a total allowable catch set in advance of the fishing season. This methodology allows for a straightforward calculation of the fee due and simplifies future accounting. The fee will be assessed and collected on Pacific cod to the extent possible and if the amount is not sufficient to cover annual principal and interest due, additional fees will be assessed and collected. Fees will be assessed and collected on all harvested Pacific cod, including that used for bait or discarded. Although the fee could be up to 5 percent of the ex-vessel production value of all post-reduction longline catcher processor subsector non-pollock groundfish landings, the fee will be less than 5 percent if NMFS projects that a lesser rate can amortize the fishery’s reduction loan over the reduction loan’s 30-year term.

If the total principal and interest due exceeds 5 percent of the ex-vessel Pacific cod revenues, a penny per pound round weight fee will be calculated based on the latest available revenue records and NMFS conversion factors for pollock, arrowtooth flounder, Greenland turbot, skate, yellowfin sole and rock sole. Any additional fees will be limited to the amount necessary to amortize the remaining twelve months principal and interest in addition to the 5 percent fee assessed against Pacific cod. If collections exceed the total principal and interest due, the principal balance of the loan will be reduced.
To verify that the fees collected do not exceed 5 percent of the reduction fishery revenues, the annual total of principal and interest due will be compared with the latest available annual reduction fishery revenues to ensure it is equal to or less than 5 percent of the total ex-vessel production. 

Subsector members who do not have access to the Internet or who simply do not wish to use the Pay.gov electronic system, must disburse collected fee deposits to NMFS by sending a check to our Lockbox at: NOAA Fisheries Longline Catcher Processor Non-pollock Buyback P O Box 979028 St. Louis, MO 63197—9000

Subsector members must not forget to include with their disbursements the fee collection report applicable to each disbursement. Subsector members using Pay.gov will find an electronic fee collection report form to accompany electronic disbursements. Subsector members who do not use Pay.gov must include a hard copy fee collection report with each of their disbursements.

Subsector members not using Pay.gov may also access the NMFS website for a PDF version of the fee collection report at: http://www.nmfs.noaa.gov/mb/financial_services/buyback.htm.

NMFS will, before the fee’s effective date, separately mail a copy of this rule, along with detailed fee payment, collection, deposit, disbursement, recording, and reporting information and guidance, to each fish seller and fish buyer of whom NMFS has notice. The fact that any fish seller or fish buyer might not, however, receive from NMFS a copy of the notice or of the information and guidance does not relieve the fish seller or fish buyer from his fee obligations under the applicable regulations.

All parties interested in this action should carefully read the following framework rule sections, whose detailed provisions apply to the fee system for repaying the reduction program’s loan:

- § 600.1012
- § 600.1013
- § 600.1014
- § 600.1015
- § 600.1016; and
- § 600.1017

NMFS, in accordance with the framework rule’s § 600.1013(d), establishes the initial fee for the program’s reduction fishery as 2.0 cents per pound. NMFS will then separately mail notification to each affected fish seller and fish buyer of whom NMFS has notice.

Please see the framework rule’s § 600.1000 for the definition of “delivery value” and of the other terms relevant to this proposed rule. Each disbursement of the reduction loan’s $35,000,000 principal amount began accruing interest as of the date of each such disbursement. The loan’s interest rate is the applicable rate, plus 2 percent, which the U.S. Treasury determines at the end of fiscal year 2007.

III. Summary of Comments and Responses

NMFS received one comment in response to the proposed fee regulations. The commenter wants to ban all longline fishing entirely, which is not in the scope of this action. This rule implements an industry fee system to repay the reduction program’s $35 million loan.

IV. Classification

The Assistant Administrator for Fisheries, NMFS, determined that this final rule is consistent with the Magnuson-Stevens Fishery Conservation and Management Act, Consolidated Appropriations Act of 2005, and other applicable laws.

In compliance with the National Environmental Policy Act, NMFS prepared an EA for the reduction program’s final implementing rule (September 29, 2006; 71 FR 57696). The EA discusses the impact of this final rule on the natural and human environment and integrates an RIR and a FRFA. The EA resulted in a finding of no significant impact. The EA considered, among other alternatives, the implementation of the fee payment and collection in this action. NMFS will send the EA, RIR, and FRFA to anyone who requests a copy (see ADDRESSES).

NMFS prepared a Final Regulatory Flexibility Analysis (FRFA), as required by section 603 of the Regulatory Flexibility Act (RFA), to describe the economic impacts this rule would have on small entities. This final rule does not duplicate or conflict with other Federal regulations.

