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7.0 REGULATORY IMPACT REVIEW

The Regulatory Impact Review (RIR) is conducted to comply with Executive Order 12866 (E.O. 12866) and provides analyses of the economic benefits and costs of each alternative to the fishery and nation as a whole. Certain elements required in an RIR are also required as part of this environmental impact statement (EIS). This RIR builds upon the data and analysis presented in the following sections of the FEIS: Chapter 1 (purpose and need for action), Chapter 2 (alternative regulatory options to meet the purpose and need), Chapter 3 (description of the affected regulated community), Chapters 4 (economic consequences of amendment and implementing regulations), 6 (extensive discussion of economic impacts of alternative approaches) and Chapter 8 (the final regulatory impact analysis).. The information contained in Section 7.0, taken together with the foregoing data and analysis incorporated by reference, comprise the complete RIR.

The requirements for all regulatory actions specified in EO 12866 are summarized in the following statement from the order:

In deciding whether and how to regulate, agencies should assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating. Costs and benefits should be understood to include both quantifiable measures (to the fullest extent that these can be usefully estimated) and qualitative measures of costs and benefits that are difficult to quantify, but nonetheless essential to consider. Further, in choosing among alternative regulatory approaches, agencies should select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach.

E.O. 12866 further requires Office of Management and Budget review of proposed regulations that are considered to be “significant.” A significant regulatory action is one that is likely to:

- Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, local or tribal governments of communities;
- Create serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or
- Raise novel legal or policy issues arising out of legal mandates, the president’s priorities, or the principles set forth in this Executive Order.

7.1 Description of the Management Objectives

Please see Chapter 1 for a full description of the purpose and need for the proposed amendments to the 2006 Consolidated HMS FMP and implementing regulations including proposed fishery management actions. The management goals and objectives of the proposed alternative management measures are to provide for the sustainable management of shark species

under authority of the Secretary consistent with the requirements of the Magnuson-Stevens Act and other statutes which may apply to such management, including the ESA, MMPA and ATCA. The primary mandate of the Magnuson-Stevens Act is for the Secretary to provide for the conservation and management of HMS through development of an FMP for species identified for management and to implement the FMP with necessary regulations. In addition, the Magnuson-Stevens Act directs the Secretary, in managing HMS, to prevent overfishing of species while providing for their OY on a continuing basis and to rebuild fish stocks that are considered overfished. The management objectives of the preferred management measures are to amend the 2006 Consolidated HMS FMP to ensure that overfishing of both the blacknose shark and short fin mako is ended, the blacknose shark stock is rebuilt, and smooth dogfish is brought under the management jurisdiction of the Secretary.

7.2 Description of the Fishery

Please see Chapter 3 for a description of the fisheries that could be affected by these management actions.

7.3 Statement of the Problem

Please see Chapter 1 for a description of a full discussion of the purpose and need for these management actions which is in essence a statement of the problem to be addressed by the amendment and implementing regulations. The preferred management measures are designed to address the following problems. The blacknose shark has been determined to be in an overfished condition with overfishing occurring. The Secretary, in his capacity as the official responsible for managing HMS, is legally responsible for taking action to end overfishing of the stock and rebuild it. The shortfin mako shark has been determined to be subject to overfishing and is approaching an overfished condition. The Secretary has a similar legal responsibility to take action to end and prevent overfishing of the stock. Smooth dogfish is not presently under federal management. The Secretary has authority and responsibility to manage highly migratory species including oceanic sharks and has determined that smooth dogfish, a highly migratory oceanic shark, is in need of federal conservation and management. The Secretary, thus, has a statutory responsibility to exercise the authority and responsibility to include the species under NMFS management. NMFS has determined that these problems, collectively, cannot be addressed in the absence of an amendment to the HMS FMP which, as a matter of necessity, must be implemented by regulation.

7.4 Description of Each Alternative

Please see Chapter 2 for a summary of each alternative, Chapter 3 for a complete description of the affected fisheries, and Chapter 4 for a complete description of each alternative and its expected ecological, social, and economic impacts on the regulated community. Chapters 6 and 8 provide additional information related to the economic impacts of the alternatives.

