

**SUPPORTING STATEMENT
SOUTHEAST REGION GULF OF MEXICO GROUPEL AND TILEFISH
INDIVIDUAL FISHING QUOTA PROGRAM
OMB CONTROL NO. 0648-xxxx**

INTRODUCTION

The Magnuson-Stevens Fishery Conservation and Management Act ([Magnuson-Stevens Act](#)) authorizes the Gulf of Mexico Fishery Management Council (Council) to prepare and amend fishery management plans for any fishery in waters under its jurisdiction. The National Oceanic and Atmospheric Administration's (NOAA) National Marine Fisheries Service (NMFS) manages the grouper and tilefish fisheries in the waters of the Gulf of Mexico under the Reef Fish Fishery Management Plan (FMP). This amendment (Reef Fish FMP Amendment 29) proposes to implement a transferable Individual Fishing Quota (IFQ) program* in the Gulf of Mexico commercial grouper and tilefish fisheries (RIN 0648-AX39). A referendum required by Section 303A(c)(6)(D) of the Magnuson-Stevens Act and conducted by NMFS in December 2008 supported consideration of such the program with 80 percent of respondents in favor of the program.

This request is for a new collection of information.

A. JUSTIFICATION

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

The Gulf of Mexico grouper and tilefish fisheries are overcapitalized. This overcapitalization has led to increasingly restrictive management measures, which in turn has led to derby fishery conditions. The IFQ program proposed is intended to reduce overcapacity and eliminate derby fishing conditions. This collection-of-information addresses IFQ share certificate and allocation debits and transfers, as well as effort information in the grouper and tilefish fisheries.

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.

To be eligible to receive initial IFQ shares, a person would need to possess a valid (active or renewable) Gulf reef fish commercial vessel permit as of October 1, 2009. The calculation of initial shares by the Regional Administrator (RA) would be based on the highest average annual landings associated with each permit during the best 5 out of 6 years for each share category,

*IFQ programs are a type of limited access privilege program (LAPP), which provide individual fishermen or corporations the exclusive privilege to harvest a certain percentage of the total allowable catch (TAC) of a fishery. Most IFQ programs enable this exclusive harvest privilege to be bought and sold in the marketplace. Market-based fishery management programs have received increasing recognition over the last few decades as an effective way to better align the amount of fishing capacity in a fishery with the amount of fish that may be taken by the fishery, or the total allowable catch (TAC). By ensuring each program participant the opportunity to harvest a specific amount of the TAC each year, the need to compete for the TAC and the incentive to over-invest in fishing capacity are eliminated. In addition, conventional fishery management programs do not provide the same degree of compensation to those who chose to exit the fishery (e.g. limited access permits are not as valuable as exclusive harvest privileges).

during the applicable landings period, 1999 through 2004. If a participant wishes to exclude a different year of landings history than was chosen by the RA, the participant would submit that information to the RA postmarked no later than December 1, 2009.

Items subject to appeal under this IFQ program would be initial eligibility for shares based on ownership of a reef fish commercial vessel permit, the accuracy of the amount of landings, correct assignment of landings to the permit owner, and correct assignment of gag versus black grouper landings. Appeals would have to be submitted to the RA postmarked no later than April 1, 2010, and would have to contain documentation supporting the appeal.

IFQ share certificate and allocation debits and transfers would be tracked using an electronic accounting/reconciliation process developed by NMFS, in which the IFQ share certificate holder or allocation holder, dealer, NMFS, and NMFS General Counsel for Enforcement and Litigation (GCEL) would participate. The IFQ share or allocation holder and dealer would record IFQ share transactions. Quarterly landing reports filed by the dealer should be consistent with NMFS quota accounting (each dealer receives a report stating the amount owed for cost recovery**, based on all landing reports submitted during that period, and the payment is then submitted online). Shareholders are responsible for identifying vessels which will be harvesting allocation for that particular shareholder through an active vessel report. The NMFS accounts would monitor IFQ share transactions, as well as quota shares suspended prior to issuance and other legal actions taken against IFQ share certificate holders in which IFQ is garnished. For enforcement purposes, IFQ landings would be required to be offloaded at permitted IFQ dealers between 6:00 a.m. and 6:00 p.m. daily. Persons landing IFQ catch would be required to notify NMFS Enforcement at least three hours in advance of the date of landing and of the dealer where landing will occur. IFQ share and allocation transfers will also be documented using a computer-based process. .

IFQ transactions must be recorded by the IFQ share or allocation holder and dealer though the use of a web based system in which the share/allocation holder and dealer enter purchase data into the system with each cross-verifying the other. This method is the only accepted means of grouper and tilefish purchase reporting unless a catastrophic event occurs.

** Section 304(d)(2)(A) of the Magnuson-Stevens Act provides the Secretary of Commerce the authority to establish a fee to assist in recovering the actual costs directly related the management and enforcement of any IFQ program. Such a fee may not exceed three percent of the ex-vessel value (e.g. before deductions made for goods and services) of fish harvested under any such program, and must be collected either at the time of landing, filing of a landing report, or sale of such fish during a fishing season or in the last quarter of the calendar year in which the fish is harvested. Fees collected shall be in addition to any other fees charged under the Magnuson-Stevens Act and shall be deposited in the Limited Access System Administration Fund established under section 305(h)(5)(B) of the Magnuson-Stevens Act except that the portion of fees reserved under section 304(d)(4)(A) of the Magnuson-Stevens Act shall be deposited in the United States Department of the Treasury and available, subject to annual appropriations, to cover the costs of new direct loan obligations and new loan guarantee commitments as required by section 504(b)(1) of the Federal Credit Reform Act (2 U.S.C. 661 c(b)(1)). Collection of such fees is necessary to recover cost for enforcement and program administration including data collection, management, and distribution.

