

**SUPPORTING STATEMENT  
NORTHEAST REGION DEALER PURCHASE REPORTS  
OMB CONTROL NO.: 0648-0229**

**INTRODUCTION**

This submission requests Office of Management and Budget (OMB) clearance of a collection of information associated with the Atlantic hagfish fishery. Specifically, this clearance is for hagfish dealer reporting requirements. Observer coverage and dealer permit requirements are being cleared under a new Paperwork Reduction Act (PRA) clearance and will eventually be merged (with appropriate changes) with OMB Control No.: 0648-0202. Processor reporting requirements will also be revised as a result of the hagfish information collection program and submitted for clearance under OMB Control No.: 0648-0018. This collection of information for the hagfish fishery is being proposed under the provisions of section 402(a) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), which allows for the collection of information on a fishery prior to its regulation under a Fishery Management Plan (FMP). A request for an information collection on Atlantic hagfish was received by the New England Fishery Management Council (Council) on October 3, 2006. This collection of information may become permanent through the development and implementation of the Atlantic hagfish FMP.

This information collection fulfills the requirements under section 402(a) of the Magnuson-Stevens Act. This data collection program would continue only until an FMP is implemented (presumably sometime in 2008), and would involve a limited number of dealers (i.e., there are 2 hagfish dealers known at this time to participate in the hagfish fishery).

**A. JUSTIFICATION**

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

Under the Magnuson-Stevens Act, the Secretary of Commerce has responsibility for the conservation and management of marine fishery resources off the coast of the U.S. The majority of this responsibility has been delegated to the Regional Fishery Management Councils and National Oceanic and Atmospheric Administration (NOAA) Fisheries Service. In order to develop appropriate management measures and to better understand the various aspects of a fishery that has been unregulated, section 402(a) of the Magnuson-Stevens Act allows NOAA Fisheries Service to collect information prior to development and implementation of an FMP.

The Atlantic Hagfish fishery is an unregulated fishery that relies on revenues from the export of whole frozen hagfish product overseas, primarily in South Korea. In recent years, this fishery, which is prosecuted primarily off the coast of Gloucester, MA, has changed from an inshore fishery comprised of small vessels to an offshore fishery that consists of large vessels. According to reports from a two-day workshop that was held to elucidate the challenges in collecting information on this fishery, the reason for this change in the way the fishery is being conducted is that the fishery has been fished-down in nearshore waters necessitating movement to areas not historically harvested for hagfish.

A control date\* of August 28, 2002, has been reaffirmed to forewarn participants that the Council and NOAA Fisheries Service will be considering the management of hagfish in the future. The Council has decided to prioritize the management of hagfish and to begin development of an FMP in 2007. The Northeast Regional Offices' Fisheries Statistics Office (FSO) determined through their research of this fishery that five vessels on the U.S. eastern seaboard participate in the hagfish fishery, and all these vessels are currently required to provide catch information on their Fishing Vessel Trip Reports (FVTRs) (i.e., they have other Federal fisheries permits that require catch reporting). Thus, their landings information is captured in existing databases. In addition, due to a relative equilibrium between supply and demand—the driving force being a South Korean market for hagfish meat – there is a stability in terms of participation in the NE hagfish fisheries that will likely remain unchanged. However, while the market forces are understood, there remains an inability to verify the vessel information that is recorded by way of FVTRs—while one dealer/processor is reporting its hagfish purchases through the electronic dealer system, Standard Atlantic Fisheries Information Systems, (SAFIS) another dealer/processor is not currently required to report on its hagfish purchases. Therefore, the information collection will begin to capture dealer/processor information consistently, to gain a better understanding of this fishery and its operations at the vessel and dealer level. Dealer permits, annual processor reports, and observer coverage will also be required for dealers and vessel owners/operators who participate in the hagfish fishery (these are being cleared under separate PRA clearances). This information collection should enable the Council and NOAA Fisheries Service to proceed with the development of a management plan for hagfish.