7.5 Economic Analysis of Expected Effects of Each Alternative Relative to the Baseline

Table 7.1 Net Economic Benefits and Costs of Alternatives

Alternatives	Net Economic Benefits	Net Economic Costs
Alternative A1 No Action. Maintain the existing SCS quota and species complex	This alternative would maintain current economic activity associated with SCS landing levels in the short term.	In the long term, there could be economic costs associated with continued overfishing of blacknose sharks, including population decline and associated reduced revenues from landings.
Alternative A2 Establish a new SCS quota of 221.6 mt dw and a blacknose quota of 12.1 mt dw	<p>There would be unquantified benefits to the public associated with reducing the commercial landings of blacknose sharks. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value). However, there would be neutral economic benefits for the non-blacknose SCS fishermen because the quota is equal to the current average landings.</p> <p>Long-term, the blacknose shark stock could rebuild. Then SCS and blacknose quotas could be increased to sustainable levels and allow for increased harvests and associated revenues.</p>	<p>There would be an estimated decrease in annual gross revenues of \$138,499 from the commercial harvest of blacknose shark.</p> <p>There would be an estimated decrease in annual gross revenues of \$43,592 from the commercial harvest of non-blacknose SCS.</p>

Alternatives	Net Economic Benefits	Net Economic Costs
<p>Alternative A3 Establish a new SCS quota of 110.8 mt dw and a blacknose quota of 19.9 mt dw; allow all current authorized gears for sharks</p>	<p>There would be unquantified benefits to the public associated with reducing the landings and discards of overfished blacknose sharks. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p> <p>Similar benefits could also occur as a result of reduced landings of Atlantic sharpnose, bonnethead and finetooth sharks.</p> <p>Long-term, the blacknose shark stock could rebuild. Then SCS and blacknose quotas could be increased to sustainable levels and allow for increased harvests and associated revenues.</p>	<p>There would be an estimated reduction of \$353,815 in gross revenues annually from non-blacknose SCS.</p> <p>There would be an estimated reduction of \$108,653 in gross revenues annually from blacknose sharks.</p> <p>There would be economic costs associated with the estimated 62% increase in non-blacknose SCS discards under this alternative.</p>

Alternatives	Net Economic Benefits	Net Economic Costs
<p>Alternative A4 Establish a new SCS quota of 55.4 mt dw and a blacknose quota of 15.9 mt dw; remove shark gillnet gear as an authorized gear for sharks</p>	<p>There would be unquantified benefits to the public associated with reducing the landings and discards of overfished blacknose sharks and for non-blacknose SCS. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p> <p>This alternative would result in fewer discards of non-blacknose SCS than under alternative A3, and thus reduce the ecological costs associated with dead discards and the operational costs associated with handling discards.</p> <p>Long-term, the SCS stocks could rebuild. Then SCS and blacknose quotas could be increased to sustainable levels and allow for increased harvests and associated revenues.</p>	<p>There would be an estimated reduction of \$508,926 in gross revenues annually from non-blacknose SCS.</p> <p>There would be an estimated reduction of \$118,987 in gross revenues annually from blacknose sharks.</p> <p>Vessels using gillnet gear would also face an estimated reduction in gross revenues annually from non-blacknose SCS of \$287,427 and \$90,501 from blacknose sharks in conjunction with Alternative B2. In conjunction with Alternative B3, those vessels would face an estimated reduction in gross revenues annually from non-blacknose SCS of \$275,008 and \$90,059 from blacknose sharks.</p> <p>This alternative could also reduce landings of LCS, predominately blacktip sharks, which are also caught in gillnet gear. In conjunction with Alternative B2, LCS gross revenues would be reduced by an estimated \$109,339 annually. In conjunction with Alternative B3, LCS revenues would be reduced by an estimated \$106,479 annually.</p>
<p>Alternative A5 Close the SCS fishery</p>	<p>Significant unquantified benefits to the public would like be achieved for all SCS species and there would also be some benefits from reduced LCS landings from gillnet gear. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p> <p>Long-term, the SCS stocks could rebuild. Then SCS and blacknose quotas could be increased to sustainable levels and allow for increased harvests and associated revenues.</p>	<p>This alternative would result in a loss of annual gross revenues of approximately \$664,037 for non-blacknose SCS and \$172,110 from blacknose shark landings per year for a total loss of \$830,918 in annual gross revenues from SCS landings.</p> <p>It would also be likely that directed shark gillnet fishing would end, except for fishermen that use gillnet gear to strikenet for blacktip sharks. This could decrease average annual gross revenues from LCS landings by an estimated \$107,280.</p> <p>This alternative would also severely curtail data collection on all SCS that could be used for future stock assessments.</p>

