

**SUPPORTING STATEMENT
ECONOMIC SURVEYS OF U.S. COMMERCIAL FISHERIES
OMB CONTROL NO. 0648-0369**

A. JUSTIFICATION

This request is for renewal of this generic collection of information.

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

Commercial fisheries economic data collection programs implemented by National Marine Fisheries Service (NMFS) address statutory and regulatory mandates to determine the quantity and distribution of net benefits derived from living marine resources as well as predict the economic impacts from proposed management options on commercial harvesters, shoreside industries, and fishing communities. In particular, these economic data collection programs contribute to legally mandated analyses required under the Magnuson-Stevens Fishery Conservation and Management Act (MFCMA), the National Environmental Policy Act (NEPA), the Regulatory Flexibility Act (RFA), Executive Order 12866 (E.O. 12866) as well as a variety of state statutes including Florida Statute 120.54, Hawaii Revised Statute 201M-2, New Jersey Permanent Statutes 52:14B-19, and Oregon Revised Statutes 183.335 and 183.540.

The lack of economic data in the majority of federally-managed fisheries has stymied NMFS' ability to conduct these analyses and has led to lawsuits and regulatory challenges of fisheries policies in the last several years, resulting in overturned rebuilding objectives, biologically unsustainable total allowable catches, and eroded confidence in NMFS' decision making process and social sciences capability. Expanded commercial fisheries economic data collections will improve the scientific foundation of the Agency's policies and help decision makers weigh the economic impacts of their decisions. It is important to note that a key feature of the federal regulatory process is that NMFS cannot simply implement a regulation to achieve a conservation goal but instead must consider a suite of management alternatives. Economic analyses can identify the alternative that minimizes losses to stakeholders while still achieving conservation goals, allowing NMFS to be proactive, rather than reactive, in its resource management strategy.

For these reasons, the collection of economic data in commercial fisheries has received a top priority in the NMFS Social Science Plan, the NMFS Strategic Plan and the National Oceanic and Atmospheric Administration (NOAA) Science Advisory Board.¹ In addition, NMFS regional offices, commissions and councils also recognize the need for commercial fisheries economic data, e.g., see the Pacific Fisheries Management Council's report "*West Coast Research And Data Needs*" as well as the Northeast Fisheries Science Center report "*Data Needs For Economic Analysis Of Fishery Management Regulations.*" The need for commercial fisheries economic data has also been identified by external sources, including the Kammer report, General Accounting Office (GAO) reports and National Research Council (NRC) reports.²

¹ Performance metrics cited within the NOAA Strategic Plan include the number of FMPs with complete economic data (variable cost, annual operating cost and revenue) collected for commercial harvesters and the number of FMPs for which net benefits can be calculated.

² See "An Independent Assessment of the Resource Requirements for the National Marine Fisheries Service: A Report to the Deputy Under Secretary, NOAA and the Assistant Administrator, National Marine Fisheries Service," prepared by Ray Kammer, June 2000. In addition, recent National Research Council publications that identify the need for commercial fisheries economic data include "Marine protected areas: tools for

Background

The MFCMA establishes eight Councils, each of which is charged with the preparation of a fishery management plan and plan amendments with respect to each fishery requiring management within its jurisdiction. Each fishery management plan (FMP) prepared by a Council, or by the Secretary, must contain conservation and management measures that are consistent with the national standards, and any other applicable law [MFCMA Sec. 303(a)(1)(C)], and a description of the fishery including actual and potential revenues from the fishery [MFCMA Sec. 303(a)(2)]. Plans and plan amendments must also include a fishery impact statement that analyzes the likely effects, if any, including the cumulative conservation, economic, and social impacts, of the conservation and management measures on, and possible mitigation measures [MFCMA Sec. 303(a)(9)].

Economic information needed to meet each of the MFCMA national standards identified below (in *Italics*) is presented.

(2) Conservation and management measures shall be based upon the best scientific information available.

Various sections of the MFCMA (e.g. Section 318) make it clear that scientific information includes economic information.

(4) Conservation and management measures shall not discriminate between residents of different States. If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be (A) fair and equitable to all such fishermen; (B) reasonably calculated to promote conservation; and (C) carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

Economic information, including cost and revenue data on participants in the fishery, is required to identify some of the effects of such allocation and is therefore useful in determining whether such allocations are “fair and equitable.” Economic information is also useful in determining what constitutes “an excessive share of such privileges.”

(5) Conservation and management measures shall, where practicable, consider efficiency in the utilization of fishery resources; except that no such measure shall have economic allocation as its sole purpose.

