SUPPORTING STATEMENT NMFS ALASKA REGION CRAB ARBITRATION SYSTEM OMB CONTROL NO. 0648-0516

INTRODUCTION

In January 2004, the United States (U.S.) Congress amended Section 313(j) of Magnuson-Stevens Fishery Conservation and Management Act to mandate the Secretary of Commerce to implement the Crab Rationalization Program (CR Program) for the Bering Sea and Aleutian Islands Management Area (BSAI) crab fisheries. The CR Program allocates BSAI crab resources among harvesters, processors, and coastal communities. The North Pacific Fishery Management Council (Council) prepared, and National Marine Fisheries Service (NMFS) approved, the Fishery Management Plan for BSAI King and Tanner Crabs (FMP). The FMP establishes criteria for the management of certain aspects of the BSAI crab fisheries by the State of Alaska Department of Fish and Game (ADF&G). The FMP is implemented by regulations at 50 CFR part 680.

Prior to the CR Program, the eight major Bering Sea and Aleutian Islands crab fisheries were managed under the License Limitation Program (LLP), a limited entry program under which licenses were allocated to harvesters based on historic participation. Licenses were endorsed for one or more area and species and were issued by operation type, catcher vessel or catcher processor.

Under the CR Program, eligible LLP license holders (see OMB Control No. 0648-0334) were issued quota shares (QS), which are long term shares, based on their qualifying harvest histories. These QS annually yield individual fishing quota (IFQ), which are privileges to harvest a particular amount of crab in pounds in a given season. Processor quota shares (PQS) are long term shares issued to processors. These PQS yield annual individual processor quota (IPQ), which represent a privilege to receive a certain amount of crab harvested with Class A IFQ.

Class A IFQ holders who are unaffiliated, or independent, of IPQ holders are commonly known as unaffiliated Class A IFQ holders. Conversely, Class A IFQ holders who are affiliated with IPQ holders through common ownership and control are known as affiliated Class A IFQ holders. Affiliated Class A IFQ holders are not eligible to use the arbitration system to settle price or other disputes. Affiliated Class A IFQ holders do not require an arbitration system because they are integrated with IPQ holders and do not have distinct and potentially adversarial negotiating positions as may be the case with unaffiliated Class A IFQ and IPQ holders. Regulations at 50 CFR 680 require that all unaffiliated IFQ holders join an Arbitration Organization (AO).

The CR Program Arbitration System (System) is a series of steps that harvesters and processors can use to negotiate delivery and price contracts. The System allows unaffiliated Class A IFQ holders to initiate an arbitration proceeding in the event of a dispute to allow an independent third party to provide a review of harvester and processor negotiation positions and provide an independent and binding resolution to issues under dispute.

This action is a request for a revision and extension of the CR Arbitration collection-of-information. Program details are found at: http://www.alaskafisheries.noaa.gov/regs/680/default.htm.

A. JUSTIFICATION

The Council's problem statement for the CR Program specifically called for a program that

"...maintains healthy harvesting and processing sectors... and seeks to achieve equity between harvesting and processing sectors, including healthy, stable, and competitive markets." Further, the Council stated "Share allocations to harvesters and processors...are intended to increase efficiencies, provide economic stability and facilitate compensated reduction of excess capacities in both harvesting and processing sectors. The binding arbitration is intended to resolve price disputes between harvesters and processors, which in the past have delayed fishing...."

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

Under the CR Program, NMFS created an arbitration system in regulations at 50 CFR 680.20. The CR Program arbitration system consists of:

- ♦ Arbitration Organization (AO) establishes an Arbitration System through a series of contracts that define and govern the share matching and arbitration system among shareholders and the AO. The AO is responsible for selecting arbitrators, coordinating and disseminating information among participants, ensuring confidentiality of sensitive information, and collection and disbursal of arbitration costs.
- Price Formula Analyst -- prepares a non-binding price formula that describes the historic division of first wholesale values among harvesters and processors that can be used in price negotiations and arbitrations.
- ♦ Contract Arbitrator -- reviews the positions of the parties during an arbitration proceeding and issues a binding decision based on a last-best offer form of arbitration.
- ♦ Market Analyst -- provides a pre-season market report of likely market conditions for each crab fishery to aid in price negotiations and arbitrations.

