

SUPPORTING STATEMENT
SOUTHEAST REGION GULF OF MEXICO RED SNAPPER IFQ PROGRAM
OMB CONTROL NO.: 0648-xxxx

INTRODUCTION

The Magnuson-Stevens Fishery Conservation and Management Act ([Magnuson-Stevens Act](#)) authorizes the Gulf of Mexico Fishery Management Council (Council) to prepare and amend fishery management plans for any fishery in waters under its jurisdiction. National Oceanic and Atmospheric Administration (NOAA), National Marine Fisheries Service (Fisheries Service) manages the red snapper fishery in the waters of the Gulf of Mexico under the Reef Fish Fishery Management Plan (FMP). This amendment (Reef Fish FMP Amendment 26) proposes to implement a transferable Individual Fishing Quota (IFQ) program in the Gulf of Mexico commercial red snapper fishery (RIN 0648-AS67). A referendum required by Section 407(c) of the [Magnuson-Stevens Act](#) and conducted by NOAA, Fisheries Service in February 2004 supported consideration of such a program. Additionally, a second referendum conducted in February 2006, to approve Amendment 26, was supported by 87 percent of commercial fishermen who were eligible to vote.

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary.

The Gulf of Mexico red snapper fishery is overcapitalized. This overcapitalization has led to derby fishery conditions. The IFQ program proposed is intended to reduce overcapacity and eliminate derby fishing conditions. This collection-of-information addresses IFQ share certificate and allocation debits and transfers, as well as effort information in the red snapper fishery. The applicable regulatory citation is [50 CFR 622.16](#).

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

IFQ share certificate and allocation debits and transfers would be tracked using an electronic accounting/reconciliation process developed by NOAA, Fisheries Service, in which the IFQ share certificate holder or allocation holder, dealer, NOAA, Fisheries Service, and NOAA, Fisheries Service General Counsel for Enforcement and Litigation (GCEL) would participate. The IFQ share or allocation holder and dealer would record IFQ share transactions. Quarterly landing reports filed by the dealer should be consistent with NOAA, Fisheries Service quota accounting. Additionally, annual shareholder and dealer reports should be consistent with NOAA, Fisheries Service quota accounting. Shareholders are responsible for identifying vessels which will be harvesting allocation for that particular shareholder through an active vessel report, if more than one vessel is eligible to harvest red snapper under this program. The NOAA, Fisheries Service accounts would monitor IFQ share transactions, as well as quota shares suspended prior to issuance and other legal actions taken against IFQ share certificate holders in which IFQ is garnished. For enforcement purposes, IFQ landings would be required to be

offloaded at permitted IFQ dealers between 6:00 a.m. and 6:00 p.m. daily. Persons landing IFQ catch would be required to notify NOAA, Fisheries Service Enforcement at least three hours in advance of the date of landing and of the dealer where landing will occur.

IFQ share transfers will be documented using a paper-based process. Because of the numerous implications for both an IFQ share transferor and transferee, these transactions must be documented and authenticated. Therefore, both parties will be expected to sign this paper document and to have the document notarized to authenticate the transaction.

IFQ transactions can be recorded by the IFQ share or allocation holder and dealer in one of two ways. The first of these is to use a web based system (<http://ifq.sero.nmfs.noaa.gov>) in which the share/allocation holder and dealer enter purchase data into the system with each cross-verifying the other. The second method for reporting a purchase is for the share/allocation holder and dealer to use an interactive voice recording (IVR) system (1-866-425-7627). These two methods are the only accepted means of red snapper purchase reporting unless a catastrophic event occurs.

During catastrophic conditions only, the IFQ program provides for use of paper-based components for basic required functions as a backup. The Regional Administrator (RA) will determine when catastrophic conditions exist, the duration of the catastrophic conditions, and which participants or geographic areas are deemed affected by the catastrophic conditions. The RA will provide timely notice to affected participants via publication of notification in the Federal Register, NOAA weather radio, fishery bulletins, and other appropriate means and will authorize the affected participants' use of paper-based components for the duration of the catastrophic conditions. NMFS will provide each IFQ dealer the necessary paper forms, sequentially coded, and instructions for submission of the forms to the RA. The paper forms will also be available from the RA. The program functions available to participants or geographic areas deemed affected by catastrophic conditions will be limited under the paper-based system. There will be no mechanism for transfers of IFQ shares or allocation under the paper-based system in effect during catastrophic conditions. Assistance in complying with the requirements of the paper-based system will be available via IFQ Customer Service 1-866-425-7627 Monday through Friday between 8:00 a.m. and 4:30 p.m. eastern time.

