

# Rules and Regulations

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## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

#### 15 CFR Part 902

#### 50 CFR Part 680

[Docket No. 070718364-8478-03]

RIN 0648-AV19

### Fisheries of the Exclusive Economic Zone Off Alaska; Bering Sea and Aleutian Islands Crab Rationalization Program

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

**ACTION:** Final rule.

**SUMMARY:** NMFS issues final regulations implementing Amendment 25 to the Fishery Management Plan for Bering Sea/Aleutian Islands King and Tanner Crabs (FMP) and a provision of the Coast Guard and Maritime Transportation Act of 2006 (Coast Guard Act) to amend the Crab Rationalization Program. Amendment 25 to the FMP satisfies the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006 requirement for the Secretary of Commerce to amend the FMP to authorize conversion of catcher vessel owner quota shares and processor quota shares to newly created converted catcher processor owner quota shares. The Secretary approved Amendment 25 on April 12, 2007. The Coast Guard Act mandates that the Secretary issue processing quota shares to Blue Dutch, LLC, under specific conditions. This action is necessary to implement Amendment 25 and the Coast Guard Act. This action is intended to promote the goals and objectives of the Magnuson-Stevens Fishery

Conservation and Management Act, the Coast Guard Act, the FMP, and other applicable law.

**DATES:** Effective June 23, 2008.

**ADDRESSES:** Copies of Amendment 25 and the Regulatory Impact Review (RIR) for this action may be obtained from the NMFS Alaska Region, P. O. Box 21668, Juneau, AK 99802 or from the Alaska Region website at <http://www.fakr.noaa.gov>.

Written comments regarding the burden-hour estimates or other aspects of the collection-of-information requirements contained in this final rule may be submitted to NMFS at the above address and by e-mail to [David\\_Rostker@omb.eop.gov](mailto:David_Rostker@omb.eop.gov), or fax to 202-395-7285.

**FOR FURTHER INFORMATION CONTACT:** Glenn Merrill, 907-586-7228, or Gretchen Harrington, 907-586-7228.

**SUPPLEMENTARY INFORMATION:** The king and Tanner crab fisheries in the exclusive economic zone of the Bering Sea/Aleutian Islands (BSAI) are managed under the FMP. The FMP was prepared by the North Pacific Fishery Management Council (Council) under the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act).

### Crab Rationalization Program (Program)

The Consolidated Appropriations Act of 2004 (Pub. L. 108-199, section 801) amended the Magnuson-Stevens Act to mandate that the Secretary of Commerce implement the Program as recommended by the Council. On March 2, 2005, NMFS published a final rule to implement the Program (70 FR 10174).

To implement the Program, NMFS initially issued processing quota shares (PQS), catcher vessel owner quota shares (CVO QS), and catcher processor owner quota shares (CPO QS) to eligible applicants. NMFS issued PQS and QS for nine crab fisheries in the BSAI. In 2006, NMFS initially issued Bristol Bay red king crab (*Paralithodes camtschaticus*) and snow crab (*Chionoecetes opilio*) PQS to the Blue Dutch, LLC, under the requirements of section 417 of the Coast Guard Act.

CVO QS represents an exclusive but revocable privilege that authorizes the holder to receive an annual allocation to harvest a specific percentage of the total allowable catch (TAC) from a fishery.

The annual allocations of TACs, in pounds, are referred to as individual fishing quotas (IFQs).

PQS represents an exclusive but revocable privilege to receive deliveries of a specific portion of the annual TAC from a fishery. An annual allocation of PQS is referred to as individual processing quotas (IPQs) and is expressed in pounds of crab. Harvesters holding CVO IFQ must deliver a portion of their IFQ to processors with the same amount of IPQ available.

For most crab fisheries, CVO QS and PQS are designated for specific geographic regions. Crab harvested with regionally designated CVO QS is required to be delivered to a processor in the designated region. Likewise, a processor with regionally designated PQS is required to accept delivery of and process crab in the designated region. Two regional designations were created for the snow crab and Bristol Bay red king crab fisheries. The North Region consists of all areas in the Bering Sea north of 56°20' N. latitude. The South Region is all other areas. The regional designation of CVO QS and PQS preserves the historic geographic distribution of landings in the fisheries.

