

**SUPPORTING STATEMENT
SOUTHEAST REGION OFFICE SOCIOECONOMIC SURVEY OF GULF SHRIMP
FISHERMEN
OMB CONTROL NO.: 0648-0476**

INTRODUCTION

Economic data will be collected from shrimp vessel owners who operate in federal waters of the Gulf of Mexico. These fishermen are required to have a federal permit for the commercial catch of penaeid shrimp. A collection of economic information from fishermen affected by the management of federal commercial fisheries on the Gulf coast is needed to ensure that national goals, objectives and requirements of the Magnuson-Stevens Fishery Conservation and Management Act (MFCMA) and other laws are met. This information is vital in assessing the economic and social effects of management decisions and regulations on individual fishing enterprises, fishing communities and the nation as a whole.

Together with the renewal, we are requesting the approval of considerable changes to this data collection. All changes aim to reduce and simplify the information collected and to substantially lower the burden to each respondent and the public as a whole. Two major developments make these changes necessary:

- Amendment 13 to the Fishery Management Plan for the Shrimp Fishery in the Gulf of Mexico--introducing a moratorium on permits, improving information collection and approved February 13, 2006---has had a major impact on the management of this fishery. Beyond a redefinition of the surveyed population, the collection of data has changed dramatically. Submitting a ‘vessel and gear characterization form’ (OMB Control No.: 0648-0542) is now an annual requirement linked directly to the (new) moratorium permit application or renewal process (OMB Control No.: 0648-0358). Similarly, reporting last year’s landings is now required annually by mail (OMB Control No.: 0648-0205). Hence questions linked to either of these topics can now be dropped from this survey.
- The in-person interview-based implementation of this data collection effort encountered difficulties. Gaining acceptance among reluctant shrimp fishermen proved problematic even in light of major outreach efforts (documented in prior supporting statements). Outside of Texas the survey had a very low response rate due in part to an imperfect sampling frame and further due to contact avoidance and outright refusal by the “respondents”. The contractor has summarized the findings and recommended some changes. The central conclusion is that a fundamentally new approach is needed if this type of data is to be collected at all.

Due to these two developments we have decided to substantially change the scope and method of the data collection. Foremost, we aim to collect only the absolute minimum information necessary for basic economic analyses of this fishery; thereby reducing a 20+ page survey to just two pages. In concert, we will make the submission of this information a requirement for permit renewal for the fishermen who are sampled. Further, to simplify contacting fishermen, increase convenience and in line with the general data collection developments in this fishery, we will switch to a self-administered, mail-based survey. Timing and other attempts to raise the response rate are addressed in detail in Part B, Question 3. After the survey has been conducted in 2007, we intend to conduct a critical evaluation of the survey implementation and outcome and decide if further changes are necessary.

A. JUSTIFICATION

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

A collection of economic information from fishermen and fishing businesses affected by the management of federal commercial fisheries on the Gulf coast is needed to ensure that national goals, objectives and requirements of the Magnuson-Stevens Fishery Conservation and Management Act (MFCMA), *National Environmental Policy Act (NEPA), Regulatory Flexibility Act (RFA) and Executive Order 12866 (EO 12866) are met. This information is vital in assessing the economic and social effects of fishery management decisions and regulations on individual fishing enterprises, fishing communities and the nation as a whole.

Economic information on commercial fishing enterprises is vital to the Optimum Yield (OY) management of marine fishery resources as mandated under the MFCMA (16 U.S.C. 1802 MS Act § 3). The term "Optimum" is defined under section 104-297 (28) of the Act, as: (A) will provide the greatest overall benefit to the Nation, particularly with respect to food production and recreational opportunities, and taking into account the protection of marine ecosystems; (B) is prescribed as such on the basis of the maximum sustainable yield from the fishery, as reduced by any relevant economic, social, or ecological factors; and (C) in the case of an over-fished fishery, provides for the rebuilding to a level consistent with producing the maximum sustainable yield in such a fishery.

