

April 26, 2007

Dear Referendum Voter:

The Bering Sea/Aleutian Island Non-pollock Groundfish Longline Catcher Processor Subsector referendum was successful.

The industry fee system necessary to repay what will be a \$35 million reduction loan has been approved.

April 6, 2007, was the last day for us to have received referendum ballots. Through that date, we received 34 valid ballots representing 87.18% of the eligible voters. The votes were unanimously for an industry fee system which exceeded the minimum two thirds of all ballots cast required for a successful referendum.

On April 26, 2007, we published a reduction payment tender notice in the Federal Register. A copy of this notice is enclosed and discloses the name of each of the four selected offerors, the name of each of their reduction privilege vessels, the license number for each reduction permit, and associated area endorsements.

On or about May 29, 2007, we intend to tender reduction payment to the selected offerors. The tender of reduction payment to the selected offerors is the point at which we will:

(a) Permanently revoke the groundfish reduction permit and any other reduction permit(s);

(b) Notify the National Vessel Documentation Center to permanently revoke the reduction privilege vessel's fisheries trade endorsement;

(c) Notify the U.S. Maritime Administration to make the reduction privilege vessel permanently ineligible for the approval of requests to place the vessel under a foreign country's authority; and

(d) Record that the reduction fishing history represented by any documented harvest fishing history accrued on, under, or as a result of the operation of the reduction privilege vessel and/or

reduction fishing vessel, the groundfish reduction permit, and the reduction permit(s) which could ever qualify the offeror for any future limited access fishing license, fishing permit, or any other harvesting privilege of any kind shall never again be available to anyone for any fisheries purpose.

From that point forward, the selected offerors must permanently cease all fishing with the reduction privilege vessel and/or under any of the reduction permits.

Post-reduction longline catcher processors will not begin paying the fees on Pacific cod landings until after we have proposed and implemented a fee payment and collection regulation. Accordingly, fee payment will most likely not begin until sometime later this year.

Please contact any of us at the following telephone numbers or e-mail addresses if you need further information of any kind:

| <b>PERSON</b>   | <b>TELEPHONE<br/>(301) 713-2390</b> | <b>E-MAIL<br/>ADDRESS</b>     |
|-----------------|-------------------------------------|-------------------------------|
| 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 |

Thank you for participating in the reduction program.

Sincerely,

Leo Erwin, Chief  
Financial Services Division

Enclosure