In addition, a Third-party Data Provider arranges for the receipt and delivery of up-to-date information as required by an AO.

The CR Program requires that arbitration system costs be shared equally between IPQ holders and Class A IFQ holders – processors pay half and fishermen pay half.

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.

Since 2006, there exist the same two AOs in the CR Program: one unaffiliated harvester organization and one affiliated harvester/processor arbitration organization:

<u>Unaffiliated Harvester Organization</u> Bering Sea Arbitration Organization 4917 Leary Ave NW Seattle, WA 98107

Affiliated Harvester/Processor Arbitration Organization Alaska Crab Processors Arbitration Organization 719 Second Avenue, Ste 1150 Seattle, WA 98104-1728

One representative, Seafood Datasearch, is annually contracted to provide services as Market Analyst and Price Formula Arbitrator for both of the AOs.

The crab fisheries are:

BBR -- Bristol Bay red king crab (Paralithodes camtshaticus)

BSS -- Bering Sea Snow crab (Chionoecetes opilio)

EAG -- Eastern Aleutian Islands golden king crab (Lithodes aequispinus)

EBT -- Eastern Bering Sea Tanner crab (Chionoecetes bairdi)

PIK -- Pribilof red king and blue king crab (*Paralithodes camtshaticus* and *P. platypus*)

SMB -- St. Matthew blue king crab (*Paralithodes platypus*)

WAG -- Western Aleutian Islands golden king crab (Lithodes aequispinus)

WAI -- Western Aleutian Islands red king crab (*Paralithodes camtshaticus*)

WBT -- Western Bering Sea Tanner crab (Chionoecetes bairdi)

The following are shared arbitration system costs:

- ♦ The cost to produce the market report and non-binding pricing formula for each fishery;
- ♦ The third party data provider costs for each fishery;
- ♦ The contract arbitrator costs for each fishery;
- ♦ General liability insurance, and directors and officers insurance for each arbitration organization with policy limits acceptable to the Parties;
- ♦ The fees and expenses necessary for the participation in the Council's CR Program review process incurred by any arbitration organization authorized representative; and
- ♦ Attorneys fees of the arbitration organizations to: prepare, negotiate and administer the above contracts, obtain and review the above insurance, pursue Department of Justice

anti-trust review of the implementation of the arbitration system, contribute to and participate in the Council's CR Program review process, and otherwise implement the arbitration system, as amended from time-to-time by NMFS regulations. However, attorneys fees associated with the formation and administration of each arbitration organization shall be borne by each arbitration organization.

NMFS requires the following reports annually.

- ♦ Arbitration Organization Notification & Organization Report
- ♦ Contract Arbitrator Report
- ♦ Combined Shared Arbitration Accounting Report

NMFS requires that these reports be submitted as follows:

by mail to:

Regional Administrator, NMFS

P.O. Box 21668 Juneau. AK 99802

by courier to:

NMFS

709 West 9th Street Juneau, AK 99801

by fax to: 907-586-7465

a. Miscellaneous AO Reporting [Removed]

b. AO Annual Notification (formerly included under Miscellaneous AO Reporting)

The AO for each crab fishery must notify NMFS annually of the persons selected as the Market Analyst, Formula Arbitrator, and Contract Arbitrator(s) for the fishery no later than June 1.

The notification shall include

- ♦ A list of Arbitration Organizations that mutually agreed to the selection of the Market Analyst, Formula Arbitrator, and Contract Arbitrator(s)
- Signatures of representatives of those Arbitration Organizations
- ♦ A copy of the contract with Market Analyst, the Formula Arbitrator, and each Contract Arbitrator
- Curriculum vitae and other relevant biographical material for each of these individuals

Both of the AOs combine this report (AO Notification) with the AO Organization Report (Annual Report). One AO submits this report by email attachment, using a form that they developed. The other AO submits this report by mail.

c. AO Annual Report

Each Arbitration Organization must submit a complete Annual Arbitration Organization Report to NMFS

- ♦ An AO with members who are QS or PQS holders, by May 1 of each crab fishing year beginning on July 1 of that year.
- ♦ An AO with members who are IFQ or IPQ holders, by no later than 15 days after the issuance of IFQ and IPQ for that crab QS fishery.