It is anticipated that the information collected will be disseminated to the public or used to support publicly disseminated information. As explained in the preceding paragraph, the information gathered has utility. NOAA, Fisheries Service will retain control over the information and safeguard it from improper access, modification, and destruction, consistent with NOAA standards for confidentiality, privacy, and electronic information. The information collection is designed to yield data that meet all applicable information quality guidelines. Prior to dissemination, the information will be subjected to quality control measures and a pre-dissemination review pursuant to Section 515 of Public Law 106-554.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

As stated above in #2, information other than transfer transactions would be submitted either via a web-based system or an IVR telephone system, with paper submission an option only in

catastrophic circumstances.

IFQ share certificate and allocation debits and transfers would be tracked using an electronic accounting/reconciliation process developed by NOAA, Fisheries Service, in which the IFQ share certificate holder or allocation holder, dealer, NOAA, Fisheries Service, and NOAA, Fisheries Service GCEL would participate. The IFQ share certificate holder or allocation holder and authorized IFQ dealers would record IFQ share transactions into a web based reporting system. Quarterly landing reports filed by the dealer should be consistent with NOAA, Fisheries Service quota accounting. Additionally, annual shareholder and dealer reports should be consistent with NOAA, Fisheries Service quota accounting. The NOAA, Fisheries Service accounts would monitor IFQ share transactions, as well as quota shares suspended prior to issuance and other legal actions taken against IFQ share certificate holders in which IFQ is garnished. The following information would be collected and monitored through the electronic accounting/ reconciliation process:

- When an IFQ share certificate holder or allocation holder has sold IFQ species, and the IFQ share certificate holder's or allocation holder's ID number.
- Sale price of IFQ species or IFQ share certificates.
- The weight of the catch and all biological management information as required.
- To whom the catch was sold and their dealer/permit number.
- Whether initial recipients hold enough IFQ share certificates.
- Reconciliations of IFQ share certificate holder or allocation holder/dealer transactions, which would be confirmed and authorized using NOAA, Fisheries Service approval codes.

The real-time capability of such an electronic IFQ transaction process would be advantageous to IFQ share certificate holders, NOAA, Fisheries Service, and U.S. Coast Guard (USCG) enforcement personnel. For example, IFQ share certificate holders could electronically purchase IFQ allocations to cover extra fish before they are landed (i.e. via satellite phone, cell phone or ship to shore marine operator).

4. Describe efforts to identify duplication.

The Magnuson-Stevens Act's operational guidelines require each FMP to evaluate existing state and federal laws that govern the fisheries in question, and the findings are made part of each FMP. Each Fishery Management Council membership is comprised of state and federal officials responsible for resource management in their area. These two circumstances allow identification of other collections that may be gathering the same or similar information. In addition, each FMP undergoes extensive public comment periods where potential applicants review the proposed permit application requirements. Therefore, NOAA, Fisheries Service is confident it is aware of similar collections if they exist. The other information proposed to be collected is not being collected elsewhere; therefore, this data collection would not cause duplication.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

Because all applicants are considered small businesses, separate requirements based on size of business have not been developed. Only the minimum data to meet the current and future needs of NOAA, Fisheries Service fisheries managers are requested from participants in the red snapper IFQ program.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

NOAA, Fisheries Service would be unable to manage the red snapper IFQ fishery if this collection were not conducted or were conducted less frequently. The approved participants would be unknown and harvest rates could not be determined, which may result in allocations being exceeded.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

No special circumstances are associated with this information collection.

8. Provide a copy of the PRA Federal Register notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The notice of availability of Amendment 26, and the proposed rule to implement Amendment 26, include a notice of and request for comments on this data collection.

