

2. We revise Article III.B of Appendix A to Part 62, to read as follows:

**Appendix A to Part 62—Federal Emergency Management Agency, Federal Insurance Administration, Financial Assistance/Subsidy Arrangement**

\* \* \* \* \*

Article III—Loss Costs, Expenses, Expense Reimbursement, and Premium Refunds

\* \* \* \* \*

B. The Company will be entitled to withhold as operating and administrative expenses, other than agents' or brokers' commissions, an amount from the Company's written premium on the policies covered by this Arrangement in reimbursement of all of the Company's marketing, operating and administrative expenses, except for allocated and unallocated loss adjustment expenses described in C. of this article. This amount will equal the sum of the average of industry expense ratios for "Other Acq." "Gen. Exp." and "Taxes" calculated by aggregating premiums and expense amounts for each of five property coverages using direct, as opposed to net, premium and expense information to derive weighted average expense ratios. The five property coverages we will include are Fire, Allied Lines, Farmowners Multiple Peril, Homeowners Multiple Peril, and Commercial Multiple Peril (non-liability portion). We will use data for the property/casualty industry published, as of March 15 of the prior Arrangement year, in Part III of the Insurance Expense Exhibit in A.M. Best Company's *Aggregates and Averages*.

The Company will be entitled to 15 percent of the Company's written premium on the policies covered by this Arrangement as the commission allowance to meet commissions and/or salaries of their insurance agents, brokers, or other entities producing qualified flood insurance applications and other related expenses.

The amount of expense allowance retained by the company may be increased a maximum of 1.3 percent, depending on the extent to which the company meets the marketing goals for the Arrangement year contained in marketing guidelines established pursuant to Article II.G. The amount of any increase will be paid to the company after the end of the Arrangement year.

The Company, with the consent of the Administrator as to terms and costs, will be entitled to use the services of a national rating organization, licensed under state law, to help the FIA undertake and carry out such studies and investigations on a community or individual risk basis, and to determine equitable and accurate estimates of flood insurance risk premium rates as authorized under the National Flood Insurance Act of 1968, as amended. The Company will be reimbursed for the charges or fees for such services under the provisions of the WYO Accounting Procedures Manual.

\* \* \* \* \*

Dated: November 4, 1998.

**Jo Ann Howard,**

*Federal Insurance Administrator.*

[FR Doc. 98-30410 Filed 11-12-98; 8:45 am]

BILLING CODE 6718-03-U

**DEPARTMENT OF COMMERCE**

**National Oceanic and Atmospheric Administration**

**50 CFR Part 648**

[Docket No. 981104276-8276-01; I.D. 100898A]

**Fisheries of the Northeastern United States; Proposed 1999 Fishing Quotas for Atlantic Surf Clams and Ocean Quahogs**

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

**ACTION:** Proposed 1999 fishing quotas for Atlantic surf clams, ocean quahogs, and Maine mahogany quahogs; request for comments.

**SUMMARY:** NMFS issues these proposed quotas for the Atlantic surf clam, ocean quahog, and Maine mahogany quahog fisheries for 1999. These quotas were selected from a range defined as optimum yield (OY) for each fishery. The intent of this action is to propose allowable harvest levels of Atlantic surf clams and ocean quahogs from the exclusive economic zone and propose an allowable harvest level of Maine mahogany quahogs from the waters north of 43°50'N. lat. in 1999.

**DATES:** Public comments must be received on or before December 17, 1998.

**ADDRESSES:** Copies of the Mid-Atlantic Fishery Management Council's analysis and recommendations are available from Daniel T. Furlong, Executive Director, Mid-Atlantic Fishery Management Council, Room 2115, Federal Building, 300 South New Street, Dover, DE 19901-6790.

Send comments to: Jon Rittgers, Acting Regional Administrator, Northeast Region, NMFS, 1 Blackburn Drive, Gloucester, MA 01930-2298. Mark on the outside of the envelope, "Comments—1999 Surf Clam and Quahog Quotas."

**FOR FURTHER INFORMATION CONTACT:** David Gouveia, Fishery Management Specialist, 978-281-9280.

**SUPPLEMENTARY INFORMATION:** The Fishery Management Plan for the Atlantic Surf Clam and Ocean Quahog Fisheries (FMP) directs the Assistant

Administrator for Fisheries, in consultation with the Mid-Atlantic Fishery Management Council (Council), to specify quotas for surf clams and ocean quahogs on an annual basis from a range that represents the OY for each fishery. It is the policy of the Council that the levels selected allow fishing to continue at that level for at least 10 years for surf clams and 30 years for ocean quahogs. While staying within this constraint, the Council policy is to consider economic benefits of the quotas. Regulations implementing Amendment 10 to the FMP published on May 19, 1998 (63 FR 27481), established a small artisanal fishery in the waters north of 43°50' N. lat. for Maine mahogany quahogs and an initial annual quota of 100,000 Maine bushels (35,150 hectoliters (hL)). As specified in Amendment 10, the Maine mahogany quahog quota is in addition to the quota specified for the ocean quahog fishery.