This standard requires appropriate descriptions of the fishery and assessments of the effects of management actions, which are not possible without biological and economic information. For example, cost and revenue information is necessary to evaluate the effects of proposed measures on efficiency. Cost and revenue information is also necessary to anticipate the likely effects of proposed measures on participants in the fishery.

sustaining ocean ecosystems” (2001); Improving the collection, management, and use of marine fisheries data” (2000); and “Sharing the fish: toward a national policy on individual fishing quotas (1999). Recent GAO publications recognizing the importance of commercial fisheries economic data include “Individual Fishing Quotas: Better Information Could Improve Program Management” (2003); Commercial Fisheries: Entry of Fishermen Limits Benefits of Buyback Programs (GAO/RCED-00-120); and Fishery Management: Problems Remain With National Marine Fisheries Service’s Implementation of the Magnuson-Stevens Act (GAO/RCED-00-69).

(6) Conservation and management measures shall take into account and allow for variations among, and contingencies in, fisheries, fishery resources, and catches.

The “variations among and contingencies in fisheries” can be defined in terms of both biological and economic variables. Therefore, both types of information are required.

(7) Conservation and management measures shall, where practicable, minimize costs and avoid unnecessary duplication.

Economic information, specifically cost information, is required to determine if this national standard is met.

(8) Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities by utilizing economic and social data that meet the requirements of paragraph (2), in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts on such communities.

There is an explicit requirement to use “economic and social data” to meet this national standard. Specifically, economic information is required to predict the extent to which conservation and management measures are expected to provide for the “sustained participation” and “minimize adverse economic impacts.”

(10) Conservation and management measures shall, to the extent practicable, promote the safety of human life at sea.

Economic information is required to determine what further improvements in safety are practicable.

Acting under authorities provided in the MFCMA, the Councils and Secretary have implemented 47 FMPs, each of which addresses biological and socio-economic characteristics and issues associated with the fishery. For example, the Pacific Coast groundfish FMP includes a framework for the development and evaluation of management decisions having substantial socio-economic implications (Section 6.2.3 of the Pacific Coast Groundfish Plan) (see Attachment A). Where management is necessary to address socio-economic issues, the Council must prepare a report, which addresses the achievement of goals and objectives of the FMP, economic impacts and how the proposed action will address at least one of 15 items including: maintaining stability in the fishery, increasing economic yield, and increasing fishing efficiency. With respect to allocation actions, the Council must consider such factors as present participation in and dependence on the fishery, including alternative fisheries, historical fishing practices in and historical dependence on the fishery, as well as consistency with MFCMA national standards. FMPs prepared by other Councils address issues comparable to those addressed in the Pacific Coast groundfish FMP.

NEPA

NEPA requires federal agencies to consider the interactions of natural and human environments, and the impacts on both systems of any changes due to governmental activities or policies. This consideration is to be done through the use of "a systematic, interdisciplinary approach which will ensure the integrated use of the natural and social sciences . . . in planning and in decision-making. . ." (NEPA Section 102(2)(A) and, further, to "identify and develop methods and procedures, . . . , which will insure that presently unquantified environmental amenities and values may be given appropriate consideration in decision making along with economic and technical considerations (NEPA Section 102(2)(B). In addition, NOAA's NEPA implementation guidelines require that the environmental impact statement (required under NEPA Section 102(2)(C)(i)) must include both economic and social consequences.³

E.O. 12866 (currently under revision)

E.O. 12866 requires an assessment of all costs and benefits of available regulatory alternatives. Under EO 12866, when choosing among regulatory approaches, agencies should select those approaches that maximize net benefits. (E.O. 12866 Sec. 1(a)). In addition, E.O. 12866 states that "Each agency shall base its decisions on the best reasonably obtainable scientific, technical, economic and other information concerning the need for, and consequences of, the intended regulation." (E.O. 12866 Sec. 1(b)(7)).

This executive order, combined with the MFCMA national standard on use of best scientific information available, obligate NMFS to seek clearance for the collection of the information necessary to meet decision standards set out in the national policies outlined above. Regardless of what action the Council and Secretary take with respect to management of federal fisheries for 2003 and beyond (including no action alternatives), economic information is needed to meet the requirements listed above.

RFA

The RFA requires federal agencies to fully analyze the effects of regulations to determine whether an action will "have a significant economic impact on a substantial number of small entities" [NMFS "Operational Guidelines Fishery Management Plan Process"]. At a minimum, sufficient information is necessary to allow a determination of whether the impacts will be "significant." Determination of the significance of impacts requires cost and revenue information for the specific activity in question (fish harvest and processing) as well as some level of general information on the full range of income producing activities in which firms are engaged.