Both of the AOs combine this report (AO Report) with the AO Notification. One AO submits the combined report by email attachment, and uses a form (attached). The other AO submits this combined report by mail.

Arbitration Notification & Organization Report

A copy of the AO business license

AO Information

Name of the AO

Permanent business mailing address

Name of contact persons

Additional contact information of the managing personnel

Resumes of management personnel

Members of the organization

Amount of Arbitration QS and Arbitration IFQ held by each member

Amount of Non-Arbitration QS and Non-Arbitration IFQ or PQS and IPQ held by each member QS, PQS, IFQ, and IPQ ownership information on the AO members

Management organization information

The bylaws of the Arbitration Organization

A list of key personnel not limited to, the board of directors, officers, representatives, and any managers A copy of all minutes of any meeting held by the AO or any members of the AO

| Combined Annual AO notification and report, | |
|---|---------|
| Respondent | |
| Number of respondents | 2 |
| Total annual responses | 2 |
| Frequency of response = 1 | |
| Total burden hours (5 x 2) | 10 hr |
| AO Notification, time per response = 1 hr | |
| AO Report, time per response – 4 hr | |
| Total personnel cost (\$125 x 10) | \$1,250 |
| Total miscellaneous cost (5.87) | \$6 |
| Postage ($$1.32 \times 1 = 1.32$) | |
| Email attachment $(0.05 \times 1 = 0.05)$ | |
| Copy 45 pp x 2 x $.05 = 4.50$ | |

| Combined Annual AO notification and report, Federal | |
|---|-------|
| Government | |
| Total responses | 2 |
| Total burden hours (1 x 2) | 2 hr |
| Total personnel costs (\$75 x 2) | \$150 |
| Total miscellaneous costs | 0 |

- d. AO Market Report [Removed]
- e. Price Formula Report [Removed]
- f. Establish Market Price [Removed]
- g. Contract Arbitrator Report

The AO is required to establish a contract with all Contractor Arbitrators in each crab fishery that specifies that each Contract Arbitrator may be selected to resolve a dispute concerning the terms of delivery, price, or other factors to the fishery. The contract shall specify one of the following approaches for negotiation and binding arbitration among members of the AO:

- ♦ Restrictions on collective negotiation. An IFQ and an IPQ holder may negotiate individually. Groups of IFQ holders may negotiate collectively with an IPQ holder only under certain provisions
- ♦ Open negotiations. At any time prior to the date of the first crab fishing season of a crab fishing year for that crab QS fishery, any holder of uncommitted Arbitration IFQ may negotiate with any holder of uncommitted IPQ, the price and delivery terms for that season for any uncommitted IFQ and uncommitted IPQ.
- ♦ <u>Lengthy season approach</u>. Prior to the date of the first crab fishing season for that crab QS fishery in that crab fishing year a committed IPQ holder and one or more committed Arbitration IFQ holders may choose to adopt a Lengthy Season approach

A Lengthy Season approach allows a committed IPQ holder and a committed Arbitration IFQ holder to agree to postpone negotiation of specific contract terms until a time during the crab fishing year as agreed upon by the Arbitration IFQ holder and IPQ holder participating in the negotiation.

The Lengthy Season approach allows the Arbitration IFQ holders and IPQ holder involved in the negotiation to postpone Binding Arbitration, if necessary, until a time during the crab fishing year. If the parties reach a final agreement on the contract terms, Binding Arbitration is not necessary.