FRFA Analysis

The Small Business Administration has defined small entities as all fish harvesting businesses that are independently owned and operated, not dominant in its field of operation, and with annual receipts of $4 million or less. In addition, processors with 500 or fewer employees for related industries involved in canned or cured fish and seafood, or preparing fresh fish and seafood, are also considered small entities. Small entities within the scope of this final rule include individual U.S. vessels and dealers. There are no disproportionate impacts between large and small entities.

Description of the Number of Small Entities

The FRFA uses the most recent year of data available to conduct the analysis (2003). Most firms operating in the
reduction fishery have annual gross revenues of less than $4 million. The FRFA analysis estimates that 24 of the remaining 36 active longline catcher processor vessels (i.e., 36 vessels constitute the post-reduction longline subsector) that participated in 2003 are considered small entities. The remaining 10 vessels are not considered small entities for purposes of the RFA. There is one additional fisherman with a permit but no vessel remaining in the longline subsector. The vessels that might be considered large entities were either affiliated under owners of multiple vessels or were catcher processors. However, little is known about the ownership structure of the vessels in the fleet, so it is possible that the FRFA overestimates the number of small entities. Because the final reduction program rule has not resulted in changes to allocation percentages and participation is voluntary, net effects are expected to be minimal relative to the status quo.

The economic impact to communities where non-pollock groundfish are landed and processed would be minimal because the harvest quotas and allocations would not be altered. Fewer vessels in the catcher processor fleet may mean that fewer on-shore fleet support services would be required in Seattle and in Dutch Harbor. The communities would see little change because total landings of non-pollock groundfish would remain at current levels. Some beneficial impacts may occur because this program has provided $35 million to successful offerors. Much of this could be reinvested in the various communities which serve as home ports to the vessels and a portion would be recovered through income taxes. Crew employment opportunities will be reduced when vessels were removed from the fishery. However, those vessels remaining in the fishery will likely experience increased fishing opportunities and higher per capita incomes. The final rule’s impact will be positive for both those whose offers NMFS has accepted, the selected offerors who received payments to stop fishing, and for post-reduction catcher processors whose landing fees repay the reduction loan. The owners whose offers NMFS accepted have relinquished their fishing licenses, reduction privilege vessels where appropriate, and fishing histories in exchange for payment. These payments ranged from $1.5 million for an inactive license that was not attached to a vessel, up to $11.8 million for the removal of both an active license and vessel from the fishery.

Those owners remaining in the fishery after the reduction program will incur additional fees of up to 5 percent of the ex-vessel production value of post-reduction landings. However, the additional costs could be mitigated by increased harvest opportunities by post-reduction fishermen. This is because removal of the vessels from the fishery creates immediate benefits to the longline catcher processor subsector by reducing competition pressure for each of the remaining vessels to catch fish. In theory, each of the vessels retaining their fishing licenses will be able to harvest more fish. This will likely result in net benefits to the subsector members who have voluntarily assumed the additional fees necessary to repay the reduction loan.

For example, even though each vessel could, on average, pay approximately $77,440 in fees, the net increase per vessel, on average, could be approximately $302,560 more than they would have been able to make before the reduction program’s implementation due to the increased opportunity to harvest the TAC. This rule affects neither authorized BSAI Pacific cod ITAC and other non-pollock groundfish harvest levels or harvesting practices.

NMFS rejected the no action alternative considered in the EA for the final rule implementing the reduction program because NMFS would not be in compliance with the mandate of Section 219 of the Act to establish a reduction program. In addition, the longline catcher processor subsector of the non-pollock groundfish fishery would remain overcapitalized. Although too many vessels compete to catch the current subsector ITAC allocation, fishermen remain in the fishery because they have no other means to recover their significant capital investment. Overcapitalization reduces the potential net value that could be derived from the non-pollock groundfish resource, by dissipating rents, driving variable operating costs up, and imposing economic externalities. At the same time, excess capacity and effort diminish the effectiveness of current management measures (e.g., landing limits and seasons, bycatch reduction measures). Overcapitalization has diminished the economic viability of members of the fleet and increased the economic and social burden on fishery dependent communities.

It has been determined that this final rule is not significant for purposes of Executive Order 12866. This final rule contains collection-of-information requirements subject to the Paperwork Reduction Act. OMB has approved these information collections under OMB Control Number 0648-AU42. NMFS estimates that the public reporting burden for these requirements will average two hours for submitting a monthly fee collection report and four hours for submitting an annual fish buyer report.

These response estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the information collection. Send comments regarding this burden estimate, or any other aspect of this data collection, including suggestions for reducing the burden, to both NMFS and OMB (see ADDRESSES).

Notwithstanding any other provision of the Act, no person is required to respond to, and no person is subject to a penalty for failure to comply with, any information collection subject to the Paperwork Reduction Act unless that information collection displays a currently valid OMB control number.