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.

Information will be collected using a series of surveys of the industry conducted by NMFS, NMFS' contractor(s) or by NMFS in conjunction with the marine fisheries commissions (Pacific States Marine Fisheries Commission, Gulf States Marine Fisheries Commission and the Atlantic States Marine Fisheries Commission). Data collections will focus each year on a different component of the United States (U.S.) commercial fisheries, with only limited data collected in

³ For NOAA's NEPA implementation guidelines see, NOAA Administrative Order (NAO) 216-6, "Environmental Review Procedures for Implementing the National Environmental Policy Act," May 20, 1999.

previously surveyed components of these fisheries. These surveys will be administered to different strata of the harvesting and processing industry over the next three years. It is anticipated that one or two surveys will be conducted in each NMFS region each calendar year.

All information collected in the survey will be used to provide information on potential impacts of management decisions on the fishing industry. In general, analysis of cost and revenue information for harvesting and processing and other activities of the vessel or plant will allow analysts to estimate:

- Net economic value to the nation
- Economic health of the fishery
- Effects on business efficiency
- Community economic impacts
- Firms' economic dependence on the fishery
- Economic impacts of proposed regulations, including area closures, gear restrictions, catch restrictions, etc.
- Distribution of economic impacts from proposed regulations and, in particular, the significance of impacts on small businesses
- Likelihood of bankruptcies
- Effects on international competitiveness.

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 paragraphs, the information gathered has utility. NMFS or a designated marine fisheries commission 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. See response to Question 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 will be subjected to quality control measures and a pre-dissemination review pursuant to Section 515 of Public Law 106-554.

Two economic surveys (one focused strictly on operating expenses and characteristics, the other requesting more detailed information on operations) used in past data collection exercises are included as Attachments B and C. Final survey instruments will be provided with each data collection clearance request initiated under this PRA approval.

In addition to the sample surveys, Attachments D through G are lists of potential questions for each of the four industry types, catcher and charter vessels, shoreside processors, motherships and catcher/processors. These lists comprise a source for questions for future surveys. The following is a summary of the need for each type of question.

Catcher & Charter Boat Surveys - Attachment D

Question 1. Vessel Characteristics: Information on United States Coast Guard (USCG) identifier, state identifiers, etc., is necessary to help identify specific vessels. While much of the information on physical descriptors such as hull type, tonnages, length, etc. exists in other sources, this data is often outdated, missing or conflicting. Information on such items as engines,

fuel capacity, electronics and the difficulty in switching gears provides analysts data to model the likelihood of harvesters switching fisheries given changes in regulations.

Question 2. Ownership: Questions regarding ownership are useful in terms of social interest. However, evaluation of owner participation also plays a role in predicting whether marginal vessels will stay in business. For example, the owner of a vessel with zero or slightly negative net profits may decide to remain in the fishery if the owner is deriving a wage from personally operating a vessel. On the other hand, an owner who hires a skipper may be more likely to choose to exit the fishery under a similar circumstance.

Question 3. Capital Costs: This series of questions is designed to estimate market value and replacement costs of major existing assets, including limited entry permits, and the economic life of these major assets. These values are used to calculate economic opportunity costs of capital goods that in turn are used to calculate net economic benefits to the nation of industry participation as well as for conducting financial analyses as required by the Regulatory Flexibility Act.

Question 4. Annual Operating Costs: These are expenses that generally do not vary with the level of production. They are fixed over the short-term but some of them may be forgone if a vessel owner decided not to engage in any fishing activity for a period of time. The fixed expenses of participation must be allocated between alternative fishing activities and must be partially deducted from revenues as a step in determining net economic value. The information is also needed for the model that assesses community income impacts.

Question 5. Operating Costs: This information is necessary to estimate the net value of participation in the fishery; calculate producer surplus and short-run economic and financial profit measures; assess the change in net benefits caused by proposed management actions; and is used in the Fishery Economic Assessment Model and Illegal, Unreported, and Unregulated (IUU) Impact analysis for PLANning (IMPLAN) Model to estimate economic impacts. The capital costs and operating costs are of value for (1) allocating fixed costs between different activities; (2) estimating the income impacts if a projection is made that a vessel might stop operating entirely or be relocated in the absence of an opportunity to participate in a particular fishery (i.e., if fixed operating expenses are not covered) and (3) assessing, in combination with catch and revenue information, the relative importance and dependence of the vessel on harvesting versus other income producing activities of the vessel.