Section 303(a)(5) of the Magnuson-Stevens Act specifically identifies the kinds of data to be collected for FMPs. Comprehensive trip-by-trip reports submitted by dealers include individual vessel information, purchases by species and market category, and pricing information. The use of the electronic dealer database, SAFIS, is an essential tool to managing fishery resources because it provides the means to collect that information on which cogent management decisions are made.

**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.**

The information requested would be used by several offices of NOAA Fisheries Service and the Council in its development of the Hagfish FMP and to ensure that once implemented, the requirements for monitoring the fisheries are realistic and can be enforced effectively. Social and economic data will be used to provide descriptive and behavioral information on the hagfish fishery and to provide estimates of the value of this important export fishery.

Dealers/processors would be required to report to NOAA Fisheries Service all sales transactions with respect to hagfish. Reports furnished by permitted dealers would provide important information on the volume, value, and distribution of the hagfish resource at the point of first purchase. Dealers would report weekly as they do currently on electronic dealer reports. Electronic dealer reporting instructions would be disseminated to those dealers that obtain a

\* Reference date for qualifying landings for future limited entry permit applications.

hagfish dealer permit. In general, catch and effort statistics are fundamental for assessing the influence of fishing on any stock of fish. Under the Atlantic hagfish information collection pilot program it will be useful to understand the quantities landed and both the seasonal and geographic distributions of the catch and effort in the development of regional fishery management policies and plan alternatives.

### **Dealer Report Form in SAFIS**

Species purchased, amount, and value, by species and market category, and disposition code are all fields that are currently included on dealer reports and will continue under the hagfish collection of information dealer reporting requirements. The dealer reports will be used to verify vessel landings either through the FVTRs serial number, or some other vessel identifier if the vessel is not required to submit landings reports through the FVTRs. In addition, the amount of hagfish rejected by the dealer and the reasons for the rejection and subsequent discard of the catch are reported to ensure a better understanding of this component of the catch and the market demands regarding quality and size. The pounds purchased, in combination with the species name, would be used by NOAA Fisheries Service to determine current harvest rates for the fishery on a real-time basis. Species information, such as landings by species and market (size) category, is the basic measure of fishing success from which fishermen, biologists, and economists draw conclusions about the status of the fishery. The market categories are also for the convenience of the dealer because price is size-dependent and the catch is usually culled and sold by market category. Disposition of seafood products is needed to determine the ultimate fate and use of harvested fish. Price and value are used in estimating the earnings and profitability of each fishing trip by the vessel operator and in regulatory impact review and economic input-output models requiring such data to estimate the economic effects of changes induced by the biology or management of the fishery. NOAA Fisheries Service and Regional Council economists use the data on volume and value to estimate processing capacity and to forecast and subsequently measure the economic impact of fishery management regulations on fish and shellfish supplies. The dealer data are used to analyze the seasonality of a specific fishery. The dealer data are also used for establishing negotiating positions on international trade by determining which seafood industries might be adversely affected by reducing or eliminating established tariffs.

It is anticipated that the information collected would be disseminated to the public or used to support publicly disseminated information. As explained in the preceding paragraphs, the information gathered has utility. NOAA Fisheries would retain control over the information and safeguard it from improper access, modification, and destruction, consistent with NOAA standards for confidentiality, privacy, and electronic information. See response #10 of this Supporting Statement for more information on confidentiality and privacy. The information collection is designed to yield data that meet all applicable information quality guidelines. Prior to dissemination, the information would 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.**

Federally-permitted dealers are required to submit detailed reports of all purchases made from fishing vessels electronically. To accommodate the varying extent to which dealers use

computer applications, dealers can choose how they will submit purchase reports electronically. The options include an online data entry form, an offline data entry form, and an acceptable file upload report system implemented by NOAA Fisheries Service, or one or more state fishery management agencies.