The central goal of this project is to collect up-to-date cost data for the Gulf of Mexico commercial shrimp fishery in federal waters. National Standard Guidelines for social and economic information needs are mandated in 50 CFR 600. In the past, legal decisions have gone against Department of Commerce (DOC), National Oceanic and Atmospheric Administration (NOAA), National Marine Fisheries Service (NMFS) based on the lack of social and economic information or the inadequate analysis of existing data. Thus, it is imperative that these data be collected to accurately assess the economic and social impacts on individual shrimp fishing entities as imposed by shrimp fishery management plans and regulations. Most important, the fishing industry has been calling for greater inclusion of social and economic data in the formation of fishery management plans.

The devastating impact of the 2005 hurricane season on the Gulf coast has led to substantial upheaval in the commercial shrimp fishery. A moratorium on new federal permits, and the now binding control date qualification requirement for maintaining a permit, is leading to further economic changes. As a result, historical data and models can no longer be used for valid analysis, and up-to-date economic information is urgently needed.

The data collection effort will be an ongoing annual survey effort. Regular surveying is necessary to capture critical cost data that fluctuate from year to year. Fluctuations are generally due to annual fluctuations in shrimp abundance caused by environmental factors, input and output price variability and adaptations to these. This study will be conducted by the Social Science Research Group of the Southeast Fisheries Science Center in collaboration with the Social Science Branch of the Southeast Regional Office of the NMFS. A contractor will be hired for the mail handling and data entry and verification elements of the survey.

In the past, NMFS has collected catch and limited effort data only on a continuous basis in this industry (through port agents and dealer reports). With the move to more active management implied by the ongoing introduction of the moratorium permits, more and more timely data collections have become necessary and have been introduced. Submitting a 'vessel and gear characterization form' is now an annual requirement linked directly to the moratorium permit application and renewal process

(OMB Control No.:0648-0358). Similarly, reporting last year's landings (in pounds and dollars by species) will be required annually during the first quarter of each year, starting in 2007 (OMB Control No.:0648-0205). None of these efforts collect production costs as proposed for this survey. Without information on the cost side of production, full economic and social analyses are impossible. As experience is gained, consolidation of some of these independent efforts might make sense (see Question 4).

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.

Combined with data from existing collections, the information is used by NMFS economists and social scientists to create, develop and update economic and social models and descriptive reports of this important fishery. The results support the management of the shrimp fishery by the Gulf of Mexico Fisheries Management Council and NOAA. Foremost, the data are used to evaluate the economic health of the sector and the potential economic impact of proposed regulations. The data is also used by the academic community studying Gulf fisheries.

Statistical models that predict or forecast various characteristics, such as fleet size, fishing activity or effort, cost versus benefits of fishing, market activity, and efficiencies of proposed fishing regulations will be just a few of the benefits and uses of these data. Gross revenues and costs can vary across time and geographic areas as a result of changes in a number of different factors, including fishery management regulations (e.g. gear modifications, time/area closures, etc.), fluctuations in abundance (due to changes in various environmental factors), market conditions (such as fuel or seafood prices) and behavioral responses by fishermen.

The effects of switching from an in-person, interview format to a self-administered mail survey will be evaluated in order to optimize future data collections. After the first year, we will conduct an in-depth assessment of the survey instrument and methodology used.

It is anticipated that the information (summary statistics) supported by the information collected by this survey will be disseminated to the public (such as through an annual economic report) or used to support other publicly disseminated information. Data may be reported for various groups of fishermen (by vessel size, port, etc.) which will allow vessel owners to compare and evaluate their operations relative to others in the same group in terms of ability to generate revenues, cost efficiency, and profitability. As will be explained in greater detail in the following paragraphs, the information gathered has utility.

NMFS 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. All submitted data will be treated as confidential in accordance with NOAA Administrative Order 216-100 and the Magnuson-Stevens Act (P.L. 109-479, Title II, Section 302(b)), Confidentiality of Information). See response # 10 of this supporting statement for more information on confidentiality and privacy. This 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.