Question 6. Effort/Gear Descriptors: These questions are useful in helping the analyst describe and quantify effort on the fishing grounds in terms of gear deployed. This information could be used in developing models of efficient fleet size to support such activities as fleet reduction programs, as well as provide information on the level of capitalization within the various sectors of a fishery.

Question 7. Catch/Revenue: Revenue information, in conjunction with cost information, is necessary to derive net economic value. Additionally, revenue information from all activities is needed in a method used to allocate fixed costs between different activities and as part of the assessment of relative dependence on the fishery.

For deliveries made onshore, questions about revenue are important to capture end-of-year settlements or in-kind payments not reflected in the fish tickets. For vessels delivering to motherships, these questions are particularly important because there are no fish ticket records for at-sea landings. Information on revenue from other fisheries is needed because of similar deficiencies in fish ticket records, and lack of access to confidential information for fisheries in some states.

In addition, if the respondents calculate their net income based on their other answers and the result is out-of-line with their experience, they may stop to consider whether they have answered the preceding questions on costs and revenue correctly and entirely. Further, if respondents provide previously calculated net income without checking for consistency, or analysts compare the reported values with fish ticket revenue information where available, analysts may derive a result different from the survey responses alerting them to some degree of incompleteness in either the survey or the responses to the questions.

Question 8. Opportunity Cost: These economic values are used to calculate net economic benefits to the nation of industry participation.

Question 9. Regional Impact: One assumption generally made in assessing impacts on coastal communities is that all employees live in the coastal area of the vessels homeport and, consequently, crew share is spent in the vessel homeport. Similarly, current models assume all impacts occur in the port of landing or in a homeport (for vessels delivering to motherships). This information is particularly important in assigning community impacts for vessels delivering to motherships but is also useful when the vessel is active in multiple ports. While this simplifying assumption was useful in the early development of the models used in West Coast fisheries income impact assessments, more recent versions of this model allow analysts to relax this assumption. The information solicited by these questions is necessary to make use of this ability to more accurately estimate the distribution of effects. These questions are intended to address the issue with better quality information that is more evenly distributed across sectors.

Question 10. Labor/Employee/Family: This information is of interest in terms of effect on the fishing community and general community employment. Income-related questions will allow a systematic assessment of the degree to which individuals are engaged and dependent on fishing-related activities while questions on age, ethnicity, language and education will give social scientists a better grasp of issues related the socio-cultural background and specifically highlight potential Environmental Justice issues, such as vulnerability and marginalization.

Question 11. Other: Business strategy, distribution and marketing questions are needed to assess the bargaining and buying/selling strategies at various levels of the distribution chain. Understanding these factors greatly aids in the interpretation of changes in prices and costs.

Shoreside Processor Surveys - Attachment E

Question 1. Plant Characteristics: Little information currently exists on shoreside processing plants such as freezer capacities, processing equipment available, etc. This information is useful in assessing the ability and desire of plants to process fish and to make general decisions about which fish/shellfish to process and to formulate decisions of which fish and shellfish to process in the case of conflicting seasons.

Question 2. Ownership: Questions regarding ownership are necessary to provide linkages between seemingly independent plants. Often, individual plants are treated as separate entities when in reality they are part of a larger company. Uncovering these linkages is useful to analysts in modeling the behavior of these companies and plants. In addition, information on the company ownership of harvesting vessels plays a role in assessing the likely decisions of marginal plants to stay in business. Finally, plants with a wider species and product base, or plants that are part of a larger company may be more capable of weathering a fishery downturn than one that produces a smaller suite of products.

Question 3. Capital Costs and Land Costs: This series of questions is designed to estimate market values and replacement costs of major existing assets, and economic life of these major assets. These economic values are used to calculate economic opportunity costs of capital goods, which in turn are used to calculate net economic benefits to the nation of industry participation.

Question 4 Annual Operating Costs: These are expenses that generally do not vary with the level of production. They are fixed over the short-term but some of them may be forgone if a plant owner decides not to engage in any processing activity for a period of time. The fixed expenses of participation must be allocated between alternative processing activities and must be partially deducted from revenues as a step in determining net economic value. The information is also needed for the model that assesses community income impacts.

Question 5. Operating Costs: This information is necessary to estimate the net value of participation in the fishery; assess the change in net benefits caused by proposed management actions; and is used in the Fishery Economic Assessment Model and IMPLAN® economic impact model to estimate income, sales and employment impacts. The capital costs and operating costs are of value for (1) allocating fixed costs between different activities and (2) estimating the income impacts if a projection is made that a plant might stop operating entirely or be relocated in the absence of an opportunity to participate in a particular fishery (i.e., if fixed operating expenses are not covered). This information is useful in allocating annual operating costs across activities in order to assess the marginal net economic value of participation in the fishery over the long term. Questions regarding operating costs are also important to capture end-of-year settlements or in-kind payments not captured by the fish ticket data.