Because these data collection programs are part of fishery management plans, all aspects of the programs have been reviewed by both statistical and constituent advisory committees. Furthermore, comments and suggestions from fishermen are routinely submitted, reviewed, and considered. Experience with the various programs, some of which have been operating for many years, provides a continual feedback mechanism to NOAA, Fisheries Service on issues and concerns to the applicants. Amendment 26 did not raise an unusual amount of controversy during the Council development process. We believe that there are no major problems with Amendment 26 that have not been resolved.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

There are no payments or other remunerations to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

All data that are submitted are treated as confidential in accordance with NOAA Administrative Order 216-100.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

No questions of a sensitive nature are asked.

12. Provide an estimate in hours of the burden of the collection of information.

Collection	Responsible Party	Number of Responses per Responsible Party	Burden Time	Annual Responses	Total Annual Burden
Dealer Transaction Report	Dealer (208)	18	7 minutes	3720	434 hours
Annual Dealer Report	Dealer (208)	1	10 minutes	208	35 hours
Dealer Account Activation	Dealer (208)	1	5 minutes	208	17.5 hours
Shareholder Account Activation	Shareholder (618)	1	5 minutes	618	51.5 hours
Fisherman Account Activation	Shareholder/ Fisherman (865)	1	10 minutes	865	144 hours
Annual Shareholder Report	Shareholder (618)	1	10 minutes	618	103 hours
Notification of Landing Time	Fisherman (865)	4	3 minutes	3720	186 hours
Active Vessels Report	Shareholder (618)	0.06	10 minutes	40	6.5 hours
Transfer of Share	Shareholder (618)/Reef Fish Permit Holder (1209*)	0.16/0.08	15 minutes	98	24.5 hours
Transfer of Allocation	Shareholder (618)	0.24	5 minutes	149	12.5 hours
TOTALS	1417			10,244	1015

* 865 current red snapper fishermen and 344 fishermen eligible to fish for red snapper

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in #12 above).

Section 304(d)(2)(A) of the Magnuson-Stevens Act provides the Secretary of Commerce the authority to establish a fee to assist in recovering the actual costs directly related the management and enforcement of any IFQ program. Such a fee may not exceed three percent of the ex-vessel value of fish harvested under any such program, and must be collected either at the time of landing, filing of a landing report, or sale of such fish during a fishing season or in the last quarter of the calendar year in which the fish is harvested. Fees collected shall be in addition to any other fees charged under the Magnuson-Stevens Act and shall be deposited in the Limited Access System Administration Fund established under section 305(h)(5)(B) of the Magnuson-Stevens Act except that the portion of fees reserved under section 304(d)(4)(A) of the Magnuson-Stevens Act shall be deposited in the United States Department of the Treasury and

available, subject to annual appropriations, to cover the costs of new direct loan obligations and new loan guarantee commitments as required by section 504(b)(1) of the Federal Credit Reform Act (2 U.S.C. 661 c(b)(1)). Collection of such fees is necessary to recover cost for enforcement and program administration including data collection, management, and distribution.

A three percent fee of the ex-vessel value of landed fish will be collected from the fishermen at the point of purchase by an authorized red snapper IFQ dealer. Dealers will then be responsible for submitting the cost recovery fees on a quarterly basis. **Based on a 4.65 million pound commercial red snapper quota, a 3% fee, and an ex-vessel price of \$2.83 per pound, the fee total would be \$383,625 for 865 fishermen (\$443 per fisherman).**

The cost of share transfer notarization is covered under another collection, 0648-0205.

14. Provide estimates of annualized cost to the Federal government.

Total budget	\$500,000.00
Existing SERO funds	\$115,000.00
HQ funding	\$250,000.00
IVR funding	\$135,000.00
Planned expenditures	\$423,000.00
Contracted web development	\$288,000.00
IVR	\$135,000.00
Administrative, travel, printing, etc.	\$77,000.00

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB 83-I.

This is a new collection of information.

16. For collections whose results will be published, outline the plans for tabulation and publication.

The results from this collection are not planned for statistical publication.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

The OMB number will be displayed.

18. Explain each exception to the certification statement identified in Item 19 of the OMB 83-I.

There are no exemptions to the certification statement identified in Item 19 of OMB 83-I.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection does not employ statistical methods.