The fishing quotas must be in compliance with overfishing definitions for each species. The overfishing definitions are fishing mortality rates of F<sub>20%</sub> (20 percent of maximum spawning potential (MSP)) for surf clams and F<sub>25%</sub> (25 percent of MSP) for ocean quahogs and Maine mahogany quahogs combined.

In proposing these quotas, the Council considered the available stock assessments, data reported by harvesters and processors, and other relevant information concerning exploitable biomass and spawning biomass, fishing mortality rates, stock recruitment, projected effort and catches, and areas closed to fishing. This information was presented in a written report prepared by the Council staff. The proposed quotas for the 1999 Atlantic surf clam, ocean quahog, and Maine mahogany quahog fisheries are shown below. The surf clam and Maine mahogany quahog quotas would be unchanged from the 1998 level, and the ocean quahog quota would be increased from the 1998 level by 13 percent.

**PROPOSED 1999 SURF CLAM/OCEAN QUAHOG QUOTAS**

Fishery	1999 final quotas (bu)	1999 final quotas (hL)
Surf clam <sup>1</sup> .....	2,565,000	1,362,000
Ocean quahog <sup>1</sup> .....	4,500,000	2,387,000
Maine mahogany quahog <sup>2</sup> .....	100,000	35,150

<sup>1</sup> 1 bushel = 53.24 liters.

<sup>2</sup> 1 bushel = 35.4 liters.

**Surf Clams**

The Council recommends a 1999 quota of 2.565 million bushels (1.362

million hL) for surf clams, a level unchanged since 1995. This level of quota was estimated as corresponding to the fishing mortality rate that would be required to harvest the annual surplus production for Northern New Jersey. The vast majority of the catch (>80 percent) is currently derived from the Northern New Jersey area, which contains about 36 percent of the coast-wide resource. Since surf clams reach a harvestable size in 6 to 7 years and recruitment is evident, this level of quota will not harm the long-term sustainability of the resource.

As specified in the FMP, the quota level must comply with the surf clam overfishing definition. Based on the surf clam overfishing definition of  $F_{20\%}$ , this translates to  $F = 0.18$  for surf clams. The  $F$  in 1997 associated with a quota of 2.565 million bushels (1.362 million hL) was approximately 0.04 for the Northern New Jersey area. The specific  $F$  associated with the 1999 quota will be calculated when the next assessment is complete, but should be approximately the estimated  $F$  in 1997 for Northern New Jersey. Therefore, the proposed quota is below the approved overfishing threshold definition for fishing mortality.

The proposed quota was the Council's preferred alternative quota for the 1999 surf clam fishery. This preferred alternative was based on the surf clam analysis found in the 26th Northeast Regional Stock Assessment Workshop (SAW 26). SAW 26 utilized recent data from the 1997 survey, which included work to estimate dredge efficiency. Although SAW 26 showed a significant increase in surf clam biomass, the Council chose not to consider a quota increase for 1999 because of three main factors: (1) The vast majority of the catch (>80 percent) is derived from the Northern New Jersey area, and the net productivity of that area appears to be at an equilibrium with the current catches; (2) the 1997 Federal surf clam landings were 6 percent less than the 1997 quota and preliminary data for 1998 also indicates that landings will also be below the 1998 quota level; and (3) although SAW 26 utilized a new dredge efficiency estimate to derive a sharp increase in surf clam biomass, this assessment is the first conducted using the new estimate.

The Council continues to assume that none of the Georges Bank resource (approximately one quarter of the resource) would be available during the next 10 years for harvesting because of paralytic shellfish poisoning. In the recent past, both the Council's Surf Clam and Ocean Quahog Committee and the Industry Advisory Group believed

that the reopening of the Georges Bank area was uncertain and too speculative to base quota recommendations upon. There was no discussion about surf clam availability from Georges Bank relative to the 1999 quota recommendation.