Question 6. Effort: These questions are useful in helping the analyst describe and quantify effort in terms of length of activity as well as forecast processing costs and employment.

Question 7. Revenue: Revenue information, when combined with cost information, can be used to derive net economic value. Revenue information is also needed from all activities in a method used to allocate fixed costs between different activities and as part of the assessment of relative dependence on the fishery. In addition, if the respondents calculate their net income based on their other answers and the result is out-of-line with their experience, they may stop to consider whether they have answered the preceding questions on costs and revenue correctly and entirely. Further, if respondents provide previously calculated net income without checking for consistency, or analysts compare the reported values with fish ticket revenue information where available, analysts may derive a result different from the survey responses alerting them to some degree of incompleteness in either the survey or the responses to the questions.

Question 8. Opportunity Cost: These economic values are used to calculate net economic benefits to the nation of industry participation, to determine alternative uses of capital under the existing regulatory environment and to determine potential new uses of capital in light of regulatory change.

Question 9. Regional Impact: One assumption generally made in assessing impacts on coastal communities is that all employees live in the coastal area of the plant and, consequently, all wages are assumed to be spent in there. Similarly, current models assume all economic impacts occur in the plant port. However, given ownership of multiple plants in different ports by a single entity, these simplifying assumptions may be erroneous. The additional information solicited in these questions is necessary to provide the ability to more accurately estimate the distribution of effects. These questions are intended to address the issue with better quality information more evenly distributed across sectors.

Question 10. Labor/Employee/Family: This information is of interest in terms of effect on the fishing community and general community employment. Income-related questions will allow a systematic assessment of the degree to which individuals are engaged and dependent on fishing-related activities while questions on age, ethnicity, language and education will give social scientists a better grasp of issues related the socio-cultural background and specifically highlight potential Environmental Justice issues, such as vulnerability and marginalization.

Question 11. Other: Business strategy, distribution and marketing questions are needed to assess the bargaining and buying/selling strategies at various levels of the distribution chain. Understanding these factors greatly aids interpretation of changes in prices and costs.

Mothership Processor Surveys - Attachment F

Question 1. Vessel Characteristics: Information on USCG identifier, state identifiers, etc., is necessary to help identify specific vessels. While much of the information on physical descriptors such as hull type, tonnages, length, etc. exists in other sources, this data is often outdated, missing or conflicting. Information on such items as engines, fuel capacity, electronics and the difficulty in switching gears provides analysts data to model the likelihood of harvesters switching fisheries given changes in regulations.

Little information currently exists on at-sea processing vessels such as freezer capacities, processing equipment available, etc. This information is useful in assessing the ability and desire of vessels to process fish and to make general decisions about which fish/shellfish to process and to formulate decisions of which fish and shellfish to process in the case of conflicting seasons.

Question 2. Ownership: Questions regarding ownership are necessary to provide linkages between seemingly independent operations. Often, individual operations are treated as separate entities when in reality they are part of a larger company. Uncovering these linkages is useful to analysts in modeling the behavior of these companies and vessels. Also, operations with a wider species and product base, or operations that are part of a larger company may be more capable of weathering a fishery downturn than one that produces a smaller suite of products.

Question 3. Capital Costs: This series of questions is designed to estimate market value and replacement costs of major existing assets, and the economic life of these major assets. These values are used to calculate economic opportunity costs of capital goods, which in turn are used to calculate net economic benefits to the nation of industry participation.

Question 4 Annual Operating Costs: These are expenses that generally do not vary with the level of production. They are fixed over the short-term but some of them may be forgone if a vessel owner decided not to engage in any fishing activity for a period of time. The fixed expenses of participation must be allocated between alternative processing activities and must be partially deducted from revenues as a step in determining net economic value. The information is also needed for the model that assesses community income impacts.

Question 5 Operating Costs: This information is necessary to estimate the net value of participation in the fishery; assess the change in net benefits caused by proposed management actions; and is used in the Fishery Economic Assessment Model and IMPLAN Model to estimate income impacts. The capital costs and operating costs are of value for (1) allocating fixed costs between different activities; (2) estimating the income impacts if a projection is made that a vessel might stop operating entirely or be relocated in the absence of an opportunity to participate in a particular fishery (i.e., if fixed operating expenses are not covered). This information is useful in allocating annual operating costs across activities in order to assess the marginal net economic value of participation in the fishery over the long term. Questions regarding operating costs are also important to capture end-of-year settlements or in-kind payments not captured by the fish ticket data when they are available.