CPO QS represents an exclusive but revocable privilege to harvest a percentage of the TAC and process that crab onboard. Under the Program, CPO QS does not have regional designations and is not required to be delivered to a processor holding available IPQ.

### Coast Guard Act

Section 417 of the Coast Guard Act (Pub. L. 109-241) contains a provision mandating the Secretary of Commerce to issue PQS for the Bristol Bay red king crab and the Bering Sea snow crab fisheries to Blue Dutch, LLC, under two specific conditions.

First, NMFS must issue Blue Dutch PQS equal to 0.75 percent of the total number of PQS units. NMFS issued an initial administrative determination on July 31, 2006, to issue Blue Dutch 3,015,229 units of Bristol Bay red king crab PQS and 7,516,253 units of snow crab PQS. NMFS assigned a regional designation to the PQS units issued to Blue Dutch according to the procedures established in the regulations at 50 CFR 680.40(b)(2)(iv).

Second, NMFS must issue IPQ for that PQS whenever the TAC for that fishery is more than 2 percent higher than the most recent TAC in effect for that

fishery prior to September 15, 2005. Accordingly, NMFS determined that it will issue Bristol Bay red king crab IPQ to Blue Dutch when the TAC for that fishery is greater than 15,732,480 lb (7,136.1 mt). NMFS will issue snow crab IPQ to Blue Dutch when the TAC for that fishery is greater than 21,350,640 lb (9,684.5 mt).

This final rule specifies in regulations the statutory thresholds for annually issuing IPQ to Blue Dutch and prohibits the transfer of the PQS units issued under the provisions of the Coast Guard Act.

#### Amendment 25

Section 122(a) of the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006 (MSRA, Pub. L. 109-479) requires the Secretary of Commerce, not later than 90 days after the date of enactment of that act, to amend the FMP to modify the Program to authorize conversion of North CVO QS and North PQS to newly created converted CPO QS.

Amendment 25 to the FMP complies with MSRA by amending the FMP to include the statutory language from section 122(a) that authorizes an eligible entity and its affiliates to combine North PQS and North CVO QS and exchange these shares for newly created converted CPO QS.

NMFS published the notice of availability for Amendment 25 on February 5, 2007 (72 FR 5255), with a public comment period that closed on April 6, 2007. NMFS received one public comment on Amendment 25. The Secretary of Commerce approved Amendment 25 on April 12, 2007. NMFS published the proposed rule for this action on February 15, 2008 (73 FR 8838), with a public comment period that closed on March 17, 2008. NMFS received no public comments on the proposed rule.

To implement Amendment 25, this final rule authorizes two types of quota share conversions and defines the entities eligible to make those conversions.

First, an eligible entity holding PQS, along with its affiliates, can combine its North CVO QS for Bristol Bay red king crab or snow crab with its North PQS for that fishery and exchange these shares for converted CPO QS on an annual basis. Entities can do this under the following two conditions: (1) If NMFS initially issued the entity both CPO QS and PQS under the Program, and that PQS, in combination with the PQS of its affiliates, is less than 7 percent of the total PQS pool for that year; or (2) if NMFS initially issued the entity CPO QS under the Program and PQS under

the Coast Guard Act. An eligible entity would be limited to converting only the PQS that it, along with its affiliates, was initially issued by NMFS.

Second, an eligible entity holding CVO QS, along with its affiliates, can combine its North PQS for Bristol Bay red king crab or snow crab with its North CVO QS for that fishery and exchange these shares for converted CPO QS on an annual basis. The only entity that can do this would be an entity to which NMFS initially issued CPO QS and PQS under the Program, and that PQS, in combination with the PQS of its affiliates, is more than 7 percent of the total PQS pool for that year. This eligible entity is limited to converting only the CVO QS that it, along with its affiliates, was initially issued by NMFS.

According to the NMFS Official Record, three individual entities are eligible for these new provisions. Yardarm Knot, Inc., and Blue Dutch, LLC, would be eligible for the first type of conversion. Trident Seafoods, Inc., would be eligible for the second type of conversion. These entities may elect on an annual basis whether to receive converted CPO QS and the amount of North CVO QS and North PQS they wish to convert by completing the annual application for converted CPO QS/IFQ permit and submitting that application along with the annual application for crab IFQ/IPQ permit. NMFS must receive the applications by August 1 for that crab fishing year.