The following is a detailed description of justifications for the collection of these data. In general, the

survey instrument asks questions pertaining to the annual total of variable costs, fixed costs, and other financial and production factors. This data is necessary to generate cost, profit, input demand, and production functions. Such functions and the results generated from their estimation are typically used in financial analyses (used to determine a business' cost efficiency and profitability), economic impact analyses (used to determine the economic value of a particular activity to a particular locale, community, or region), bio-economic models (used to predict how the biological and economic components of a fishery will respond to exogenous shocks, such as policy changes), cost-benefit analyses (used, in part, to determine the net economic benefits of a particular action), and behavioral models (such as those that explain or predict exit or entry decisions and decisions regarding spatial or temporal allocation of effort). These data can also be used to determine the relative efficiency of the various participating vessels in a fishery and thus whether the aggregate harvesting costs are in fact being minimized. Such models and analyses are critical to guiding fisheries management decisions whose general purpose is to maximize net national benefits and optimally distribute those benefits.

The survey is broken into three parts. It starts on page 1 with a pre-filled header section that serves to identify the respondent. The second section, also on page 1, collects information on annual financial expenditures ("cash costs"). These should correspond to receipts and invoices and the associated payments and should be readily available from regular business accounting ("the books"). Page 1 is set up to add up to total 2006 financial expenditures. This should reduce the cognitive load and enhance internal consistency.

Expenditures do not fully reflect the economic concepts of costs (and hence profit); therefore, in order to facilitate economic analysis, further information is necessary, and this is collected on page 2. For example, loan principal payments are real financial transfers but do not constitute a cost in the economic sense. Depreciation charges are an example of the reverse, where real economic costs produce no corresponding financial transaction. Please see the attached survey instrument and its instructions for an in depth explanation of the intent of each question.

Header: Vessel information

This pre-filled section lists and verifies the identity of the respondent, including owner name, permit number, vessel name and vessel registration number. Respondents are requested to make any changes if there is an error. This information will allow NMFS to link this vessel's responses with other pertinent data, such as permit, revenue, vessel and gear, and catch information, located in other data sets.

Total 2006 Expenses (Page 1)

The first 11 questions elicit total annual expenditures associated with the vessel. They are arranged into three blocks corresponding to variable costs (questions 1 to 6), fixed costs (questions 7 to 10) and a check for completeness (question 11). These questions can generally be used to construct input demand function, cost functions and production functions, all of which are needed to conduct the types of analyses mentioned previously. Distinguishing between variable and fixed costs is necessary for conducting analyses with different time horizons.

Questions 1 to 6 - Annual Variable Costs

These questions ask for total annual expenditures for labor inputs (crew and captain) and non-labor inputs (fuel, ice and other trip expenditures). The categories are chosen as they each reflect a substantial part of the costs in this industry. Since these expenditures vary directly with the annual number of trips taken, they are generally related to or a function of the annual level of fishing effort, and hence variable costs in the economic sense.

Question 1 and 2 are meant to obtain total annual payments to the crew and captain, respectively. Labor is a major input to the production function and hence economic models. Further, these payments represent the flow of annual income to the crew members and captains associated with the vessel. From the captain and crew's perspective, their share of the vessel revenues determines the incomes of their respective households. Changes in annual income received can affect the captain's and crew members' decisions to continue working in this particular fishery, and/or in fishing as a vocation. These data will allow analysts to determine how various factors, such as changes in regulations, may affect the incomes of crew.

Questions 3 and 4 collect annual fuel expenditures, the quantity of fuel used, and (an estimate of) the average price of fuel in 2006. Next to labor and the vessel itself, fuel is a major input for a trawl fishery; for some vessels even the largest one. Given the importance of fuel to this fishery and the substantial fluctuations of its price, we are also requesting information on the annual quantity used. This will allow for policy simulations that explicitly take account of the price of fuel (since variation in total annual costs can be due to a change in quantity purchased or due to a change in the price per unit). Since these vessels operate out of multiple states in the Gulf region, the average 2006 fuel price for each vessel will serve as a test of the two other numbers. It is also hoped that the respondents will 'do the math' themselves and so enhance the quality of the data.

Question 5 asks about total expenditures on ice. For vessels without refrigeration equipment, ice can be a substantial variable cost in the warm-water shrimp trawler fishery and is dependent upon the level of fishing activity. Ice is a special input in the production process since it needs to be regularly purchased from on-shore facilities. Developments in this fishery make it likely that data concerning ice use will be requested by managers.