Alternatives	Net Economic Benefits	Net Economic Costs
<p><i>Alternative A6</i> <i>Establish a new SCS quota of 221.6 mt dw and a blacknose quota of 19.9 mt dw; allow all current authorized gears for sharks – Preferred Alternative</i></p>	<p>There would be unquantified benefits to the public associated with reducing the landings and discards of overfished blacknose sharks and for non-blacknose SCS. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p> <p>This alternative would result in fewer discards of non-blacknose SCS than under alternative A3, and thus reduce the ecological costs associated with dead discards and the operational costs associated with handling discards.</p> <p>Long-term, the SCS stocks could rebuild. Then SCS and blacknose quotas could be increased to sustainable levels and allow for increased harvests and associated revenues.</p>	<p>There would be an estimated reduction of \$43,593 in gross revenues annually from non-blacknose SCS.</p> <p>There would be an estimated reduction of \$116,832 in gross revenues annually from blacknose sharks.</p>
<p><i>Alternative B1</i> <i>No Action. Maintain current authorized gears for commercial shark fishing – Preferred Alternative</i></p>	<p>No change</p>	<p>No change</p>

Alternatives	Net Economic Benefits	Net Economic Costs
<p>Alternative B2 Close shark gillnet fishery; remove gillnet gear as an authorized gear type for commercial shark fishing</p>	<p>There would be unquantified benefits to the public associated with the positive impacts to SCS and LCS, and resulting from reduced commercial landings and decrease bycatch rates of both target and non-target species, including protected resources. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p>	<p>This alternative would close the shark gillnet fishery and negatively impact the business operations of vessels that utilize gillnet gear for shark fishing.</p> <p>It would reduce gross annual landings of SCS with gillnet gear by directed shark permit holders by an estimated \$365,955 per year.</p> <p>It would also reduce gross annual landings of SCS with gillnet gear by incidental shark permit holders by an estimated \$11,973 per year.</p> <p>There would be an estimated reduction of \$109,399 in average annual gross revenues from lost LCS landings.</p> <p>There would be an estimated reduction of \$371,786 in gross revenues annually from smooth dogfish landings.</p>
<p>Alternative B3 Close the gillnet fishery to commercial shark fishing from South Carolina south, including the Gulf of Mexico and Caribbean Sea</p>	<p>There would be unquantified benefits to the public associated with the positive impacts to SCS and LCS resulting from reduced commercial landings and decrease bycatch rates of both target and non-target species, including protected resources. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p>	<p>As a result of a closure of the gillnet fishery to commercial shark fishing from South Carolina south, directed shark fishermen would lose \$358,261 average annual gross revenues from lost SCS landings.</p> <p>It would also reduce gross annual landings of SCS with gillnet gear by incidental shark permit holders by an estimated \$6,807 per year.</p> <p>There would be an estimated reduction of \$106,479 in average annual gross revenues from lost LCS landings.</p>
<p>Alternative C1 No Action. Keep shortfin mako sharks in the pelagic shark species complex and maintain the quota</p>	<p>No change</p>	<p>No change</p>

