SUPPORTING STATEMENT

COMMERCIAL FISHING VESSEL COST AND EARNINGS DATA COLLECTION SURVEY IN THE NORTHEAST REGION

OMB CONTROL NO. 0648-XXXX

INTRODUCTION

This request for approval of a new information collection is submitted in accordance with the Paperwork Reduction Act, in support of the cost and earning data collection effort from commercial fishing vessels in the National Oceanic and Atmospheric Administration's (NOAA's) National Marine Fisheries Service (NMFS) Northeast Region. The proposed data gathering request is separate from the effort undertaken from 2007-2009 (under OMB Control No. 0648-0369), and will be carried out on an ongoing basis.

A. JUSTIFICATION

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

Economic data on the costs of operating commercial fishing businesses are needed by the National Marine Fisheries Service (NMFS) to meet the legislative requirements of the Magnuson-Stevens Fishery Conservation and Management Act, the National Environmental Policy Act, Executive Order 12866 and the Regulatory Flexibility Act. The Social Sciences Branch (SSB) of the Northeast Fisheries Science Center carries out the responsibilities of the NMFS in the Northeast Region, with the SSB primarily responsible for providing estimates of the economic and social impacts of proposed and final fishery management actions. The data are used in many of the frameworks and amendments to fishery management plans that require economic analyses. Without an accurate understanding of the financial costs faced by commercial fishing businesses, these analyses would suffer.

The Northeast Fisheries Science Center's (NEFSC) Social Sciences Branch (SSB) collected annual cost information from commercial fishing vessel owners for Calendar Years 2006, 2007 and 2008. Data were collected via a voluntary mail survey associated with the federal fishing permit renewal application. Each year, approximately 2,700 surveys were sent to the universe of active vessels with a Northeast Region federal permit. The response rate for 2006 was around 22% and declined further in the subsequent years. The SSB has since discontinued the survey due to the low response rate.

There are several reasons that may have contributed to this low response rate. First, staff resources to conduct thorough follow-up contacts or send reminders to improve response rates were limited. Secondly, for three consecutive years, surveys were sent to all active vessels (a census of the population), which resulted in the same vessels receiving a survey multiple times.

Our analysis showed that when vessel owners received a survey multiple times, they responded the first year but did not respond in the following years. These multiple survey attempts likely lead to fatigue and annoyance, which may have led to low response. In addition to low response rates, this initial data collection effort also suffered from other short-comings, such as absence of data validation and non-response bias correction.

The proposed data collection approach will be much more scientific and rigorous. Proper steps will be taken to increase response rates, validate the collected data and correct for non-response biases. More detail is provided in Question 3 under Section B. These new data, in conjunction with trip-level cost information collected by at-sea observers, will enable SSB to provide a level of analysis that is considered sufficient to allow the New England Fishery Management Council, the Mid-Atlantic Fishery Management Council and NMFS, on behalf of the Secretary of Commerce, to make informed decisions about the expected economic effects of proposed management alternatives. This information will allow the SSB to conduct more comprehensive economic analyses of proposed management alternatives and related research.

2. <u>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.</u>

The information requested in the survey will be primarily used by the NMFS social scientists to measure the economic performance of Northeast commercial fisheries. The data will serve as input for a variety of analyses, such as: regulatory impact analyses, economic profitability profiles, fleet efficiency and productivity measures, and economic impacts of management regulations.

The survey form is organized to ease the collection of data by clearly identifying the types of data being collected, through the use of clearly defined sections. The survey will collect information about vessels and their annual fixed costs via five sections discussed below.

Vessel Information: This section collects vessel identification information, the fiscal year that the cost information corresponds to, ownership type, number of owners, and the value of the vessel. This identification information is necessary to gain important vessel and ownership characteristics and to link the survey data to other pertinent data, such as vessel logbook and dealer data.

Repair/Maintenance/Upgrade/Improvements Costs: This section collects cost incurred for the operation and keeping of the vessel; which are categorized into three broad groups, general maintenance/repair cost, major repair costs and upgrade/improvement costs.