Question 6 intends to capture any other trip related costs not covered by previous questions and is needed to account for all variable costs.

Questions 7 to 10 - Annual Fixed Costs

These questions ask for total annual expenditures related to physical capital (vessel, gear and equipment) and overhead (including all other expenditures). These costs are paid regardless of whether the vessel is used or not, or has generated revenue, and are borne entirely by the owner. Since these costs do not vary according to the level of fishing activity they are referred to as fixed costs by economists. If sufficiently high, fixed costs can affect the probability of entry and exit into and out of a fishery.

Questions 7 and 8 collect information pertaining to costs related to vessel, gear and equipment maintenance, repair, replacement and new purchases. These expenses all pertain to physical capital employed in fishing and are separated from the more business related expenses, loosely called overhead. While question 7 collects the total annual expenditures, with the help of question 8, we will try, at the population level, to roughly break them into average regular maintenance expenditures (yearly), average extraordinary expenditures, and average new investments which expand the functionality of the physical capital. We are not asking for dollar amounts in question 8, merely expense type, in order to keep the survey simple and short, and because the retrieving exact amounts would be extremely difficult.

Questions 9 (see below) and 10 are intended to collect business and indirect costs pertaining to the vessel and any remaining costs not listed elsewhere. Typical examples are annual costs associated with

docking or mooring arrangements, utilities while at the dock, insurance and loan payments, fees, professional services, office expenditures, etc. This question is needed to account for all fixed costs.

Question 9 and the structure of Question 2 try to elicit expenditures, common in this industry, that actually represent payments to the owner of the vessel. Such payments are more akin to income or profit than costs. For economic analysis we must have the ability to identify these. Economic profit is the income flowing to the vessel owner(s) and represents the income related to the owner's overall management, equity investment and possibly his skills as a captain. Whether or not the owner's share of the net revenues is sufficient to cover costs and provide a reasonable rate of return on his capital investment and management skills will affect his decisions to remain in the fishery, switch to another fishery, or exit from fishing altogether.

Question 11 - Total Expenditure Verification

This question adds no additional information. Instead its purpose is to enhance the quality of the data collection by inducing the respondent to be comprehensive and avoid duplication while s/he is accounting for all expenses in questions 1 through 10. If the sum of questions 1 through 10 does not add up to the known or estimated total expenditures for the year 2006, a conscientious respondent will find and correct the inaccuracies. It will also help very much with identifying data entry errors.

Other Important Economic Information

Question 12 - Insurance

This question collects information on the type of vessel insurance and the total amount insured for. The lack of hull and other related vessel insurance is indicative of the industry's economic health. Further, the level of insurance coverage is a measure of how exposed this industry is toward risk, such as losses due to hurricanes. There is much policy interest in insurance related questions.

Questions 13-16 - Capital, Net-Equity and Depreciation

Questions 13 to 16 try to discern the total amount of financial capital invested in the vessel, the current value of that capital, the owner's net equity in the vessel and the annual amount the capital is depreciating by. This information is required to both estimate economic profit and then to calculate various rates of return on the owner's investment. The expected rate of return is a critical factor in the owner's decision to invest further in the vessel, and whether to remain in the fishing industry. Changes in the levels of net equity should be indicative of the industry's economic health (requires at least two years of observation).

Question 13 asks for the market and replacement value of the vessel, either from insurance records or as estimates. These are proxies for the financial capital that has been invested in the vessel and the current value of that capital. Further, the questions asks for the purchase price since recently many used vessels are changing hands at very low prices (due in part to hurricane impact). Since historically the vessel purchase price has been the greatest barrier to entry, we need to quantify this development.

Question 14 gathers information about outstanding loans and the interest and principal payments on these. With the help of this information we can calculate the owner's net equity tied up in the vessel. In terms of cash flow and investment decisions, loan payments can be critical to annual financial performance of the vessel operation and can be used as an indicator of the health of the industry. The amount of principal repaid during the year is required in order to correctly identify economic profits (by reducing total expenditures by this amount). Interest payments will help identify the relevant cost of capital in this industry. Many economic analyses, beyond the ones directly related to this survey, require the applicable cost of capital.