- ♦ Share Matching. At any time 120 hours (five days) after NMFS issues IFQ and IPQ for that crab QS fishery in that crab fishing year, holders of uncommitted Arbitration IFQ may choose to commit the delivery of harvests of crab to be made with that uncommitted Arbitration IFQ to an uncommitted IPQ holder. The issuance of IFQ and IPQ for a crab QS fishery occurs on the time and date that IFQ and IPQ amounts for that crab QS fishery are posted on the NMFS, Alaska Region website at http://www.fakr.noaa.gov. To commit Arbitration IFQ, the holder of uncommitted IFQ must offer an amount of Arbitration IFQ.
- ♦ <u>Initiation of Binding Arbitration</u>. If an Arbitration IFQ holder intends to initiate Binding Arbitration, the Arbitration IFQ holder must initiate the Binding Arbitration procedure not later

than 360 hours (15 days) after NMFS issues IFQ and IPQ for that crab QS fishery in that crab fishing year. Binding Arbitration is initiated after the committed Arbitration IFQ holder notifies a committed IPQ holder and selects a Contract Arbitrator. Binding Arbitration may be initiated to resolve price, terms of delivery, and other disputes. There will be only one Binding Arbitration Proceeding for an IPQ holder but multiple Arbitration IFQ holders may participate in this proceeding.

This limitation on the timing of Binding Arbitration proceedings does not include proceedings that arise due to: the lengthy season approach, performance disputes, and quality disputes.

- ♦ Joining a Binding Arbitration Proceeding. Any uncommitted Arbitration IFQ holder may join a Binding Arbitration proceeding as a party by committing the shares to the arbitration and providing notice to the IPQ holder and the Contract Arbitrator(s). An Arbitration IFQ holder may join a Binding Arbitration proceeding only if uncommitted IPQ is available. Once shares are committed to a Binding Arbitration Proceeding they cannot be uncommitted. The contract with the Contract Arbitrator may specify the terms and timing of joining the proceedings.
- ♦ <u>Arbitration Schedule Meeting</u>. The Contract Arbitrator shall meet with all parties to a Binding Arbitration proceeding as soon as possible once a Binding Arbitration proceeding has been initiated for the sole purpose of establishing a schedule for the Binding Arbitration. This schedule shall include the date by which the IPQ holder and Arbitration IFQ holder(s) must submit their last best offer and any supporting materials, and any additional meetings or mediation if agreed to by all parties. This meeting will discuss the schedule of the Binding Arbitration proceedings and not address terms of last best offers.
- ♦ Terms of Last Best Offers. The Contract Arbitrator will meet with the parties to the Binding Arbitration proceeding to determine the matters that must be included in the last best offer, which may include a fixed price or a price over a time period specified by the parties, a method for adjusting prices over a crab fishing year, or an advance price paid at the time of delivery.
- ♦ Submission of Last Best Offers. The parties to a Binding Arbitration proceeding shall each submit to the Contract Arbitrator(s) a last best offer defining all the terms specified for inclusion in a last best offer by the Contract Arbitrator. An Arbitration IFQ holder that is an FCMA cooperative may submit a last best offer that defines terms for the delivery of crab harvested by members of that FCMA cooperative with IFQ held by the cooperative. An Arbitration IFQ holder that is not an FCMA cooperative may submit a last best offer that defines the term of delivery of crab harvested with IFQ held by that person. The IPQ holder that is a party to the proceeding shall submit a single offer that defines terms for delivery of crab harvested with all IFQ that are subject to the proceedings.
- ♦ <u>Arbitration Decisions</u>. The Contract Arbitrator(s) shall decide among each offer received from an Arbitration IFQ holder and the offer received from the IPQ holder. Each arbitration decision shall result in a binding contract between the IPQ holder and the Arbitration IFQ holder defined by the terms of the offer selected by Contract Arbitrator(s). An arbitration decision applies to all committed IFQ and committed IPQ in that arbitration.

The Contract Arbitrator must provide NMFS with:

- ♦ A copy of any minutes from any meeting attended by that Contract Arbitrator between or among any PQS or IPQ holders concerning any negotiations under § 680.20;
- ♦ Any last-best offers made during the Binding Arbitration process, including all contract details, the names of other participants in the arbitration, whether the bid was accepted by the Contract Arbitrator; and
- A copy of any information, data, or documents given by the Contract Arbitrator to any person who is not a party to the particular arbitration for which that information was provided.