Alternatives	Net Economic Benefits	Net Economic Costs
<p>Alternative C2 Remove shortfin mako sharks from pelagic shark species quota and establish a shortfin mako quota</p>	<p>Removing shortfin mako sharks from this group of pelagic sharks would allow them to be managed separately and would give NMFS the ability to track this separate quota more efficiently. This could result in more efficient management that would result in less economic impacts.</p>	<p>This alternative is expected to have neutral or slightly negative socioeconomic impacts.</p> <p>While fishermen would be able to maintain current fishing effort under this alternative, any increase in effort would be restricted by the species specific quota of 72.5 mt dw. If the quota is reduced to 72.5 mt dw, which equals \$254,135 in average annual gross revenues, this could potentially result in a loss of annual revenues of \$1,456,458 for commercial fishermen. However, as shortfin mako sharks are a bycatch species in the PLL fishery, it is unlikely that 488 mt dw of shortfin mako would be landed, and therefore, this alternative could result in neutral or slightly negative socioeconomic impacts for commercial fishermen.</p>
<p>Alternative C3 Remove shortfin mako sharks from pelagic shark species complex and place this species on the prohibited shark species list</p>	<p>Placing shortfin mako sharks on the prohibited species list would prohibit landings and help prevent further overfishing. There would be unquantified benefits to the public associated with this. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p> <p>Long-term, the shortfin mako shark stock could rebuild and then harvest could potentially resume at sustainable levels.</p>	<p>This alternative would result in an estimated reduction in average annual gross revenues of \$254,135 to the commercial fishermen.</p> <p>In addition, this alternative could lead to increased operation time if commercial fishermen have to release and discard all shortfin makos that are caught on the PLL gear.</p>
<p>Alternative C4 Establish a commercial size limit for shortfin mako sharks</p>	<p>These alternatives would result in varying degree of ecological benefits.</p>	<p>There would be minimal economic impacts, because only a small percentage of commercial landings would be affected by the size restrictions.</p>

Alternatives	Net Economic Benefits	Net Economic Costs
<p>Alternative C4a Establish a minimum size limit for shortfin mako sharks that is based on the size at which 50 percent of female shortfin mako sharks reach the sexual maturity or 32 inches interdorsal length (IDL)</p>	<p>There would be an increase in the number of shortfin mako sharks released alive annually in the PLL fishery. There would be unquantified benefits to the public associated with this. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p> <p>Long-term, the shortfin mako shark stock could rebuild and then harvest could potentially resume at sustainable levels.</p>	<p>This alternative would result in an estimated reduction of \$4,513 in average annual gross revenues from shortfin mako shark landings.</p>
<p>Alternative C4b Establish a minimum size limit for shortfin mako sharks that is based on the size at which 50 percent of male shortfin mako sharks reach the sexual maturity or 22 inches IDL</p>	<p>There would be an increase in the number of shortfin mako sharks released alive annually in the PLL fishery, but less than under Alternative C4a. There would be unquantified benefits to the public associated with this. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p> <p>Long-term, the shortfin mako shark stock could rebuild and then harvest could potentially resume at sustainable levels.</p>	<p>There would be an estimated decrease in average annual gross revenues of \$75 from the reduction in commercial harvest of shortfin mako sharks.</p>