Question 15 and 16 serve to help estimate the appropriate economic depreciation that should be added as a further cost to total expenditures for the vessel when calculating profits. Calculating economic depreciation is difficult, and we will attempt, at the population level, to econometrically estimate¹ it with the help of vessel market prices and information about each vessel's age and characteristics. Both questions 15 and 16 will allow for independent checks on our results. Relating market value of the vessel by its remaining lifetime leads to a measure of depreciation. Depreciation, as claimed for tax purposes, is a further rough proxy for economic depreciation (especially if adjusted for the age of vessel) and is important in its own right for cash-flow analyses. The remaining lifetime together with the age of a vessel in conjunction with question 8 can also help with our understanding of the timing of investments.

Question 17 - Revenues Beyond Shrimp

Other data collection efforts allow us to calculate the total revenue this vessel generates from shrimp. In the case where a vessel also engages in other commercial fisheries, portions of the reported costs will apply to these activities rather than to the catching of shrimp. This question allows us to identify the portion of costs actually incurred catching shrimp ("pro-rated" costs based on revenue share). The question will also serve as an indicator for how specialized this industry is.

Question 18 – Anti-Dumping “Revenues”

In 2006 the Gulf shrimp fishery has seen increasing imports of shrimp flooding the market and lowering the price. This has been ruled a case of dumping and import duties have been imposed. As a result, shrimp fishing vessels have received payments 'in compensation' from the government. Government payments received due to imports and low shrimp prices (tariff money; trade assistance adjustment payments, etc.) are treated as taxable revenue and are very relevant to the economic success or failure of each operation. Further, some fishermen qualify for disaster relief funds related to hurricane damage.

At the bottom of the last page of the survey (page 2) two further voluntary questions are asked. The first inquires about the language a respondent prefers, for possible future communications. The second ask the respondent for any comments on the survey effort.

The data generated by the previous round of this survey has been put to limited use, since both regional surveys met with a low to very low response rate. This raises question about the quality of the data, particularly with respect to their use generating statistical results that should apply to the population.

¹ Econometrics is a combination of mathematical economics and statistics. The two main purposes of econometrics are to give empirical content to economic theory and to subject economic theory to potentially falsifying tests. For example, economic theory may predict that a given demand curve should slope down. Econometric estimates can either verify or falsify that prediction, and shed light on the magnitude of the effect.

Econometric analysis is divided into time-series analysis and cross-sectional analysis. Time-series analysis examines variables over time, such as the effects of population growth on a nation's Gross Domestic Product (GDP). Cross-sectional analysis examines the relationship between different variables at a point in time; for instance, the relationship between individuals' income and food expenditures. When time-series analysis and cross-sectional analysis are conducted simultaneously on the same sample, it is called panel analysis. If the sample is different each time, it is called repeated cross section data. Multi-dimensional panel data analysis is conducted on data sets that have more than two dimensions. For example, some forecast data sets provide forecasts for multiple target periods, conducted by multiple forecasters, and made at multiple horizons. The three dimensions provide more information than can be gleaned from two dimensional panel data sets.

More information on this, and how we intend to avoid a similar outcome in the future, is provided in Part B of this supporting statement.

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.

The data collection will be conducted as a self-administered mail survey. Given NMFS' experiences of with surveys of this population, a very low impact (burden) approach is necessary to get fishermen's cooperation. A mail survey will be less intrusive, more convenient, and less time-intensive than one based on in-person interviews.

All respondents will be contacted by mail. They will be asked to return the completed survey instrument to us in an enclosed, pre-paid envelope. If no response is received, up to two further letters will be sent (including additional survey instruments). Finally, remaining non-responders will be contacted by phone and urged to return the survey. Information will not be collected during the phone call (a further survey instrument will be sent – by mail or email – if requested). In other fisheries, the southeast region is currently developing (designing and programming) a web-based option for the submission of survey data. Currently, it is still experimental, but we intend to adapt it to this survey when the process is operational and has proven itself.