Question 6 Effort/Crew Descriptors: These questions are useful in helping the analyst describe and quantify effort in terms of length of activity as well as forecast processing costs and employment.

Question 7 Catch/Revenue: Revenue information, in conjunction with cost information, is necessary to derive net economic value. Additionally, revenue information from all activities is needed in a method used to allocate fixed costs between different activities and as part of the assessment of relative dependence on the fishery.

In addition, if the respondents calculate their net income based on their other answers and the result is out-of-line with their experience, they may stop to consider whether they have answered the preceding questions on costs and revenue correctly and entirely. Further, if respondents provide previously calculated net income without checking for consistency, or analysts compare the reported values with fish ticket revenue information where available, analysts may derive a result different from the survey responses alerting them to some degree of incompleteness in either the survey or the responses to the questions.

Question 8 Opportunity Cost: These economic values are used to calculate net economic benefits to the nation of industry participation, to determine alternative uses of capital under the existing regulatory environment and to determine potential new uses of capital in light of regulatory change.

Question 9 Regional Impact: One assumption generally made in assessing impacts on coastal communities is that all employees live in the coastal area of the vessels homeport and,

consequently, crew payment is spent in the vessel homeport. Similarly, current models assume all impacts occur in the port of landing or in a homeport. This information is particularly important in assigning community impacts for vessels active in multiple fisheries, for example, West Coast whiting and Bering Sea pollock. While this simplifying assumption was useful in the early development of the models used in West Coast fisheries income impact assessments, more recent versions of this model allow analysts to relax this assumption. The information solicited by these questions is necessary to make use of this ability to more accurately estimate the distribution of effects. These questions are intended to address the issue with better quality information that is more evenly distributed across sectors.

Question 10 Labor/Employee/Family: This information is of interest in terms of effect on the fishing community and general community employment. Income-related questions will allow a systematic assessment of the degree to which individuals are engaged and dependent on fishing-related activities while questions on age, ethnicity, language and education will give social scientists a better grasp of issues related the socio-cultural background and specifically highlight potential Environmental Justice issues, such as vulnerability and marginalization.

Question 11 Other: Business strategy, distribution and marketing questions are needed to assess the bargaining and buying/selling strategies at various levels of the distribution chain. Understanding these factors greatly aids in the interpretation of changes in prices and costs.

Catcher/Processor Surveys - Attachment G

Question 1 Vessel Characteristics: Information on USCG identifier, state identifiers, etc., is necessary to help identify specific vessels. While much of the information on physical descriptors such as hull type, tonnages, length, etc. exists in other sources, this data is often outdated, missing or conflicting. Information on such items as engines, fuel capacity, electronics, and the difficulty in switching gears provides analysts data to model the likelihood of harvesters switching fisheries given changes in regulations.

Little information currently exists on at-sea processing vessels such as freezer capacities, processing equipment available, etc. This information is useful in assessing the ability and desire of vessels to process fish and to make general decisions about which fish/shellfish to process and to formulate decisions of which fish and shellfish to process in the case of conflicting seasons.

Question 2 Ownership: Questions regarding ownership are necessary to provide linkages between seemingly independent operations. Often, individual operations are treated as separate entities when in reality they are part of a larger company. Uncovering these linkages is useful to analysts in modeling the behavior of these companies and vessels. Also, operations with a wider species and product base, or operations that are part of a larger company may be more capable of weathering a fishery downturn than one that produces a smaller suite of products.

Question 3 Capital Costs: This series of questions is designed to estimate market value and replacement costs of major existing assets, including limited entry permits, and the economic life of these major assets. These values are used to calculate economic opportunity costs of capital goods, which in turn are used to calculate net economic benefits to the nation of industry participation.

Question 4 Annual Operating Costs: These are expenses that generally do not vary with the level of production. They are fixed over the short-term but some of them may be forgone if a vessel owner decided not to engage in any fishing activity for a period of time. The fixed expenses of participation must be allocated between alternative processing activities and must be partially deducted from revenues as a step in determining net economic value. The information is also needed for the model that assesses community income impacts.

Question 5 Operating Costs: This information is necessary to estimate the net value of participation in the fishery; assess the change in net benefits caused by proposed management actions; and is used in the Fishery Economic Assessment Model and IMPLAN model to estimate income impacts. The capital costs and operating costs are of value for (1) allocating fixed costs between different activities; (2) estimating the income impacts if a projection is made that a vessel might stop operating entirely or be relocated in the absence of an opportunity to participate in a particular fishery (i.e., if fixed operating expenses are not covered). This information is useful in allocating annual operating costs across activities in order to assess the marginal net economic value of participation in the fishery over the long term. Questions regarding operating costs are also important to capture end-of-year settlements or in-kind payments not captured by the fish ticket data when they are available.