Entities applying for a converted CPO QS permit and resulting CPO IFQ will be required to provide information on any person who is affiliated, as the term "affiliation" is defined at § 680.2, to that entity and indicate the amount of PQS and CVO QS in either the Bristol Bay red king crab or snow crab QS fishery with a North Region designation for issuance as converted CPO QS. The MSRA does not specifically define which fisheries are subject to this provision. However, under this final rule, converted CPO QS will be created for only the snow crab and Bristol Bay red king crab fisheries because these were the only fisheries for which the eligible entities were initially issued North PQS and North CVO QS.

The final rule specifies a number of provisions for converted CPO QS/IFQ to conform with section 122(a) of the MSRA and the Program's implementing regulations. Converted CPO QS and the resulting CPO IFQ would not be transferable. This restriction on transfers is consistent with the MSRA eligibility standards for which entities are eligible to receive converted CPO QS. However, the final rule provides that CPO IFQ

derived from converted CPO QS may be issued to a cooperative.

The final rule specifies that (1) eligible entities would receive one unit of North CPO QS in exchange for one unit of North CVO QS and 0.9 units of North PQS and (2) the amount of IFQ derived from the converted CPO QS issued to each entity could not exceed one million pounds per fishery during any calendar year.

Additionally, the final rule would implement the area of validity described in section 122(a)(4) of the MSRA by requiring that any crab harvested under a CPO IFQ permit derived from converted CPO QS must be offloaded in the North Region.

Converting PQS and CVO QS to converted CPO QS will allow entities to harvest and process crab onboard a catcher processor. Conversion may reduce each eligible entity's operating costs associated with purchasing crab, processing crab on land or at a stationary floating crab processor, and complying with the Program's arbitration system. NMFS can not predict the amount of converted CPO QS that would be annually issued because the participants annually elect to exercise this provision and need not request conversion of all CVO QS and PQS held.

Sections 122(b) and (c) of the MSRA include additional requirements for fees and off-loading for converted CPO QS; however, the statute does not require the Secretary of Commerce to implement these requirements and therefore they are not part of Amendment 25 and will not be implemented by Federal rulemaking. Section 122(b) of the MSRA requires the holder of converted CPO QS to pay a fee of five percent of the ex-vessel value of the crab harvested with those shares to any local governmental entities in the North Region, if the PQS used to produce the converted CPO QS was originally derived from the processing activities that occurred in a community under the jurisdiction of those local governmental entities. Section 122(c) of the MSRA allows the State of Alaska to collect from the holder of the converted CPO QS a fee of one percent of the ex-vessel value of the crab harvested with those shares. Additionally, section 122(c) of the MSRA specifies that crab harvested with converted CPO QS shall be off-loaded in those communities receiving the local governmental entity's fee revenue.

Section 122(d) of the MSRA also provides that, as part of its periodic review of the Program, the North Pacific Fishery Management Council may review the effects on communities in

the North Region of allowing the conversion to CPO QS. Under this section, if the Council determines that Amendment 25 adversely affects the communities, the Council may recommend to the Secretary of Commerce, and the Secretary may approve, changes to the Program necessary to mitigate those adverse effects. The MSRA does not require the Secretary of Commerce to implement this requirement and therefore it is not part of Amendment 25 and will not be implemented by Federal rulemaking.

Section 122(e) of the MSRA requires an additional FMP amendment and rulemaking to modify the use caps for processing North Region snow crab. Under this section, custom processing arrangements do not count against any use cap for the processing of snow crab in the North Region by a shore-based crab processor. NMFS issued an enforcement policy on January 19, 2007, that provides guidance to the industry on NMFS' enforcement and interpretation of this section, which is effective until superseded by future rulemaking. At its December meeting, the Council adopted Amendment 27 to the FMP that would implement this MSRA provision. NMFS intends to publish a proposed rule for Amendment 27 in the spring of 2008.

#### Changes from the Proposed Rule

NMFS made a few changes to the proposed regulatory text in this final rule to clarify regulatory language or correct minor mistakes in the proposed rule.

