The Council has recommended and NMFS proposes a specification of 35,000 mt of JVP for the 1995 fishery. The Council also recommended and NMFS proposes a DAP of 50,000 mt yielding a DAH of 100,000 mt, which includes the 15,000 mt recreational component.

Zero TALFF is recommended for the 1995 Atlantic mackerel fishery by the Council and proposed by NMFS. In 1992, the Council used testimony from both the domestic fishing and processing industries and analysis of the nine economic factors listed at  $\S655.21(b)(2)(ii)$  to determine that mackerel produced from directed foreign fishing would directly compete with U.S. processed products, thus limiting markets available to U.S. processors. The industry was nearly unanimous in its assessment that a specification of other than zero TALFF would impede the growth of the U.S. fishery. The Council believes that an expanding mackerel market and uncertainty regarding world supply, due to the economic and political restructuring in Eastern Europe, may substantially increase opportunities for U.S. producers to increase sales to new markets abroad. Although the U.S. industry has not been successful in capturing a substantial market share for mackerel in the Caribbean, North Africa, and Europe so far, several factors indicate that market expansion of Atlantic mackerel may occur soon. Atlantic mackerel stock abundance remains high. Also, the continued low abundance amounts of several important groundfish stocks in the Gulf of Maine, southern New England, and on Georges Bank are causing further restrictions in fishing effort for those species and the need for many fishermen to redirect their effort to underutilized species. Atlantic mackerel is now considered a prime candidate for innovation in harvesting, processing, and marketing.

As a supplement to the quota paper for the 1993 and 1994 fisheries, benefit-cost and sensitivity analyses were prepared by the Council and the NMFS. Results of the analyses indicate that in the long term a specification of zero TALFF will yield positive benefits to the fishery and to the Nation.

The Council also recommended and NMFS proposes four special conditions to be imposed on the 1995 Atlantic mackerel fishery as follows: (1) Joint ventures are allowed, but river herring bycatch south of 37°30′ N. lat. may not exceed 0.25 percent of the over-the-side transfers of Atlantic mackerel; (2) the Regional Director should do everything within his power to reduce impacts on

marine mammals in prosecuting the Atlantic mackerel fisheries; (3) IOY may be increased during the year, but the total should not exceed 134,000 mt; and (4) applications from any given nation for a joint venture for 1995 will not be decided on until the Regional Director determines, based on an evaluation of performances, that the Nation's purchase obligations for previous years have been fulfilled.

## **Atlantic Squids**

The maximum OY for Loligo is 44,000 mt. The recommended ABC for the 1995 fishery is 36,000 mt, representing a decrease of 8,000 mt from the 1993 and 1994 ABC of 44,000 mt. This level of ABC is based on the most recent stock assessments and is determined to be at a level that will not harm the continued growth of the resource. The 17th Northeast Regional Stock Assessment Workshop (SAW) concluded that Loligo is an annual species and does not have a 3-year lifespan, as previously assumed. The SAW recommended that a real-time assessment/management system will be needed to ensure an adequate level of spawning stock. This will be addressed in Amendment 5 to the FMP which is scheduled for public hearing this fall. Amendment 5 will also address the need to lower the maximum OY which is defined in the regulations governing the fishery to be 44,000 mt. This specification can be changed only with a plan amendment. In the interim, the Council believes that it would be prudent to reduce the ABC for conservation purposes, as suggested by the SAW. The Council recommended and NMFS proposes an IOY of 36,000 mt, which is equal to DAH and DAP. The expansion of the U.S. freezer trawler and refrigerated sea water fleets that participate in this fishery and substantially increased U.S. landings indicate that there is no longer a justification for foreign participation. DAH and DAP have historically been estimated using the Council annual processor survey. However, for the years 1993 and 1994, response was low and did not contain projections from the large, known processors. Therefore, the Council recommended and NMFS proposes that DAH and DAP be set at 36,000 mt, which is equal to the ABC. These specifications do not allow for JVP or TALFF for *Loligo*.

The maximum OY for *Illex* squid is 30,000 mt. Based on the best available scientific information, the Council recommended and NMFS proposes an ABC of 30,000 mt which is equal to the maximum OY. The Council also recommended and the Regional Director proposes that the IOY for *Illex* be set at

30,000 mt because U.S. harvesters intend to utilize the entire IOY. Consequently, there is no TALFF available. No directed foreign fishery has been specified for Illex since 1986, which reflects the large increases in the capacity of the East Coast freezer trawler fleet and projected increases in the number of vessels using refrigerated seawater systems capable of landing high quality Illex. Much of the increase in capacity is a function of a general increase in prices. Prices continue to remain strong in the 1994 fishery. Although *Illex* is primarily a bait squid, it has been used as a substitute for Loligo, a food squid, in many markets.

## **Butterfish**

The FMP sets the maximum OY for butterfish at 16,000 mt. Based on the most current stock assessments, the Council recommends and the Regional Director proposes an ABC of 16,000 mt for the 1995 fishery, unchanged from the 1992 and the 1993-94 specifications. Commercial landings of butterfish have been low at 4,000 mt, 2,285 mt, and 4,430 mt for the 1991, 1992, and 1993 fisheries, respectively. Estimated landings for the first 3 months of 1994 were 1,732 mt. Lack of market demand and the difficulty in locating schools of market size fish have caused severe reductions in the supply of butterfish. Fishermen and processors believe that the size of butterfish has improved in the 1994 fishery

The Council recommended and NMFS proposes an IOY for butterfish of 10,000 mt. The U.S. industry has the potential to fully utilize this IOY. Thus, there is no TALFF available. The Council recommends and the Regional Director proposes a DAH of 10,000 mt. There has been no interest expressed in joint ventures, thus, the IOY is proposed at a level that does not allow for a JVP. The Council recommended and NMFS proposes that both JVP and TALFF be specified at zero for the 1995 fisheries. However, the 6,000 mt difference between ABC and IOY is set aside to accommodate an increase in IOY if economic conditions dictate.

## Classification

This action is authorized by 50 CFR part 655, and these proposed specifications are exempt from review under E.O. 12866.

**Authority:** 16 U.S.C. 1801 *et seq.* Dated: January 19,1995.

## Gary Matlock,

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