The Contract Arbitrator must provide any required information, documents, or data to the NMFS Alaska Regional Administrator no later than 30 days prior to the end of the crab fishing year for which the open negotiation or arbitration applied.

| Contract Arbitrator Report, Respondent | |
|--|-------|
| Number of respondents | 12 |
| Total annual responses | 12 |
| Frequency of response = 1 | |
| Total burden hours | 48 hr |
| Time per response $= 4 \text{ hr}$ | |
| Total personnel cost (\$125 x 4) | \$500 |
| Total miscellaneous cost (23.50) | \$24 |
| Postage ($$2.20 \times 5 = 11$) | |
| Copy 50 pp x 0.05 x $5 = 12.50$ | |

| Contract Arbitrator Report, Federal Government | |
|--|---------|
| Total responses | 12 |
| Total burden hours (1 x 12) | 12 hr |
| Total personnel costs (\$125 x 12) | \$1,500 |
| Total miscellaneous costs | 0 |

h. Combined Shared Arbitration Accounting Report

Each crab fishing year, the AO must enter into a contract with all other AOs for the payment of the following costs of arbitration:

- ♦ The Market Analyst, Formula Arbitrator, and Contract Arbitrator(s)
- ◆ Dissemination of information concerning uncommitted IPQ to holders of uncommitted Arbitration IFQ
- ♦ The costs of such persons associated with lengthy season approach, share matching approach, Binding Arbitration, quality and performance disputes

These costs are to be shared equally so that IPQ holders pay 50 percent of the costs and Arbitration IFQ holders and Class A IFQ holders pay 50 percent of the costs.

Copies of the AO shared arbitration system accounting report are sent to NMFS, the Council, and the other AOs.

| Combined Shared Arbitration Accounting Report, | |
|--|-----------|
| Respondent | |
| Number of respondents | 1 |
| Total annual responses | 1 |
| Frequency of response = 1 | |
| Total burden hours | 20 hr |
| Time per response = 20 hr | |
| Total personnel cost (\$125 x 20) | \$2,500 |
| Total miscellaneous cost (435,515.20) | \$435,515 |
| Postage = \$2.20 | |
| Copy $100 \text{ pp x } 0.05 = \5 | |
| Third Party Data Provider = \$ 17,000 | |
| Market Report/Price Formula = \$ 130,508 | |
| Contract Arbitrators | |
| @ \$15,000 x 12 = \$ 180,000 | |
| Legal Fees = \$100,000 | |
| Insurance = \$8,000 | |
| General Liability, Directors & Officers | |
| 3 arbitration organizations | |

| Combined Shared Arbitration Accounting Report, Federal Government | |
|--|-------|
| Total responses | 1 |
| Total burden hours (4 x 1) | 4 hr |
| Total personnel costs (\$125 x 4) | \$500 |
| Total miscellaneous costs | 0 |

It is anticipated that the information collected will not 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 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 No. 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. <u>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.</u>

Some reports are submitted by mail: Contract Arbitrator Report and Combined Shared Arbitration Accounting Report, and the Combined Annual AO Notification and Report may be sent as an attachment to e-mail.

4. Describe efforts to identify duplication.

None of the information collected as part of this information collection duplicates other collections. This information collection is part of a specialized and technical program that is not like any other.

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

The respondents of this collection of information are arbitration organizations and contract arbitrators in the CR Program. These organizations are not estimated to be small entities. Thus, the collection of information does not impose a significant impact on small entities.

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

Without the collection of specified information to support the crab arbitration system, the CR Program would be jeopardized. The consequences of not collecting this information would be that NMFS could not fulfill the intent of the law created under Pub. L. No. 108-199. This law also requires that each component of the CR Program enacted by Congress must be implemented or the whole program must be withdrawn. Thus, disapproval of this data collection program would threaten all components of P.L. No. 108-199.

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

No special circumstances exist.

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

A <u>Federal Register</u> notice, 76 FR 3089, published January 19, 2011, solicited public comment, and no comments were received.

Persons consulted outside the agency:

 L. John Iani, President Alaska Crab Processors Arbitration Organization 719 Second Avenue, Suite 1150 Seattle, WA 98104

- Erling E. (Jake) Jacobsen, Executive Director Bering Sea Arbitration Organization 4917 Leary Ave NW Seattle, WA 98107
- John Sackton
 Seafood Datasearch
 8 White Pine Lane
 Lexington, MA 02421

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

No payment or gift will be provided under this program.