NMFS modified the regulations describing the information that is required to be submitted in the annual application for a converted CPO QS/IFQ permit. These changes provide additional clarity to the public and do not substantively modify the information that is required to be submitted. First, NMFS modified regulations in § 680.4(n)(2)(iii)(B) to clarify the phrase "that person" referred to in this paragraph refers to "the affiliate" of either Entity A or B. This change provides clarity to the affiliate of Entity A or B in the application. Second, NMFS modified regulations in § 680.4(n)(2)(iv)(C) to clarify that in the annual application for converted CPO QS/IFQ permit the amount of CVO QS that may be designated for conversion to CPO QS must have been initially issued to the affiliate of Entity C. This change is consistent with regulations in § 680.40(c)(5)(vi)(C) and section 122(a) of the MSRA that clearly limit the amount of CVO QS that may be assigned for conversion to CPO QS to the amount of CVO QS initially issued to Entity C

and any affiliates of Entity C. This change provides clarity to the affiliate of Entity C in the application. Third, NMFS modified regulations in § 680.4(n)(2)(iv)(C) to clarify the phrase "that person" referred to in this paragraph refers to "the affiliate" of Entity C. This change provides clarity to the affiliate of Entity C in the application. Other minor editorial changes were made throughout the rule that NMFS determine have no substantive effect.

#### Classification

The Acting Administrator, Alaska Region, NMFS, determined that the FMP Amendment 25 is necessary for the conservation and management of the BSAI crab fisheries and that it is consistent with the Magnuson-Stevens Fishery Conservation and Management Act and other applicable laws.

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

An Environmental Impact Statement/Regulatory Impact Review/Initial Regulatory Flexibility Analysis/Social Impact Assessment was prepared for the Program that describes the management background, the purpose and need for the Program, the management alternatives, and the environmental, social, and economic impacts (see ADDRESSES). With this final rule, NMFS is continuing to implement the Program.

The Chief Counsel for Regulation of the Department of Commerce certified to the Chief Counsel for Advocacy of the Small Business Administration during the proposed rule stage that this action would not have a significant economic impact on a substantial number of small entities. The factual basis for the certification was published in the proposed rule and is not repeated here. No comments were received regarding this certification. As a result, a regulatory flexibility analysis was not required and none was prepared.

A Regulatory Impact Review was prepared to assess all costs and benefits of available regulatory alternatives. The Regulatory Impact Review describes the potential size, distribution, and magnitude of the economic impacts that this action may be expected to have. Copies of the RIR prepared for this rule are available from NMFS (see ADDRESSES).

#### Small Entity Compliance Guide

NMFS has posted a small entity compliance guide on the Internet at <http://www.fakr.noaa.gov/sustainablefisheries/crab/crfaq.htm> to satisfy the Small Business Regulatory Enforcement Fairness Act of 1996,

which requires a plain language guide to assist small entities in complying with this rule. Contact NMFS to request a hard copy of the guide (see ADDRESSES).

#### Collection-of-Information

This final rule contains a collection-of-information requirement subject to the Paperwork Reduction Act (PRA) and which has been approved by OMB under Control Number 0648-0576. Public reporting burden for annual application for converted CPO QS and CPO IFQ permit is estimated to average 30 minutes or 0.5 hours per individual response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this data collection, including suggestions for reducing the burden, to NMFS (see ADDRESSES) and by e-mail to [David\\_Rostker@omb.eop.gov](mailto:David_Rostker@omb.eop.gov), or fax to 202-395-7285.

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

#### List of Subjects

##### 15 CFR Part 902

Recordkeeping and reporting requirements.

##### 50 CFR Part 680

Alaska, Fisheries, Recordkeeping and reporting requirements.

Dated: May 16 2008.

#### Samuel D. Rauch III

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

■ For the reasons set out in the preamble, NMFS amends 15 CFR part 902 and 50 CFR part 680 as follows:

#### TITLE 15—[AMENDED]

#### CHAPTER IX

#### PART 902—NOAA INFORMATION COLLECTION REQUIREMENTS UNDER THE PAPERWORK REDUCTION ACT: OMB CONTROL NUMBERS

■ 1. The authority citation for part 902 continues to read as follows:

Authority: 44 U.S.C. 3501 *et seq.*

■ 2. In § 902.1, the table in paragraph (b) under the entry "50 CFR":