Question 6 Effort: These questions are useful in helping the analyst describe and quantify effort in terms of length of activity as well as forecast processing costs and employment.

Question 7 Catch/Revenue: Revenue information, in conjunction with cost information, is necessary to derive net economic value. Additionally, revenue information from all activities is needed in a method used to allocate fixed costs between different activities and as part of the assessment of relative dependence on the fishery.

In addition, if the respondents calculate their net income based on their other answers and the result is out-of-line with their experience, they may stop to consider whether they have answered the preceding questions on costs and revenue correctly and entirely. Further, if respondents provide previously calculated net income without checking for consistency, or analysts compare the reported values with fish ticket revenue information where available, analysts may derive a result different from the survey responses alerting them to some degree of incompleteness in either the survey or the responses to the questions.

Question 8 Opportunity Cost: These economic values are used to calculate net economic benefits to the nation of industry participation, to determine alternative uses of capital under the existing regulatory environment and to determine potential new uses of capital in light of regulatory change.

Question 9 Regional Impact: One assumption generally made in assessing impacts on coastal communities is that all employees live in the coastal area of the vessels homeport and, consequently, crew payment is spent in the vessel homeport. Similarly, current models assume all impacts occur in the port of landing or in a homeport. This information is particularly important in assigning community impacts for vessels active in multiple fisheries, for example, West Coast whiting and Bering Sea pollock. While this simplifying assumption was useful in the early development of the models used in West Coast fisheries income impact assessments, more recent versions of this model allow analysts to relax this assumption. The information

solicited by these questions is necessary to make use of this ability to more accurately estimate the distribution of effects. These questions are intended to address the issue with better quality information that is more evenly distributed across sectors.

Question 10 Labor/Employee/Family: This information is of interest in terms of effect on the fishing community and general community employment. Income-related questions will allow a systematic assessment of the degree to which individuals are engaged and dependent on fishing-related activities while questions on age, ethnicity, language and education will give social scientists a better grasp of issues related the socio-cultural background and specifically highlight potential Environmental Justice issues, such as vulnerability and marginalization.

Question 11 Other: Business strategy, distribution and marketing questions are needed to assess the bargaining and buying/selling strategies at various levels of the distribution chain. Understanding these factors greatly aids in the interpretation of changes in prices and costs.

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.

To help reduce burden on the public, the surveys will be available on the web for viewing, downloading and, to the extent practicable, completion online. In addition, for mail surveys, respondents will have an option of sending completed surveys via mail or by facsimile machine. Lastly, the appropriate electronic mail addresses or telephone numbers will be supplied with surveys mailed to fishing industry members.

4. Describe efforts to identify duplication.

In the development of each survey, every attempt will be made to identify whether other surveys are currently collecting similar data from a population that includes some potential respondents for the proposed data collection. Since NMFS economists will develop or oversee the development of the sampling frame for each survey, a cross-check with all other economic survey sample frames will be done prior to finalizing a survey's sample frame can be easily accomplished. A potential respondent already providing comparable information under a similar survey may be excluded from the survey's sample frame.

In addition, in developing the survey instrument, a NMFS economist will either

- a) verify that a question does not duplicate a question on an existing survey instrument; or
- b) certify why the information collected under the existing data collection is inadequate, e.g., confidentiality restrictions.

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

The vast majority of catcher vessels and processors affected by this information request are considered small business. The burden will be the same for all businesses, regardless of size, and has been minimized to collect only that information essential to regulatory analysis and modeling. Respondents should be able to derive the requested information from past income tax records, payroll records and fish management reporting records (including fish tickets and

logbooks). No additional data aggregation by the respondents should be necessary to respond to these surveys.

Another area where the burden on the industry can be reduced is in regards to the vessel or plant characteristics questions. Some of these questions request an update of data that has been collected in the past. Where available, the survey instrument will provide the information as it is currently available and ask the respondent to submit corrections as necessary.

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

The standards for making substantial changes in the management of a fishery require a clear demonstration that benefits will increase as a result of the change in allocation. In the absence of adequate information, failure to demonstrate a substantial improvement in benefits does not necessarily mean that such a change would not generate those benefits; it simply means that the information was not available to demonstrate change. Alternatively, partially specified indicators of benefits, such as reliance on gross revenues rather than net revenues, could lead to a change which would decrease, rather than increase, net benefits to the nation. Therefore, not collecting this information could prevent or misdirect decisions.