Dealers are also allowed to access, review, and edit the information they have submitted using a secure procedure similar to those in common usage throughout the banking industry. These submissions constitute the official reports as required by the various FMPs in the Northeast.

#### **4. Describe efforts to identify duplication.**

Since the hagfish fishery is currently an unregulated fishery, these requirements do not duplicate any in existence.

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

The proposed collection of information requirements will not have a significant impact on small entities. Only the minimum data to meet the requirements of the above identified data needs are requested from all participants. Since all of the respondents are considered small businesses, separate requirements based on size of business have not been developed.

The electronic dealer reporting system was developed and tested in conjunction with industry members to ensure a system that is functional and useable for their business purposes. The system accommodates, to the extent possible, existing business software application systems that are being used by dealers. The system allows dealers who currently use such applications to upload a data file from their business application to NOAA Fisheries Service, minimizing any additional reporting burden. Dealers who choose to keypunch their data directly into the web-based data entry system will be able to use those reports for their own business records, replacing Form 88-30 or its equivalent which many dealers had used as their official transaction record.

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

The dealer reporting requirements to be implemented through the pilot hagfish information collection program are intended to improve upon the quality and quantity of information currently available on the hagfish fishery resource and fishery operations. Since there is currently no management program for this fishery, and consequently no permitting or reporting requirements, there is considerable uncertainty regarding the actual level of hagfish landings. Moreover, the level of discards and discard mortality of hagfish culled at sea in response to a rejection by the dealer in port is unknown. Specifically, the information provided by the hagfish information collection program participants would help NOAA Fisheries Service and the Council shape future hagfish management measures to reflect the unique aspects of this fishery and its interaction with other Federally-managed fisheries. Increased knowledge of this fishery may also help managers and scientists understand the factors that contribute to this species' localized depletion. Localized depletion if left to continue may lead to increased economic impacts, as well overall depletion of the species. Therefore, these data are critical to the development of a Hagfish FMP.

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

There are no special circumstances associated with this proposed rule that would require the collection of information to be conducted in a manner inconsistent 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.**

At the September 2006 Council meeting, the Council voted to recommend that NOAA Fisheries Service conduct a Pilot Information Collection Program on hagfish. In addition, NOAA Fisheries Service received feedback from industry representatives on the fishery's current operations and in doing so they helped contribute to the development of the proposed information collection requirements. The information collections contained in this submission are part of a proposed rule, RIN 0648-AU80, scheduled to publish in November 2006. Once public comments have been considered, a final rule outlining the measures that would be implemented, as modified by public comment, would be published in the Federal Register.

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

Neither payments, nor gifts are given to the respondents of this information collection.

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

All data would be handled in accordance with NOAA Administrative Order 216-100, Confidentiality of Fisheries Statistics, and would not be released for public use except in aggregate statistical form (and without identifying the source of data, i.e., vessel name, owner, etc.). In addition, any information submitted in support of the hagfish information collection pilot program implemented by NOAA Fisheries Service, would be considered confidential and would not be disclosed except as provided in section 402(b) of the Magnuson-Stevens Act.

**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.**

There are no questions of a sensitive nature.

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

A summary of this burden estimate can be found in Table 1.

There are approximately 2 active dealers in the hagfish fishery that would be subject to the information collection’s dealer reporting requirements. As indicated in Table 1, the total annual reporting burden associated with this collection is estimated at 7 hours (2 respondents x 52 responses per year x 4 minutes per response). This burden assumes an average response time of 4 minutes to submit electronic data files. Much of the information being provided by respondents is collected in the normal course of business and is, in many instances, entered into the accounting or business software used by the respondent. The only additional time resulting from this collection is the time required to login and transfer their existing data file. Therefore, the reporting burden reflects only the time needed to gather any additional information needed to complete the reports and to submit the data file or forms to NOAA Fisheries Service. Business records are normally retained for 3 years and many respondents use these reports for that purpose, thus there is no impact on the public burden by this requirement. The reporting costs to the public are based on a respondent wage of \$18.88/burden hour.

