



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
Silver Spring, MD 20910

March 21, 2007

Dear Referendum Voter:

I enclose a ballot for your vote in the Bering Sea/Aleutian Island Non-pollock Groundfish Longline Catcher Processor Subsector buyback referendum. Our records indicate that you are the holder or owner of record of the fishing permit specified on the enclosed ballot, and this qualifies you to one vote.

NMFS approved the plan submitted by the Freezer Longline Conservation Cooperative (FLCC) on January 5, 2007, and February 16, 2007, in accordance with the final rule published in the Federal Register (71 FR 57696) on September 29, 2006. The referendum determines whether voters approve or disapprove the post-buyback landing fees necessary to repay a \$35 million fishing capacity reduction loan.

Please note carefully:

- ***You may not submit your vote to us before March 21, 2007.***
- ***For your vote to be effective, you must complete the enclosed ballot and return it to us in the enclosed envelope in time for us to receive it not later than April 6, 2007.***
- ***If at least two-thirds of the ballots are received in favor of the industry fee system, we will move forward with program implementation.***

You may return the completed ballot to us by U.S. mail, overnight delivery, or any other method you choose. Whatever method you choose, please put the ballot in the enclosed envelope.

If you have more than one permit qualifying you to vote, you'll receive an additional ballot for each additional permit. We'll separately mail you one ballot for each permit qualifying you to vote. You're qualified to vote once for each noninterim and transferable groundfish license limitation program (LLP) permit endorsed for BS or AI catcher processor fishing activity, C/P, Pacific cod, and hook and line gear.



The remainder of this letter concerns the results of the fishing capacity reduction plan for the longline catcher processor subsector of the BSAI non-pollock groundfish as submitted by the FLCC, which may effect how you want to vote. More details are available at: <http://www.freezerlonglinecoop.org>. The following summarizes the results:

(1) Four groundfish LLP permits will be relinquished representing 10.25 percent of the total existing permits.

(2) The total cost is \$35 million. The 4 offers are \$11.8, \$10, \$1.5, and \$11.7 million.

(3) Three vessels will be permanently removed from all fishing because 1 of the LLP permits is non-active.

(4) The table below provides the average, annual, value of Pacific cod landed by the 3 active vessels and the percentage of the total value based on the three years from 2003 through 2005.

AVERAGE ANNUAL VALUE IN EACH FISHERY			
YEAR	VALUE REMOVED	FISHERY'S TOTAL VALUE	TOTAL VALUE REMOVED
2003	\$9,371,490	\$111,205,491	8.41%
2004	\$9,588,193	\$130,427,752	7.43%
2005	\$10,457,053	\$158,835,963	6.67%

(5) The projected initial loan repayment fee percentage of the post-buyback landing value is:

FISHERY	LOAN PORTION	LANDING FEE PERCENTAGE
Pacific cod	\$35,000,000	1.60%

(6) The average effect for each post-buyback permit holder, all other things being equal, mean greater ex-vessel revenues for fewer post-buyback permit owners. Using the average annual total harvest of Pacific cod from 2003 through 2005, the following table illustrates the buyback's potential effect in the longline catcher processor subsector:

	BEFORE BUYBACK	AFTER BUYBACK	NET DIFFERENCE
Number of active vessels	39	36	3 less
2007 projected total revenue	\$174.1 Million	\$174.1 million	none
Average per vessel	\$4.46 million	\$4.84 million	\$380,000 more
Minus 1.6% Fee	-	\$77,440	\$77,440
Net average per vessel	-	\$4.76 million	\$302,560 more

Please do not hesitate to contact us, at the following numbers and addresses, if you need further referendum or buyback information of any kind:

PERSON	NUMBERS/ADDRESS	
	TELEPHONE (301) 713-2390	E-MAIL ADDRESS
Patrick Wilbert	Extension 210	patrick.wilbert@noaa.gov
Meredith Walz	Extension 206	meredith.walz@noaa.gov
Mike Sturtevant	Extension 212	michael.a.sturtevant@noaa.gov

We will notify all voters of the referendum results and publish a reduction payment tender notice in the Federal Register as soon as we possibly can. We look forward to receiving your referendum ballot not later than April 6, 2007.

Sincerely,



Leo Erwin, Chief
Financial Services Division

ENCLOSURE (one ballot for one permit)