Alternatives	Net Economic Benefits	Net Economic Costs
<p><i>Alternative C5</i> <i>Take action at the international level to end overfishing of shortfin mako sharks – Preferred Alternative</i></p>	<p>While this alternative would have neutral ecological impacts for shortfin mako sharks in the short term, any management recommendations adopted at ICCAT to help protect shortfin mako sharks would be implemented domestically and could have positive ecological impacts on shortfin mako sharks in the long term. There would be unquantified benefits to the public associated with this. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p> <p>Long-term, the shortfin mako shark stock could rebuild and then harvest could potentially resume at sustainable levels.</p>	<p>In the short term, this alternative would not result in any negative economic or social impacts on commercial fishermen as it would not restrict commercial harvest of shortfin mako sharks, nor alter the pelagic shark quota.</p> <p>There could be potential economic impacts in the long-term if ICCAT develops management recommendations that are implemented domestically.</p>
<p><i>Alternative C6</i> <i>Promote the release of shortfin mako sharks brought to fishing vessels alive – Preferred Alternative</i></p>	<p>This alternative is expected to have slightly positive or neutral ecological benefits for shortfin mako sharks because 68.9 percent of shortfin makos are brought to the vessel alive and could be released. There would be unquantified benefits to the public associated with this. These benefits include passive use values, such as shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p> <p>There could also be positive economic benefits to fishermen if they are perceived as being environmentally responsible because they are voluntarily releasing a species suffering from overfishing.</p>	<p>This alternative would likely not result in any negative economic or social impacts as it does not restrict commercial harvest of shortfin mako sharks that are alive at haulback, and quotas and retention limits would remain as described under alternative C1.</p>

Alternatives	Net Economic Benefits	Net Economic Costs
<i>Alternative D1 No Action. Maintain the current recreational retention and size limits for SCS - Preferred Alternative</i>	No change	This alternative would not result in any negative economic impacts as it maintains the current recreational size and bag limits for blacknose sharks. This alternative would have neutral ecological impacts on blacknose sharks, as this species rarely reaches a size greater than the current federal minimum size, therefore, the 54 inch FL size limit creates a de facto retention prohibition of blacknose sharks in federal waters.
Alternative D2 Modify the minimum recreational size for blacknose sharks based on their biology	This alternative could increase the landings of recreationally harvested blacknose sharks and, therefore, have positive social and economic impacts in the short-term.	This alternative could result in the increase of blacknose shark recreational landings, and NMFS needs to reduce the number of blacknose shark landings in order to rebuild the stock.
Alternative D3 Increase the retention limit for Atlantic sharpnose sharks based on current catches	Any increase in the retention limit for Atlantic sharpnose sharks would provide positive social and economic impacts, especially if this resulted in more charter trips for charter/headboats.	Since the latest stock assessment suggests that increased fishing efforts could result in an overfished status and/or cause overfishing to occur in the future, this alternative could result in negative ecological impacts.
Alternative D4 Prohibit retention of blacknose sharks in recreational fisheries	There would be unquantified benefits to the public associated with reducing recreational landings of overfished blacknose sharks. These benefits include passive use values, such as improved catch-and-release fishing, shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).	While recreational fishermen may still catch blacknose sharks, they would not be permitted to retain blacknose sharks and would have to release them. This could have negative social and economic impacts on recreational fishermen, including tournaments and charter/headboats if the prohibition of blacknose sharks resulted in fewer charters. However, blacknose sharks rarely, if ever, reach the current federal minimum recreational size limit of 54 inches FL. In addition, blacknose sharks are not one of the primary species targeted by recreational anglers in tournaments or on charters. Thus, NMFS does not anticipate large negative social and economic impacts from this preferred alternative in tournaments or in the charter/headboat sector.
Alternative E1 No Action. Maintain the current recreational retention and size limits for shortfin mako sharks	No change	No change