There will be no other means, electronic or otherwise, to submit data or information for the purposes of this study. The survey responses will be entered into an electronic database by us or a contractor. The *analytical results* of studies based on this data will be disseminated in internal, management related and peer-reviewed publications. Some of these will be available over the internet.

4. Describe efforts to identify duplication.

There is no duplication of economic information gathering on the Gulf of Mexico federal shrimp fishery. Experts on the Gulf shrimp fishery at NMFS, Universities and the Gulf Council were contacted and made aware of this effort. There are no data collection efforts similar to this one conducted by any other entities. The possibility of an overlap with a planned survey by the State of Louisiana was explored and rejected due to its different population of interest (small scale in-shore fishers), method of collection (group interviews) and focus of research questions (hurricane related impacts).

Other regular data collection efforts in the Gulf shrimp fishery include dealer reports collected by NMFS port agents (revenue and effort data) and the data collected as part of the moratorium permitting (vessel and gear characteristics and annual catch and effort data). These collection efforts are clearly delineated separately from this cost survey. They focus on catch, effort and vessel characteristics instead of production costs. For this revision, many questions have been dropped as they are now part of these other efforts. Since the annual catch-revenue questionnaire is to be sent by mail during the first part of each year, we are exploring (for 2008 and onwards) adding our cost survey to that mail-out while maintaining separate Office of Management and Budget (OMB) numbers for administrative and logistical reasons.

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

Only the minimum data to meet the current and future needs of NMFS management and permitting programs are collected. The information requested should be available to the respondent in the course of normal business operations. Keeping additional records is not needed and hence the burden is low. To simplify the process further, the survey collects aggregate annual data and will be timed to follow tax season. The results of this study are expected to improve the economic conditions of small fishing entities by affording fishery management agencies the information needed to consider economic factors in management plans and regulations.

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

Previous attempts to collect costs data have been plagued by their small geographic scope, their limited duration and refusal by the industry to be surveyed. Current and statistically valid economic data is needed for the Gulf shrimp fishery as a whole in order to accurately assess the positive and negative impacts of federal rules and regulations. Such assessments are mandated under Executive Order 12866, the Regulatory Flexibility Act, Magnuson-Stevens/Sustainable Fisheries Acts (and the National Standards attached thereto), and the Endangered Species Act, among others. Additionally, legal decisions against the federal government have been handed down based on the absence of social and economic data (i.e. summer flounder litigation: North Carolina Fisheries Association, et al. versus Daley - Civil Nos. 2: 97cv339; 2: 98cv606).

If current and accurate socioeconomic data are not available, then the social and economic assessments of management alternatives will be impossible or inaccurate, thereby potentially leading the Council and NMFS to make poor management decisions. Thus, continuous cost data collection is needed to satisfy these various mandates and help ensure that good management decisions are made. Further, the industry has criticized the accuracy of previous social and economic analyses related to particular Council and NMFS actions.

The purpose of collecting this data *annually* is to identify and track changes and trends through time. This fishery has recently been experiencing substantial upheaval (hurricane impacts, dumping of product on the U.S. market by foreign competition and the introduction of the moratorium on permits). Further reasons to collect this data annually include the paucity of existing economic data in the shrimp fishery (especially about costs); the fact that there can be wide fluctuations in all costs, not just variable, from year to year; and that future, proposed management strategies are substantially different from the current management structure. In the absence of annual data, the Council and NMFS cannot satisfy the various mandates described above and in section 1; cannot fully assess the social and economic impacts of potential management changes; and generally cannot ensure that good management decisions are made.

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

The collection is consistent with OMB guidelines.

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.

A Federal Register notice was published on November 8, 2006, and the public comment period closed on January 8, 2007. A single public comment was received in response to this notice. The comment rejected the survey in principle, due to pollution from the Mississippi watershed affecting the Gulf, and due to the possible economic impact of immigration (particularly of Vietnamese origin) in the region. No action was taken in response.