List of Subjects in 50 CFR Part 600

Fisheries, Fishing capacity reduction, Fishing permits, Fishing vessels, Intergovernmental relations, Loan programs business, Reporting and recordkeeping requirements.


Samuel D. Rauch III

Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service.

For the reasons stated in the preamble, the National Marine Fisheries Service amends 50 CFR part 600 as follows:

PART 600—MAGNUSON-STEVENS ACT PROVISIONS

1. The authority citation for part 600 continues to read as follows:


2. Section 600.1106 is added to subpart M to read as follows:

§ 600.1106 Longline catcher processor subsector Bering Sea and Aleutian Islands (BSAI) non-pollock groundfish species fee payment and collection system.

(a) Purpose. As authorized by Public Law 108-447, this section’s purpose is:

(1) In accordance with § 600.1012, establish:

(i) The borrower’s obligation to repay a reduction loan, and

(ii) The loan’s principal amount, interest rate, and repayment term; and

(2) In accordance with §§ 600.1013 through 600.1016, implement an...
DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

[Docket No. 0612243157–7522–05; I.D. 1120068]

RIN 0648–AT87

Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Reef Fish Fishery of the Gulf of Mexico; Extension of Effective Date of Gulf Red Snapper Management Measures

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Temporary rule; interim measures.

SUMMARY: NMFS issues this temporary rule to amend, extend the effective date of, and, in accordance with § 600.1012, repay the reduction loan; implement measures to reduce overfishing of red snapper in Federal waters of the Gulf of Mexico implemented by a temporary rule published by NMFS on April 2, 2007. This temporary rule amends the regulations to provide an option for a special procedure for the initial calculation of Gulf of Mexico red snapper 2008 individual fishing quota allocations. The intended effect is to reduce overfishing of red snapper in the Gulf of Mexico.

DATES: This rule is effective September 30, 2007, through March 28, 2008.

ADDRESSES: Copies of the final environmental impact statement (FEIS) and Record of Decision (ROD) prepared for the April 2, 2007 interim final rule (72 FR 15617) are available from Peter Hood, telephone: 727–551–5784, fax: 727–824–5308, e-mail: peter.hood@noaa.gov.

SUPPLEMENTAL INFORMATION: The red snapper fishery of the Gulf of Mexico is managed under the Fishery Management Plan (FMP) for the Reef Fish Resources of the Gulf of Mexico, and the shrimp fishery is managed under the FMP for the Shrimp Fishery of the Gulf of Mexico. The FMPs were prepared by the Gulf of Mexico Fishery Management Council (Council) and are implemented under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) by regulations at 50 CFR part 622.

NMFS issued an interim rule (72 FR 15617, April 2, 2007) under section 305(c) of the Magnuson-Stevens Act, to reduce fishing mortality on red snapper by reducing harvest and bycatch levels. Specifically, the rule: (1) reduces red snapper total allowable catch (TAC) from 9.12 million lb (4.14 million kg) to 6.5 million lb (2.9 million kg), whole weight, resulting in a commercial quota of 3.315 million lb (1.504 million kg) and a recreational quota of 3.165 million lb (1.445 million kg); (2) reduces the commercial minimum size limit for red snapper from 15 inches (38 cm) to 13 inches (33 cm) total length (TL); (3) reduces the daily recreational bag limit from four fish to two fish per person and prohibits the captain and crew of for-hire vessels (charter vessels and headboats) from retaining the recreational bag limit; and (4) establishes a goal to reduce red snapper bycatch mortality in the shrimp fishery to 50 percent of the bycatch mortality that occurred during 2001–2003. These measures remain necessary to address overfishing of the red snapper resource. Under section 305(c)(3)(B) of the Magnuson-Stevens Act, NMFS may extend the effectivity of an interim rule for one additional period of not more than 186 days, provided the public has had an opportunity to comment on the interim rule and the Council is actively preparing proposed regulations to address the overfishing on a permanent basis. NMFS solicited public comments on the interim proposed rule (71 FR 75220, December 14, 2006) and received numerous comments. These comments were summarized and NMFS’s responses were provided in the interim final rule (72 FR 15617, April 2, 2007). The Council has prepared joint Amendment 27/14 to the reef fish and shrimp fishery management plans in the Gulf of Mexico (Amendment 27/14). This amendment includes additional measures to end overfishing and to rebuild the red snapper stock. The expiration date of the interim rule is being extended so that NMFS may continue to address overfishing of red snapper while considering the implementation of more permanent measures recommended by the Council in Amendment 27/14. Failure to extend the effectiveness of the initial interim rule would result in overfishing of Gulf red snapper and would jeopardize the red snapper rebuilding plan.

Additional details concerning the basis for these changes to the red snapper management measures and discussion of the ongoing efforts of the Council and NMFS to evaluate and implement measures to rebuild the red snapper stock consistent with the