- a. Remove the entry for “680.4”; and
- b. Add new entries for “680.4(a), (b)(2), and (c) through (m)”, “680.4(b)(1)”, and “680.4(b)(3) and (n)” in alphanumeric order to read as follows:

**§ 902.1 OMB control numbers assigned pursuant to the Paperwork Reduction Act.**

\* \* \* \* \*

CFR part or section where the information collection requirement is located	Current OMB control number (all numbers begin with 0648-)
*****	
50 CFR	
*****	
680.4(a), (b)(2), and (c) through (m)	-0514
680.4(b)(1)	-0514, -0576
680.4(b)(3) and (n)	-0576
*****	

**TITLE 50—[AMENDED]**

**CHAPTER VI**

**PART 680—SHELLFISH FISHERIES OF THE EXCLUSIVE ECONOMIC ZONE OFF ALASKA**

- 3. The authority citation for 50 CFR part 680 is revised to read as follows:

**Authority:** 16 U.S.C. 1862; Pub. L. 109–241; Pub. L. 109–479.

- 4. In § 680.2, add the definition of “Converted CPO QS” in alphabetical order to read as follows:

**§ 680.2 Definitions.**

\* \* \* \* \*

*Converted CPO QS* means CPO QS for the BBR and BSS crab QS fisheries that is issued to the entities defined in § 680.40(c)(5)(ii), (c)(5)(iii), or (c)(5)(iv) based on the procedures established in § 680.40(c)(5).

\* \* \* \* \*

- 5. In § 680.4, revise paragraph (b)(1) and add paragraphs (b)(3) and (n) to read as follows:

**§ 680.4 Permits.**

\* \* \* \* \*

(b) \* \* \*

(1) Crab QS is issued by the Regional Administrator to persons who qualify for an initial allocation under § 680.40 or receive QS by transfer under § 680.41. Once issued, a crab QS permit is valid until modified under paragraph (b)(2) or (b)(3) of this section, or by transfer

under § 680.41; or until the permit is revoked, suspended, or modified pursuant to § 679.43 of this chapter or under 15 CFR part 904. To qualify for a crab QS permit, the applicant must be a U.S. citizen.

\* \* \* \* \*

(3) A converted CPO QS permit is valid until the end of the crab fishing year for which the permit is issued.

\* \* \* \* \*

(n) *Contents of annual application for converted CPO QS/IFQ permit.* (1)(i) A complete application must be received by NMFS no later than August 1 of the crab fishing year for which a person or crab harvesting cooperative is applying to receive converted CPO QS and the IFQ derived from that converted CPO QS. If a complete application is not received by NMFS by this date, that person or crab harvesting cooperative will not receive converted CPO QS and the IFQ derived from that converted CPO QS for that crab fishing year.

(ii) To receive converted CPO QS/IFQ this application must be accompanied by a timely and complete application for crab IFQ/IPQ described at paragraph (f) of this section or a timely and complete application for a crab harvesting cooperative IFQ permit described at paragraph (m) of this section.

(2) For the application to be considered complete, all fees required by NMFS must be paid, and any EDR required under § 680.6 must be submitted to the DCA. In addition, the applicant must include the following information (see paragraphs (n)(2)(i) through (v) of this section):

(i) *Entity identification.* Indicate the entity (Entity A, B, or C) described in § 680.40(c)(5)(ii) through (c)(5)(iv) for which you are applying to receive converted CPO QS.

(ii) *Applicant information.* Enter applicant’s name and NMFS Person ID; applicant’s permanent business mailing address and any temporary mailing address the applicant wishes to use; and applicant’s business telephone number, facsimile number, and e-mail address.

(A) For Entity A or B:

(1) Identify the amount of CVO QS in either the BBR or BSS crab QS fishery with a North Region designation for issuance as converted CPO QS; and

(2) Identify the amount of PQS in either the BBR or BSS crab QS fishery initially issued to you by NMFS with a North Region designation for issuance as converted CPO QS.

(B) For Entity C:

(1) Identify the amount of CVO QS in either the BBR or BSS crab QS fishery initially issued to you by NMFS with a North Region designation for issuance as converted CPO QS; and

(2) Identify the amount of PQS in either the BBR or BSS crab QS fishery with a North Region designation for issuance as converted CPO QS.