Table 1. Calculation of Public Cost and Burden Estimates

Collection Title/No.	No. of Respondents	Responses per Year	Annual Costs per Respondent			
			Total Annual Responses	Avg. Response Time	Total Response Hours	Annual Cost to Public <sup>1</sup>
Mandatory Weekly Reporting	2	52	104	4 minutes	7	\$132
<b>Annual Totals</b>	<b>2</b>	<b>52</b>	<b>104</b>	<b>4 minutes</b>	<b>7</b>	<b>\$132</b>

<sup>1</sup> Reporting cost is based on a respondent wage of \$18.88/hour

**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).**

A summary of this burden estimate can be found in Table 2.

Start-up costs for the 2 respondents not already in possession of a computer and monitor are \$116 per year over a 5-year period. For this same group of respondents, not already accessing the internet for other reasons/ requirements, operating costs consist of Internet access available through either dial up or cable modem, with an average annual cost for Internet access of \$652. Based on the average annual startup and operating costs per respondent of \$116 and \$652 respectively, the total startup and operation/maintenance costs are estimated at \$1,536 (\$768 total costs/respondent x 2 respondents).

Respondents are required to retain copies of their reports for a period of 3 years after the date of the report for purposes of enforcement investigations, and to serve as the official records for establishing individual vessel allocations. Enforcement investigations may take up to 3 years before agents interview the respondents. Retention of a copy of the records submitted removes the possible excuse for non-reporting that the original was delivered to but not received by NOAA Fisheries Service.

Table 2. Calculation of Cost to Respondents Excluding Respondent Time

	Annual Costs per Respondent					Total Costs
	No. of Respondents	Startup Costs (Annualized)	Operating Costs (Internet Access)	Total Costs per Respondent	Total Costs	
Collection Electronic Weekly/Daily reporting	2	\$116	\$652	\$768	\$1,536	
<b>Total</b>	<b>2</b>	<b>\$116</b>	<b>\$652</b>	<b>\$768</b>	<b>\$1,536</b>	

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

Maintenance costs that would be associated with personnel who currently manage the automated data-collection program would not change as a result of two additional dealer reports, because the automated data is managed as a unit. Labor costs associated with the personnel who would initially implement the change to the dealer reporting process, and then would shift to maintain, troubleshoot, audit, and provide on-going assistance would not change as a result of these two additional dealers reporting into the system. Non-labor maintenance costs associated with system upgrades, computer equipment, and printing of forms would not change due to the additional two dealers that are expected to participate in the hagfish collection of information pilot program and to report into the SAFIS system.

**15. Explain the reasons for any program changes or adjustments reported.**

This collection of information for the hagfish fishery is being proposed under the provisions of section 402(a) of the Magnuson-Stevens Act, which allows for the collection of information on a fishery prior to its regulation under an FMP. A request for an information collection on Atlantic hagfish was received by the Council on October 3, 2006. This collection of information will become permanent through the development and implementation of the Atlantic hagfish FMP. The program changes indicated on OMB 83i are minimal compared with the expected benefits from the collection program.

The burden and cost estimates provided in Tables 1 and 2 are based on the estimated number of individuals most likely to be affected. The actual number of entities affected by each collection of information requirement may differ slightly from these estimates. Current estimates would add 7 hours and \$1,536 to the annual burden and costs.

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

Results from this collection may be used in scientific, management, technical or general informational publications such as Fisheries of the United States which follows prescribed statistical tabulations and summary table formats and the annual Stock Assessment and Fishery Evaluation (SAFE) Report prepared by the Council for the hagfish fishery. Data are available to the general public on request in summary form only; data are available to NOAA Fisheries Service employees in detailed form on a need-to-know basis only.

**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.**

All forms will display the OMB control number and expiration date along with information relevant to the Paperwork Reduction Act of 1995.

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

All instances of this submission comply with 5 CFR 1320.9.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not employ statistical methods.