Fishing Business Related Cost: This section collects business related costs that vessels generally incur annually. These costs are mainly consists of fees paid for mooring/dockage, vessel insurance, use of business vehicle, communication, travel, taxes, professional services, associations, non-crew labor services, permit or licenses, catch handling costs, principle and interest paid on loans, and office expenses.

Trip costs: This section asks information about the vessel's trip related costs, such as, amount spent on fuel, oil/lube, food/water, bait, ice, communication, catch handling and general supplies.

Typical Lays System: This section asks the respondents about their primary fishery, whether the captain was hired or the vessel was owner operated, the experience of the captain, crew size, and the crew payment system.

Other Annual Cost: This section asks the respondent to report any other annual costs incurred by the vessel but not reported anywhere else in the survey.

Reporting of Survey Results

Analyses and summarization of the cost data will be used by NMFS, regional councils, fishing industry, academics, Congressional staff and the public. Qualified researchers with data access and confidentiality agreements will have access to raw data for performing economic research and analyses.

A Web site managed by the NEFSC will be available for the general public to obtain summary results of survey responses. Summaries will include descriptive statistics (such as mean and standard deviation) of the various costs being collected. Users will be able to refine their queries to vessel size classes, gear types, and principal state of landing. No identification information will be revealed via this website.

Survey results will be reported over time through a series of studies prepared for fisheries management. It is anticipated that results will also be reported through academic publications, presentations at conferences, and technical guides. All reporting of survey results will conform to data confidentiality requirements.

Information Quality Guidelines and Confidentiality

It is anticipated that the information collected will be disseminated to the public or used to support publicly disseminated information. As explained in the previous paragraphs, the information gathered has utility. NMFS will retain control over the information and safeguard it from improper access, modification, and destruction, consistent with NOAA standards for confidentiality, privacy, and electronic information. See Question 10 for information on confidentiality. Data will not be released for public use except in aggregate statistical form without identification as to its source.

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.

A private company that specializes in survey implementation will be hired to administer the survey. The survey will be administered via mail and Web. The vessel owners included in the sample will receive a survey packet via mail, which will contain a password and a secured link to a Web version of the cost and earnings survey. Potential participants will be given the option of completing the survey online or via mail. The non-respondents will be followed up with a reminder post-card, then by sending another survey packet and finally by a telephone call.

A toll free 800 number will be set up by the SSB and provided in the survey packet. The purpose of the toll free number is to provide potential respondents with a way to ask general questions about the survey (e.g., purpose, need, confidentiality) or for specific questions about the mail or online survey.

Completed mail surveys will be scanned and the data will be entered manually in a database. Data entered online will be saved in real time. The survey will be pretested with nine vessel owners, randomly selected from the population. The data obtained from pretesting will not be saved. There will be no other means, electronic or otherwise, to submit data or information for the purposes of this study.

4. Describe efforts to identify duplication.

Several regional NMFS science centers collect cost and earning information from vessel owners. For example, the Northwest Fisheries Science Center is involved in collecting cost information from limited entry fixed gear and trawl vessels. The Southwest Fisheries Science Center has been collecting cost information about the shrimp fishery since 2006. The Alaska Fisheries Science Center collects cost information from the crab fishery and the small ground fish sector.

The cost information collection effort by the SSB of the NEFSC, will solely focus on the commercial vessels participating in Northeast fisheries. Currently, trip-related cost information is collected by at-sea observers in the Northeast. The survey effort proposed here will focus primarily on the collection of annual costs, with some trip related cost questions. Therefore some data will exist in both datasets. However, trips costs in this survey will be an aggregated annual amount whereas the costs collected by observers are at the trip level. Having trip information at both the trips and annual levels will help with question validation.

In addition, the Social Science Branch currently has a vessel owner and crew survey under OMB review for PRA clearance. Some overlap of questions exists between the fixed cost survey and the owner/crew survey. Both surveys ask about the cost sharing method used to pay crew. The questions in the fixed cost survey are more detailed than those in the owner/crew survey and are complementary to the other questions about cost. The purpose for including similar questions in the owner/crew survey is because that survey is stratified by fishery management plan and the SSB would like to see if there are changes in the crew payment methods by fishery. SSB would also like to detect differences between payment methods reported by owners versus those reported by crew members.