(iii) *Affiliate information for Entities A and B.* (A) For Entities A and B described in § 680.40(c)(5)(ii) and (c)(5)(iii), indicate the permanent business mailing address and any temporary mailing address, business telephone number, facsimile number, and e-mail address of any person who is affiliated with you based on information provided in an annual application for IFQ/IPQ that is approved by the Regional Administrator for that crab fishing year

(B) Indicate the amount of PQS in either the BBR or BSS crab QS fishery initially issued to that person with a North Region designation for issuance as converted CPO QS.

(C) Indicate the amount of CVO QS in either the BBR or BSS crab QS fishery with a North Region designation held by the affiliate for issuance as converted CPO QS.

(iv) *Affiliate information for Entity C.*

(A) For Entity C described in § 680.40(c)(5)(iv), indicate the permanent business mailing address and any temporary mailing address, business telephone number, facsimile number, and e-mail address of any person who is affiliated with you based on information provided in an annual application for IFQ/IPQ that is approved by the Regional Administrator for that crab fishing year.

(B) Indicate the amount of PQS in either the BBR or BSS crab QS fishery with a North Region designation for issuance as converted CPO QS.

(C) Indicate the amount of CVO QS in either the BBR or BSS crab QS fishery initially issued to the affiliate with a North Region designation for issuance as converted CPO QS.

(v) *Certification of applicant and affiliates.* The applicant and any persons who are affiliated with the applicant and named on the application must sign and date the application certifying that all information is true, correct, and complete to the best of his/her knowledge and belief. If the application is completed by an authorized representative, proof of authorization must accompany the application.

- 6. In § 680.7, add paragraph (c)(6) to read as follows:

**§ 680.7 Prohibitions.**

\* \* \* \* \*

(c) \* \* \*

(6) For any person who is not an entity defined in § 680.40(c)(5)(ii), (c)(5)(iii), or (c)(5)(iv) to:

(i) Hold converted CPO QS.  
 (ii) Use the CPO IFQ derived from that converted CPO QS outside of a crab harvesting cooperative.  
 \* \* \* \* \*

■ 7. In § 680.40, add paragraphs (c)(5), (c)(6), (e)(3), and (j)(4) to read as follows:

**§ 680.40 Quota Share (QS), Processor QS (PQS), Individual Fishing Quota (IFQ), and Individual Processor Quota (IPQ) issuance.**  
 \* \* \* \* \*

(c) \* \* \*  
 (5) *Issuance of converted CPO QS.* (i) For each crab fishing year, the Regional Administrator may issue converted CPO QS for the BBR or BSS crab QS fishery with a North Region designation to an entity described in paragraph (c)(5)(ii), (c)(5)(iii), or (c)(5)(iv) of this section if NMFS has approved an application for converted CPO QS/IFQ for that crab fishing year.

(ii) Entity A is comprised only of Yardarm Knot, Inc. (NMFS ID # 675).

(iii) Entity B is comprised only of Blue Dutch, LLC (NMFS ID # 3163).

(iv) Entity C is comprised only of Trident Seafoods, Inc. (NMFS ID # 8184).

(v) NMFS will issue Entity A, B, or C, described in paragraphs (c)(5)(ii) through (c)(5)(iv) of this section, one unit of converted CPO for each unit of CVO QS and 0.9 units of PQS indicated in an approved application for converted CPO QS/IFQ.

(vi) For each crab fishing year, the Regional Administrator will not issue CPO QS for the BBR or BSS crab QS fishery:

(A) To Entity A described in paragraph (c)(5)(ii) of this section that is greater than the amount of converted CPO QS that may be derived from the amount of PQS units with a North Region designation initially issued by NMFS to Yardarm Knot, Inc. (NMFS ID # 675), and any affiliates of Yardarm Knot, Inc., as listed on an annual application for converted CPO QS/IFQ for that crab fishing year;

(B) To Entity B described in paragraph (c)(5)(iii) of this section that is greater than the amount of converted CPO QS that may be derived from the amount of PQS units with a North Region designation initially issued by NMFS to Blue Dutch, LLC, (NMFS ID # 3163) under paragraph (e)(3) of this section and any affiliates of Blue Dutch, LLC, as listed on an annual application for converted CPO QS/IFQ for that crab fishing year; and