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

These information collections are consistent with Office of Management and Budget (OMB) guidelines.

8. Provide information on 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 published on February 10, 2009 (74 FR 6576) solicited public comment on this collection.

A comment was received from representatives of the Alaska fishing industry. Their concerns included a) whether information could be included in a Freedom of Information Act (FOIA) request; b) whether the burden hours were underestimated; c) the “rotating” survey schedule across different segments of the industry; and d) the use of automated techniques. The lead economist at the NMFS Alaska Fisheries Science Center, Ron Felthoven, has responded to those concerns, including explaining the measures taken to protect confidentiality; the need to limit the burden hours in a voluntary survey (the industry representatives had suggested a 60-80 burden hour, which clearly exceeds what can reasonably be asked in a voluntary survey), how the surveys would be rotated among different components of the fishing industry in a region, and how automated techniques have been used in other regions. Through this discussion, it became clear that the industry representatives thought the Federal Register Notice was announcing a new

series of surveys in their region and were unaware that it was for a generic clearance (no specific survey was approved) and that this was the fourth renewal of this generic clearance. Nevertheless, an item to address industry's concerns has been added to the next North Pacific Fisheries Management Council agenda.

A number of people, both within agencies and the industry were consulted on the types of data elements necessary and available, recordkeeping disclosures, confidentiality of the data and timing of data collection exercises. Section B, Question Number 5 of this information collection request has a partial list of Agency contacts.

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

There are no plans to provide any payment or gift to respondents.

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

The survey forms will contain the following language:

The data collected will be kept confidential as required by section 402(b) of the Magnuson-Stevens Act as amended in 2007 (16 U.S.C. 1881a, *et seq.*) and NOAA Administrative Order 216-100, Confidentiality of Fisheries Statistics, and will not be released for public use except in aggregate statistical form without identification as to its source.

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.

The only potentially sensitive questions included in the generic list of questions are religion and household income. These questions will be collected directly from each individual -- not via the individual's employer.

Religion is an important variable because it may affect days when fishing is considered appropriate or inappropriate, requirements for using specific living marine resources in festivals, solidarity of social connections and support networks based on religious affiliation or membership in a particular congregation, among other things.

Household income can be an important indicator of household economic resiliency and can be an important factor to consider when evaluating regulatory alternatives. For example, all else equal, a regulation that disproportionately affects low-income households may be less preferred than one that more widely distributes economic impacts. In addition, combining respondents' household income information with home address data can be used to construct an indicator on community economic resilience, which may be useful when analyzing economic impact on communities as required under National Standard 8 of the MFCMA [MFCMA Section 301(a)(8)].

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

The total burden hours are projected to be 7,000 hours per year. An estimate of the annual number of expected responses and burden hours for the economic surveys are shown below.

| Fleet | Expected # Responses | Hours per Response | Burden hours |
|--|-----------------------------|---------------------------|---------------------|
| Catcher & For-Hire Operating Costs only | 3365 | 25 minutes | 1402 |
| Catcher, For-Hire Operating, Fixed Costs, Limited Demographic & Firm Characteristics | 2750 | 1.5 | 4125 |
| Fixed Cost, Limited Demographics & Firm Characteristics | 685 | 1 | 685 |
| West Coast & Alaska Processors | 75 | 8 | 600 |
| East Coast & Gulf Coast Processors | 125 | 1.5 | 188 |
| | | | |
| Total | 7000 | | 7000 |

13. Provide an estimate of the total annual recordkeeping/reporting cost burden to the respondents resulting from the collection (excluding the value of the burden hours in Question 12 above).

There are no recordkeeping/reporting costs.

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

No additional NMFS staff will be utilized other than those regularly assigned to support this collection of information mandated by law. In addition, no special or new equipment will be procured for the special purpose of conducting this information collection. In the Northeast, Alaska, and Northwest Regions, the annualized cost for NMFS to implement its economic surveys is estimated to be \$150,000 - \$200,000 per region. In the Southeast, Southwest and Pacific Island Regions, the annualized cost for NMFS to implement its economic surveys is estimated to be \$75,000 per region.

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

There are no changes.

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

The results from the proposed data collection are not planned for statistical publication. Data will be used as empirical input in descriptions of current economic performance in the commercial snapper-grouper and mackerel fisheries, and in evaluations of proposed regulations in the fisheries. Descriptive and analytical reports will include summaries of the data (totals and averages only) and will not release or reveal confidential information.

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.

NA.

18. Explain each exception to the certification statement.

NA.