#### Ocean Quahogs

The Council recommends a 1999 quota of 4.5 million bushels (2.387 million hL) for ocean quahogs, an increase of 13 percent from the 1998 quota level. The FMP specifies that the quota level must comply with the ocean quahog overfishing definition. Based on the ocean quahog overfishing definition of  $F_{25\%}$ , this yields  $F = 0.04$ . The 1997 quota yielded an  $F$  of approximately 0.021. The specific  $F$  associated with the 1999 quota will be calculated when the new assessment is complete but should be close to the  $F$  in 1997 since a significant proportion of the biomass remains unexploited. Therefore, the proposed quota is below the approved overfishing definition for fishing mortality. The Atlantic surf clam and ocean quahog quotas are specified in standard bushels of 53.24 liters per bushel while the Maine mahogany quahog quota is specified in "Maine" bushels of 35.4 liters per bushel. Since Maine mahogany quahogs are the same species as ocean quahogs, both species are combined and share the same ocean quahog overfishing definition. When the two quota amounts are added, the total allowable harvest is lower than the level that would result in overfishing for the entire stock, as previously defined in the ocean quahog overfishing definition.

The Council proposes a 1999 ocean quahog quota based on the analysis found in the 27th Northeast Regional Stock Assessment Workshop (SAW 27). As in SAW 26 with respect to surf clams, SAW 27 also utilized recent data from the 1997 survey, which included work to estimate dredge efficiency, and showed a significant increase in the ocean quahog biomass. Although 30 percent of the resource is located on Georges Bank, SAW 27 did not question whether Georges Bank would ever be reopened. However, SAW 27 showed that using the entire resource, with a harvest level of only 4 million bushels (2.122 million hL), would produce a supply year harvest equivalent to 76 years. That is significantly longer than the period specified in the Council's policy of at least 30 years. The resource is of sufficient size overall that the 30 percent that is on Georges Bank is not necessary to meet the Council's 30-year supply policy.

Although SAW 27 showed that the ocean quahog quota could have been

increased by more than 13 percent from the 1998 quota level, the Council chose the half-million bushel increase for 1999 because of four main factors: (1) The resource is at medium-high level of biomass and is considered under-exploited at the scale of the management unit; (2) the 1997 landings were constraining to industry; (3) most industry members supported the 4.5 million figure; and (4) as with surf clams, although SAW 27 utilized a new dredge efficiency estimate to derive a sharp increase in ocean quahog biomass, this assessment represents only one point over time.

The Council also voted to recommend that the Maine mahogany quahog quota remain unchanged from the 1998 quota level at 100,000 Maine bushels (35,140 hL) for 1999. This quota pertains to the zone of both state and Federal waters off the eastern coast of Maine north of 43°50' N. lat. Amendment 10, which established management measures for this small artisanal fishery for ocean quahogs was implemented in May of 1998. Data from the federally managed fishery is just beginning to be compiled, and there has been no attempt yet to develop and conduct a scientific survey of the extent of the resource. Apparently, maintaining the quota at its current level for another year will not constrain the fishery or endanger the resource.

#### Classification

This action is authorized by 50 CFR part 648, complies with the National Environmental Policy Act, and has been determined to be not significant for purposes of E.O. 12866.

The Assistant General Counsel for Legislation and Regulation of the Department of Commerce, for the reasons set forth below, certified to the Chief Counsel for Advocacy of the Small Business Administration that this proposed rule, if adopted, would not have a significant economic impact on a substantial number of small entities.

The Council prepared a Regulatory Impact Review (RIR), which describes the impact this proposed rule, if adopted, would have on small entities. The RIR notes that 50 vessels reported harvesting surf clams or ocean quahogs from Federal waters in 1997 under an individual transferable quota (ITQ) system. These vessels sold their catches to 11 companies. Under the ITQ system, the right to harvest is allocated to 125 owners, some of whom harvest either surf clam or ocean quahog and some of whom harvest both.

The Council proposes maintaining a surf clam quota of 2.565 million bushels, a level which has been

unchanged since 1995. The Council notes that 80 percent of the surf clam harvest is concentrated off the coast of Northern New Jersey. The most recent scientific advice indicates that, while overall that stock could sustain higher harvests, careful consideration must be given to such an increase since harvesting activity is likely to remain focused off Northern New Jersey, where current catches approximately equal stock production. In addition, the Council expressed concern that the 1997 quota was not attained. The proposal to maintain the surf clam quota at the current 1998 level was opposed by some industry representatives who argued that there was adequate biological information to justify an increase in surf clam quota. However, the Council's quota setting policy for surf clams requires consideration of the economic benefits. The Council, in recommending no change from the 1998 quota level for surf clams, relied upon industry comment with respect to those economic benefits. Some argued that a quota increase would encourage corporate consumers to develop new products to utilize surf clams and generate benefits. Others argued against an increase, noting the current quota is not being fully harvested and an additional quota would only create surplus supply.