Alternatives	Net Economic Benefits	Net Economic Costs
<p>Alternative E2a Establish a minimum size limit for shortfin mako sharks that is based on the size at which 50 percent of female shortfin mako sharks reach sexual maturity or 108 in FL</p>	<p>This alternative would result in 65% more shortfin mako sharks released than alternative E2b. There would be unquantified benefits to the public associated with this. These benefits include passive use values, such as improved catch-and-release fishing, shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p> <p>Long-term, this alternative could increase angler consumer surplus by reducing overfishing of shortfin mako sharks and allowing stocks to rebuild.</p>	<p>This alternative would have negative economic impacts on shark recreational fishing, as almost all of the reported shortfin mako sharks landed (99.5%) were smaller than the 108 inch FL size limit and would have to be released.</p>
<p>Alternative E2b Establish a minimum size limit for shortfin mako sharks that is based on the size at which 50 percent of male shortfin mako sharks reach sexual maturity or 73 inches FL</p>	<p>This alternative would cause a positive ecological impact for the stock. There would be unquantified benefits to the public associated with this. These benefits include passive use values, such as improved catch-and-release fishing, shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).</p> <p>Long-term, this alternative could increase angler consumer surplus by reducing overfishing of shortfin mako sharks and allowing stocks to rebuild.</p>	<p>This alternative would have less severe impacts on recreational anglers compared to alternative E2a, but would result in a 60.3% overall reduction in recreational shortfin mako shark landings.</p> <p>Economic impacts would be greater on the non-tournament recreational mako shark fishery, as 81% of those landings would fall below the 73 inch FL size limit.</p>
<p><i>Alternative E3 Take action at the international level to end overfishing of shortfin mako sharks – Preferred Alternative</i></p>	<p>Could have positive ecological impacts on shortfin mako sharks in the long term</p>	<p>No change in the short term. There could be potential economic impacts in the long-term if ICCAT develops management recommendations that are implemented domestically.</p>

Alternatives	Net Economic Benefits	Net Economic Costs
<i>Alternative E4</i> <i>Promote the release of shortfin mako sharks brought to fishing vessels alive – Preferred Alternative</i>	Could have positive ecological impacts on shortfin mako sharks in the long term.	No change
Alternative E5 Prohibit retention of shortfin mako sharks in recreational fisheries (catch and release only)	This alternative would have positive ecological impacts on the stock. There would be unquantified benefits to the public associated with this. These benefits include passive use values, such as improved catch-and-release fishing, shark viewing trips, and nonuse values including knowing that shark species remain for future generations (bequest value) and values placed on knowing shark species will continue to survive (existence value).	This alternative would lead to negative socio-economic impacts for fishermen who participate in recreational shark tournaments that would no longer be able to retain this species during recreational fishing or tournaments and it would also negatively impact fishermen that desire to retain shortfin mako sharks outside of tournaments. This could also reduce the demand for CHB trips that target shortfin mako sharks.
Alternative F1 No Action. Do not add smooth dogfish under NMFS management	No change	No change
<i>Alternative F2</i> <i>Add smooth dogfish under NMFS management and establish a federal permit requirement. Preferred Alternative</i>	Improved data on fishery participation would improve future management of the fishery.	This alternative would result in some administrative costs and fees associated with completing an application for a federal smooth dogfish permit. This alternative would require fishermen to land smooth dogfish with all of their fins naturally attached. This would have a direct significant impact on fishermen who are used to processing smooth dogfish at sea.
Alternative F2 a1 Establish a smooth dogfish quota that is equal to the average annual landings from 1998-2007 (431.1 mt dw)	Potential positive ecological benefits for smooth dogfish could result from setting the quota equal to average current landings.	This alternative could restrict the fishery given the likelihood of underreporting. Establishing a quota equal to average current landings could reduce the revenue generated by the commercial landing of smooth dogfish if there are substantial current unreported smooth dogfish landings.