(C) To Entity C described in paragraph (c)(5)(iv) of this section that is greater than the amount of converted CPO QS that may be derived from the amount of CVO QS units with a North Region

designation initially issued by NMFS to Trident Seafoods, Inc. (NMFS ID # 8184), and any affiliates of Trident Seafoods, Inc., as listed on an annual application for converted CPO QS/IFQ for that crab fishing year;

(vii) CPO IFQ derived from converted CPO QS may be issued to a crab harvesting cooperative only if the entity described in paragraph (c)(5)(ii), (c)(5)(iii), or (c)(5)(iv) of this section holding the converted CPO QS is a member of that crab harvesting cooperative.

(6) *Offloading requirements for CPO IFQ derived from converted CPO QS.* Any crab harvested under a CPO IFQ permit derived from converted CPO QS must be offloaded in the Bering Sea subarea north of 56°20' N. lat.  
 \* \* \* \* \*

(e) \* \* \*  
 (3) *PQS issued to Blue Dutch, LLC.* (i) Pursuant to Public Law 109–241, NMFS issued 3,015,229 units of PQS for the BBR crab QS fishery and 7,516,253 units of PQS for the BSS crab QS fishery.

(ii) PQS units issued to Blue Dutch, LLC, under paragraph (e)(3)(i) of this section were assigned a regional designation according to the procedures established in paragraph (b)(2)(iv) of this section.

(iii) PQS units issued to Blue Dutch, LLC, under paragraph (e)(3)(i) of this section may not be transferred to any other person.  
 \* \* \* \* \*

(j) \* \* \*  
 (4) *IPQ issued to Blue Dutch, LLC—(i) BBR IPQ.* For each crab fishing year that the total allowable catch for BBR CR crab is greater than 15,732,480 lb (7,136.2 mt), NMFS will issue IPQ for the 3,015,229 units of PQS issued to Blue Dutch, LLC, pursuant to Public Law 109–241.

(ii) *BSS IPQ.* For each crab fishing year that the total allowable catch for BSS CR crab is greater than 21,350,640 lb (9,684.6 mt), NMFS will issue IPQ for the 7,516,253 units of PQS issued to Blue Dutch, LLC, pursuant to Public Law 109–241.  
 \* \* \* \* \*

■ 8. In § 680.41:

■ a. Paragraphs (c)(1)(iv) through (c)(1)(vi) are redesignated as paragraphs (c)(1)(vi) through (c)(1)(viii), respectively.

■ b. New paragraphs (c)(1)(iv) and (c)(1)(v) are added.

■ c. Paragraph (c)(1)(i) is revised.

The additions and revision read as follows:

**§ 680.41 Transfer of QS, PQS, IFQ, and IPQ.**  
 \* \* \* \* \*

(c) \* \* \*  
 (1) \* \* \*

Quota type	Eligible person	Eligibility requirements
(i) PQS not issued under § 680.40(e)(3)(i)	Any person	None.
* * * * *		
(iv) Converted CPO QS	N/A	Converted CPO QS may not be transferred.
(v) CPO IFQ derived from Converted CPO QS	N/A	CPO IFQ derived from Converted CPO may not be transferred.
* * * * *		

\* \* \* \* \*

■ 9. In § 680.42, paragraph (a)(5) is revised, and paragraph (a)(7) is added to read as follows:

**§ 680.42 Limitations on use of QS, PQS, IFQ, and IPQ.**

(a) \* \* \*  
 (5) IFQ that is used by a crab harvesting cooperative is not subject to the use caps in this paragraph (a) except as provided for in paragraph (a)(7) of this section.  
 \* \* \* \* \*

(7) In a calendar year, an entity as described in § 680.40(c)(5)(ii), (c)(5)(iii), or (c)(5)(iv), may not use more than 1,000,000 lb (453.6 mt) of IFQ derived from converted CPO QS in the BBR or BSS crab QS fisheries.  
 \* \* \* \* \*

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**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**24 CFR Part 891**

[Docket No. FR–5097–F–02]

RIN 2502–A148

**Project Design and Cost Standards for the Section 202 and Section 811 Programs**

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

**ACTION:** Final rule.

**SUMMARY:** This final rule revises HUD’s regulations that govern the project