Efforts have been made to contact persons knowledgeable about the shrimp fishery. Experts both inside and outside the agency have been consulted, including federal and state fishery managers, scientists, and port agents (government); and academics, shrimp associations and fishermen (external). We collected their views on the availability of the requested data, frequency of collection, the clarity of the instrument and instructions, disclosure, making it a requirement, survey methodology, and on the data elements to be recorded, disclosed, or reported. NMFS has established that the data to be obtained through this survey is not currently available, and this is discussed in response to Question 4 above.

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

No monetary payments or other remuneration will be made to respondents.

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

The cover letter sent with the survey will explicitly state that all submitted data are treated as confidential in accordance with NOAA Administrative Order 216-100 and the Magnuson-Stevens Act (P.L. 109-479, Title II § 203(b), Confidentiality of Information).

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 will be asked of survey participants about sexual behavior and attitudes, religious beliefs, or similar sensitive activities. Questions pertaining to a respondent's business costs and expenses will be used, together with revenue data collected elsewhere, to establish their profitability. Business income (not *directly* collected) is sometimes considered private. This information is necessary for the development of economic assessment models and analyses described extensively in Questions 1 and 2. In-depth justifications for individual survey questions are also provided in Question 2. The data will be used and reported only at the aggregate or representative (average) levels. The respondents will be informed of this in the cover letter.

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

To generate statistically significant results, we anticipate requiring 400-600 completed surveys, collected once a year. In the first year, due to the urgency with which the data is needed and to gather experience we will aim for 600 completed surveys. In later years we will reduce the number based on statistical analysis of the previous year's data and experience with the response rate.

The public reporting burden for this collection of information is estimated to average 45 minutes per response including the time for reading the instructions, gathering the data from business records, and completing and mailing the survey instrument. Thus, there will be an estimated total annual burden of 450 hours in the first year and 450 hours or less in subsequent years. This is a reduction of 108 hours from the current OMB inventory of 558 hours. The reduction is due to a substantial shortening of the survey instrument. At an hourly wage rate of \$32 dollars, the annualized labor cost to the public would be \$14,400 dollars.

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).

There will be no financial cost to the public to participate in this study. Information to be gathered in this study should be readily available in the vessel's financial statements and records, recalled from the respondents' memory, or found on federal tax returns.

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

This study will be conducted by the Social Science Research Group of the Southeast Fisheries Science Center in collaboration with the Social Science Branch of the Southeast Regional Office of the NMFS. This includes development of the sampling design, refinement and testing of the survey instrument, acquiring PRA clearance, outreach, conducting the survey across five states, administration and supervision of contractor, database development, preparation of reports and associated travel.

Federal Costs	2006/7	2008	2009	Average
Fed Staff Time	\$ 30,000	\$ 10,000	\$ 10,000	\$ 16,667
Travel Costs	\$ 14,000	\$ 2,000	\$ 2,000	\$ 6,000
Overhead	\$ 8,000	\$ 3,000	\$ 3,000	\$ 4,667
Contractor and Materials	\$ 16,000	\$ 15,000	\$ 15,000	\$ 15,333
Total	\$ 68,000	\$ 30,000	\$ 30,000	\$ 42,667

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

The change of method (from a voluntary, in-person interview survey to a required, mail survey) and the considerable reduction in the length of the survey instrument (from 20+ to 2 pages) required a fundamental recalculation of the hour burden. The proposed changes reduce the burden from 558 to 450 hours while increasing the sample size. The sample size has been increased to ensure statistical

significance of the results in the first year (and might be lowered in later years) due to the urgency with which the data is needed.

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

These data will be published in summarized format and generalized tables in an annual NMFS economic report. A final project report will provide documentation about the survey methodologies, survey instrument, statistical and random sampling design, an assessment of the validity of the collected data and basic descriptive statistics. The *analytical results* of studies based on this data will be disseminated in internal, management related and peer-reviewed publications. Some of these will be available over the internet.

The Gulf of Mexico Fisheries Management Council's scientific and statistical committee would like to have basic draft results as soon as possible, preferable for their August 2007 meeting. Data on costs and cost structures are elements of various fishery models and each of these would be updated to increase its accuracy (especially given the many changes in the industry).

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.

Not applicable. The OMB number and expiration date will be displayed.

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

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