The Council also recommends an ocean quahog quota of 4.500 million bushels (a 13 percent increase from the 1998 quota of 4.000 million bushels) and no change in the Maine mahogany quahog quota from the 1998 level of 100,000 Maine bushels. Similar to that of surf clams, the most recent scientific information reported higher biomass estimates for ocean quahogs. However, the advice noted that local declines in quahog abundance could occur if the fishery concentrated in areas of high biomass. The 1998 Maine mahogany quahog quota level was implemented in May of this year and is not projected to be harvested. Therefore, because the proposed quota levels do not restrict the harvest levels of these fisheries from their 1998 levels, it is anticipated that this action will not have a significant impact on a substantial number of these small entities engaged in these fisheries. A copy of the RIR is available from the Council (see ADDRESSES).

**Authority:** 16 U.S.C. 1801 *et seq.*

Dated: November 6, 1998.

**Rolland A. Schmitten,**

*Assistant Administrator for Fisheries,  
National Marine Fisheries Service.*

[FR Doc. 98-30288 Filed 11-6-98; 4:46 pm]

BILLING CODE 3510-22-P

**DEPARTMENT OF COMMERCE**

**National Oceanic and Atmospheric Administration**

**50 CFR Parts 648 and 649**

[Docket No. 981026267-8267-01; I.D. 100798B]

RIN 0648-AL36

**Fisheries of the Northeastern United States; American Lobster Fishery; Fishery Management Plan (FMP) Amendments to Achieve Regulatory Consistency on Permit Related Provisions for Vessels Issued Limited Access Federal Fishery Permits**

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

**ACTION:** Proposed rule; request for comments.

**SUMMARY:** NMFS issues this proposed rule and request for comments to implement measures contained in Amendment 11 to the Summer Flounder, Scup, and Black Sea Bass FMP; Amendment 7 to the Atlantic Mackerel, Squid, and Butterfish FMP; Amendment 11 to the Atlantic Surf Clam and Ocean Quahog FMP; Amendment 8 to the Atlantic Sea Scallop FMP; Amendment 10 to the Northeast Multispecies FMP; and Amendment 7 to the American Lobster FMP. These amendments would implement regulations to achieve regulatory consistency on vessel permitting for FMPs which have limited access permits issued by the Northeast Region of the NMFS. The proposed regulations are intended to facilitate transactions such as buying, selling, or upgrading commercial fishing vessels issued limited access permits. Consistency on these regulations is especially important for vessels which have limited access permits in more than one fishery in the Northeast Region.

**DATES:** Public comments must be received on or before December 28, 1998.

**ADDRESSES:** Comments on this proposed rule should be sent to Jon C. Rittgers, Acting Regional Administrator, Northeast Region, NMFS, 1 Blackburn Drive, Gloucester, MA 01930. Mark the outside of the envelope, "Comments on Proposed Rule for Permit Consistency."

Copies of these amendments, the regulatory impact review, and the environmental assessment are available from the Executive Director, Mid-Atlantic Fishery Management Council,

Room 2115 Federal Building, 300 S. New Street, Dover, DE 19904-6790, or the Executive Director, New England Fishery Management Council, 5 Broadway, Saugus, MA 01906-1036.

Comments regarding the collection-of-information requirements contained in this proposed rule should be sent to the Acting Regional Administrator, Northeast Regional Office, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: NOAA Desk Officer).

**FOR FURTHER INFORMATION CONTACT:** Richard A. Pearson, Fishery Policy Analyst, 978-281-9279.

**SUPPLEMENTARY INFORMATION:** This proposed rule would implement amendments to the Summer Flounder, Scup, and Black Sea Bass FMP; Atlantic Surf Clam and Ocean Quahog FMP; Atlantic Mackerel, Squid, and Butterfish FMP; Atlantic Sea Scallop FMP; Northeast Multispecies FMP; and to the American Lobster FMP.

**Summary of Proposed Measures**

These proposed amendments would consolidate measures governing permit-associated activities for all Northeast Region FMPs that have limited access permits. None of the proposed measures would apply retroactively. The measures would (1) allow a one-time vessel upgrade/replacement allowance of 10 percent in size (length overall (LOA), gross registered tons (GRT), and net tons (NT)), or 20 percent in horsepower (HP) for all limited access permits except American lobster (an engine HP increase may be performed separately from a vessel size increase); (2) require that the fishing and permit history of a vessel and the replacement vessel be owned by the same person when transferring limited access permits to replacement vessels; (3) allow voluntary replacement of vessels, regardless of vessel condition; (4) require that the fishing and permit history of a vessel transfer with the vessel whenever it is bought, sold or otherwise transferred, unless there is a written agreement between the buyer and seller, or other credible written evidence, verifying that the seller is retaining the vessel's fishing and permit history for purposes of replacing the vessel; (5) set the effective date of the final rule implementing the FMP amendments as the vessel baseline specification date for FMPs without baselines (scup, *Loligo*/butterfish, *Illex*, black sea bass, mahogany quahog); (6) set the effective date of the final rule implementing the FMP amendments as the revised replacement baseline date