A three percent fee of the ex-vessel value of landed fish will be collected from the fishermen at the point of purchase by an authorized grouper/tilefish IFQ dealer. Dealers will then be responsible for submitting the cost recovery fees on a quarterly basis. Based on a combined 7.82 million pound (MP) commercial quota for shallow-water grouper, a 1.02 MP commercial quota for deep-water grouper, and 0.44 MP tilefish commercial quota, a 3% fee, and ex-vessel values of \$2.75 (7.82 MP, worth \$21.51 million) for shallow-water grouper, \$2.98 (1.17 MP worth \$3.49 million) for deep-water grouper, and \$1.69 (0.52 MP, worth \$0.88 million) for tilefish per pound, the fee total would be \$25,880,000 x .03, or \$776,400 for 994 fishermen (\$781 per fisherman).

The following information would be collected and monitored through the electronic accounting/reconciliation process:

- When an IFQ share certificate holder or allocation holder has sold IFQ species, and the IFQ share certificate holder's or allocation holder's Identification (ID) number.
- Sale price of IFQ species or IFQ share certificates.
- The weight of the catch and all biological management information as required.
- To whom the catch was sold and their dealer/permit number.

- Whether initial recipients hold enough IFQ share certificates.
- Reconciliations of IFQ share certificate holder or allocation holder/dealer transactions, which would be confirmed and authorized using NMFS approval codes.
- IFQ share and allocation sales or transfers.

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

It is anticipated that the information collected will be disseminated to the public or used to support publicly disseminated information. As explained in the preceding paragraph, the information gathered has utility. 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. 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.

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

As stated above in the response to Question 2, most information, as well as cost recovery payments, would be submitted via a web-based system (<http://ifq.sero.nmfs.noaa.gov>), with paper submission an option only in catastrophic circumstances. The real-time capability of such

an electronic IFQ transaction process would be advantageous to IFQ share certificate holders, NMFS, and U.S. Coast Guard (USCG) enforcement personnel.

Permit consolidation and landing approval forms are on the IFQ website but not submitted via the website. The permit consolidation form must be signed and mailed to the NMFS Permit Office at 263 13th Ave S, St. Petersburg, FL 33701 and the landing approval form may be emailed. Appeals would be sent by mail to the Regional Administrator, 263 13th Avenue South St Petersburg, Florida 33701.

4. Describe efforts to identify duplication.

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

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

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

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

NMFS would be unable to manage the grouper and tilefish IFQ fisheries if this collection were not conducted or were conducted less frequently. The approved participants would be unknown and harvest rates could not be determined, which may result in allocations being exceeded.

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

No special circumstances are associated with this information collection.

8. Provide 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.

The notice of availability of Amendment 29, and the pending proposed rule to implement Amendment 29 (RIN 90648-AX39), include a notice of and request for comments on this data collection.

Because these data collection programs are part of fishery management plans, all aspects of the programs have been reviewed by both statistical and constituent advisory committees. Furthermore, comments and suggestions from fishermen are routinely submitted, reviewed, and considered. Experience with the various programs, some of which have been operating for many years, provides a continual feedback mechanism to NMFS on issues and concerns to the applicants. Amendment 29 did not raise an unusual amount of controversy during the Council development process. We believe that there are no major problems with Amendment 29 that have not been resolved.

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

There are no payments or other remunerations to respondents.

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

All data that are submitted are treated as confidential in accordance with NOAA Administrative Order 216-100, as stated on the applicable forms.

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

No questions of a sensitive nature are asked.

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

Collection	Responsible Party	Number of Responses per Responsible Party	Burden Time	Annual Responses	Annual Burden
Appeals of Quota Share Allocations	Fisherman/Shareholder (994)	0.002	2 hours	2	4 hours
Dealer Transaction Report	Dealer (159)	18	7 minutes	2862	334 hours
Quarterly Dealer Report and Submission of Cost Recovery Fees	Dealer (159)	4	10	636	106 hours
Dealer Account Activation	Dealer (159)	1	5 minutes	159	13 hours
Shareholder Account Activation	Shareholder (994)	1	5 minutes	994	83 hours
Fisherman Account Activation	Shareholder/ Fisherman (994)	1	10 minutes	994	166 hours
Notification of Landing Time	Fisherman (994)	10	3 minutes	9940	497 hours
Active Vessels Report	Shareholder (994)	0.06	10 minutes	60	10 hours
Transfer of Share	Shareholder (994)	0.16***	15 minutes	159	40 hours
	Reef Fish Permit Holder (994)	0.08***	15 minutes	80	20 hours
Transfer of Allocation	Shareholder (994)	0.24	5 minutes	239	20 hours
Permit consolidation	Reef Fish Permit Holder (994)	.074	10 minutes	74	12 hours
Approved landing location	Fishermen (994)	0.20	5 minutes	199	17 hours
TOTALS	1153			16,398	1,322

***16% and 8% of the shareholders and permit holders having to respond, respectively to the share transfer requirement

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 Question 12 above).

The only reporting/recordkeeping costs would be for mailing permit consolidation forms (74 x \$0.42 = \$31.08) and appeals (2 x \$0.42 = \$0.84). Total annual costs would be \$31.92.

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

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

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

This is a new collection of information.

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

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

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

NA.

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

NA.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection does not employ statistical methods.