Alternatives	Net Economic Benefits	Net Economic Costs
Alternative F2 a2 Establish a smooth dogfish quota equal to the maximum annual landing from 1998-2007 (576.1 mt dw)	Potential positive ecological benefits for smooth dogfish could result from setting the quota equal to the maximum annual landings.	Establishing a quota equal to the maximum annual landings could reduce the revenue generated by the commercial landing of smooth dogfish if there are substantial current unreported smooth dogfish landings
Alternative F2 a3 Establish a smooth dogfish quota equal to the maximum annual landing between 1998-2007 plus one standard deviation (645.8 mt dw)	Potential positive ecological benefits for smooth dogfish could result from setting the quota to the maximum annual landings plus one standard deviation.	Establishing a quota equal to the maximum annual landings plus one standard deviation would maintain revenues generated by the commercial landing of smooth dogfish the same if there are substantial current unreported smooth dogfish landings
Alternative F2 a4 <i>Establish a smooth dogfish quota equal to the maximum annual landings from 1998-2007 plus two standard deviations (715.5 mt dw) – Preferred Alternative</i>	Potential positive ecological benefits for smooth dogfish could result from setting the quota to the maximum annual landings plus one standard deviation.	Establishing a quota equal to the maximum annual landings plus two standard deviations would maintain revenues generated by the commercial landing of smooth dogfish the same if there are substantial current unreported smooth dogfish landings.
Alternative F2 b1 <i>Establish a separate smooth dogfish set-aside quota for the exempted fishing program – Preferred Alternative</i>	No change	No change
Alternative F2 b2 Establish a smooth dogfish set-aside quota for the exempted fishing program and add it to the current 60 mt ww set-aside quota for the exempted fishing program	No change	No change
Alternative F3 Add smooth dogfish under NMFS management and mirror management measures implemented in the ASMFC Interstate Shark FMP	Potential neutral or slightly positive economic benefits as the ASMFC Interstate Shark Plan removed the net checks and allows fishermen to process the shark at sea during certain times of the year.	Because the ASMFC Interstate Shark plan would maintain the fishery similar to how it currently operates this alternative would have neutral economic benefits for the smooth dogfish fishermen.

7.6 Conclusions

As noted above under E.O. 12866, a regulation is a “significant regulatory action” if it is likely to: (1) have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or state, local, or tribal governments or communities; (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; and (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the legal mandates, the President’s priorities, or the principles set forth in the Executive Order; or, (4) raise novel legal or policy issues arising out of legal mandates, the president’s priorities, or the principles set forth in this Executive Order. The preferred alternatives described in this document do not meet the above criteria. The preferred alternatives would have an annual effect on the economy less than \$100 million and would not adversely affect the aforementioned parameters (see Table 7.1). The preferred alternatives would also not create an inconsistency or interfere with an action taken by another agency. Furthermore, the preferred alternatives would not materially alter the budgetary impact of entitlements, grants, user fees, the President’s priorities, or the principles set forth in E.O. 12866. Nor would the proposed regulations raise any unique legal or policy issues. The Secretary, through NMFS, has been managing shark species through FMPs since 1993 and from time-to-time amending plans and implementing regulations to modify management measures and add additional species for management. In addition, NMFS has participated in international efforts to develop management measures for stocks affected by multiple nations. The preferred alternative and other alternatives do not materially depart from this management approach. Therefore, under E.O. 12866, the preferred alternatives described in this document have been determined to be not significant for the purposes of E.O. 12866. The Office of Management and Budget (OMB) concurred with this determination provided in the listing memo for this proposed rule. A summary of the expected net economic benefits and costs of each alternative, which are based on supporting text in Chapters 4 and 6, can be found in Table 7.1.

In addition, based on the foregoing analysis in this Chapter and those incorporated by reference, NMFS has made the following determinations. The stated problem cannot be resolved through application of existing regulations. For example, a reduction in quota for the commercial harvest of blacknose shark is necessary to meet the statutory requirement to rebuild the stock. The reduction can only be achieved through amendment of the HMS FMP with a corresponding enforceable regulation. Existing regulations and laws do not contribute to the problem such that their amendment could more efficiently address the stated problem. NMFS considered taking no action as an alternative to regulation but determined that the problem could not be addressed in the absence of regulation given the Magnuson-Stevens Act’s multiple requirements bearing on the issue. Based on internal agency review and consideration of public comment, NMFS has developed preferred alternatives, based on the best scientific information available, to develop regulations that meet the objectives in the most cost-effective manner tailored to impose the least burden on the regulated community possible. The regulations are based on performance measures as they set objective standards rather than prescribing changes in the practices of fishermen in the shark fishery. The proposed amendment as implemented by regulation do not duplicate existing requirements and are not inconsistent with existing

regulations of NMFS or other federal agencies. NMFS has provide all stakeholders, including public agencies, private individuals, non-governmental organizations and others multiple opportunities to comment on the proposed regulations including a sixty day review period for the amendment, proposed regulations and DEIS.