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

As stated in the regulations (which are easily accessed by the fishermen on the regional Web site and of which the fishermen do keep track), the information collected is confidential under section 303(d) of the Magnuson-Stevens Act (16 U.S.C. 1801 *et seq.*) and under NOAA Administrative Order (AO) 216-100, which sets forth procedures to protect confidentiality of fishery statistics.

11. <u>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.</u>

This information collection does not involve information of a sensitive nature.

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

Estimated total respondents: 14, decreased from 49. Estimated total responses: 15, decreased from 96. Estimated total burden: 78, decreased from 743 hr. Estimated total personnel costs: \$4,250, decreased from \$18,550.

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

Estimated total miscellaneous costs: \$435,545, increased from \$5,374.

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

Estimated total burden: 30 hr, decreased from 92 hr. Estimated total personnel costs: \$2,150, decreased from \$2,300.

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

This action is a revision/renewal with program changes and adjustments.

NMFS has changed the Arbitration information collection requirements based on information that recently became available. These program changes provide a more transparent view of the different reports and activities. Total estimated changes are shown below.

♦ Miscellaneous AO reporting [Removed]

This item is removed; the information is included elsewhere

Respondents changed from 10 to 0

Responses changed from 40 to 0

Burden hours changed from 40 hours to 0 hours

Miscellaneous costs changed from \$1,000 to \$0

♦ AO Market Report [Removed]

This item is removed; the information is included elsewhere

Respondents and responses changed from 8 to 0

Burden hours changed from 320 hours to 0 hours

Personnel costs changed from \$8,000 to \$0

Miscellaneous costs changed from \$48 to \$0

♦ AO Price Formula Report [Removed]

This item is removed; the information is included elsewhere

Respondents changed from 1 to 0

Responses changed from 8 to 0

Burden hours changed from 320 hours to 0 hours

Personnel costs changed from \$8,000 to \$0

Miscellaneous costs changed from \$4 to \$0

• Establish price for arbitration negotiations [Removed]

This item is removed; the information is included elsewhere

Respondents and responses changed from 30 to 0

Burden hours changed from 23 hours to 0 hours

Personnel costs changed from \$550 to \$0

Miscellaneous costs changed from \$180 to \$0

♦ Combined Annual AO Notification and Report

The Organization Report combined with the Notification Report

Respondents and responses changed from 10 to 2

Burden hours changed from 40 hours to 10 hours

Personnel costs changed from \$1,000 to \$1,250

Miscellaneous costs changed from \$60 to \$6

◆ Combined Shared Arbitration Accounting Report [New]

Miscellaneous reports, the Market Report, and Price Formula Report are combined

Respondents and responses = 1

Burden hours = 20 hours

Personnel costs = \$2,500

Miscellaneous costs = \$435,515

A significant amount of burden and cost for the Market and Price Formula Reports was not shown in previous analyses, because that information was not available. The previous costs and burden were visualized as costs per respondent, with respondents individually doing their own report. We have since discovered that the report for all respondents is done by two entities and the costs then are distributed to all members. Some costs were previously not listed individually because of inadequate, informal information. With the detailed invoice that became available from the two organizations, the actual costs are now clear.

The estimated miscellaneous cost dramatically increased because the contractors charged a single cost per report (Market Report/Price Formula = \$ 130,508), based on a much higher, unknown hourly rate. In addition, costs are shown in the combined report that were not included previously in any report. These included cost for data (Third Party Data Provider = \$ 17,000), Contract Arbitrators @ $\$15,000 \times 12 = \$180,000$, Legal Fees = \$100,000, and Insurance (General Liability, Directors and Officers, 3 arbitration organizations = \$8,000).

Adjustments:

♦ Contract Arbitrator Report [New]

This report was inadvertently omitted from previous analyses

Respondents and responses = 12

Burden hours = 48 hours

Personnel costs = \$500

Miscellaneous costs = \$24.

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

The results of this collection of information will not be published.

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

Not Applicable.

18. Explain each exception to the certification statement.

Not Applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not employ statistical methods.