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

This request will collect information from vessel owners, and some of them may represent small businesses. The burden to vessel owners will be minimized by providing postage-paid envelopes to return completed surveys and by providing respondents with the option to complete and submit the survey online. Respondents can also print the survey form directly from the internet for their own records or can save an online version for later access. Most importantly, vessel owners will only be asked to participate in the survey once every other year, which should help reduce response burnout and increase response rates. Finally, participation in the survey will be strictly voluntary.

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

Lack of information on vessel operating costs severely limits the ability of social scientists to assess fishermens' behavioral responses to changes in regulations, fishing conditions, and market conditions. Without this information, analyses that attempt to assess the economic effects of proposed regulations or policy alternatives on vessels, crew and the fishery as a whole are incomplete and inaccurate.

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

All OMB guidelines for information collections will be met. This study will not require:
1) Respondents to report information more often than quarterly,
2) Respondents to prepare a written response in fewer than thirty days after they receive the request,
3) Respondents to submit more than an original and two copies of any document,
4) Respondents to retain records for more than three years unless those records are health, medical, government contract, grant-in-aid, or tax records.
5) This study will be a statistical study which is designed to produce valid and reliable results that can be generalized to the universe of study population
6) The statistical data classification will be reviewed and approved by the OMB.
7) NMFS internal procedures are established to insure confidentiality of these data.
8) This study will not require respondents to submit proprietary, trade secret, or other confidential information that falls outside the above defined regulations and statutes.

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 May 9, 2011 (76 FR 26705) solicited comments from the public.

Comment received from Timothy J. Ragen, Ph.D, Executive Director, U.S. Marine Mammal Commission, 4340 East-West Highway. Room 700:

The Marine Mammal Commission supports the request from the National Marine Fisheries Service to collect economic data on the costs of operating commercial fishing businesses. Cost and earnings data are necessary for complying with the Magnuson-Stevens Act, National Environmental Policy Act, Executive Order 12866, and the Regulatory Flexibility Act. Moreover, they are essential for carrying out meaningful and effective socio-economic studies of commercial fisheries. Such studies enable managers to understand the likely behavioral responses of fishermen to management measures. The Marine Mammal Commission is especially interested in understanding how the costs associated with management measures for protecting marine mammals (e.g., protection-oriented harvest limits, gear changes, incentives, enforcement actions) affect the profitability of fishing operations and associated changes in fishermen's behavior. The Commission encourages the Service to promote a high response rate and to validate the accuracy of responses, both of which will enhance the value of the information collected

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

To increase the response rate, NMFS will provide prepaid cash incentives or tokens of appreciation worth $5 or less to respondents. Dillman's third edition (2009) book on mixed-mode surveys reports several studies that showed positive results from using prepaid incentives in establishment surveys. The incentives will be sent in the initial mailing to survey respondents.

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

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 and this assurance is included in the form. In particular, the data collected will be kept confidential as required by section 402(b) of the Magnuson-Stevens Act 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.

No questions of a sensitive nature will be asked.

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

The voluntary survey panel will be made up of approximately 1,600 commercial vessels each year. The public reporting burden for this collection of information is estimated to average an hour per respondent. This includes the time required to read the introductory statement and the gathering of business information necessary to complete the survey. The response rate is expected to be 80%, resulting in approximately 1,280 returned surveys each year. As a result, the survey is expected to impose a total of 1,280 burden hours on the Northeast fishing industry.

Total number of active permit holders	3,199
Sample size	1,600
Expected survey response rate	80%
Expected number survey respondents	1,280
Average burden hours/survey	1
Total annual burden hours	1,280.

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).

The respondents may choose to make photo copies of their completed forms. The survey instrument is expected to be 6 pages long and the cost of photocopying each form will be 10 cent per page, totaling 60 cents. If the respondent chooses to fill out the form online and print a hardcopy the cost is also estimated to be 60 cents. Assuming 1,280 surveys are returned, the total annual cost burden to the respondents for record keeping would be around $768.00.

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

Total estimated cost to the federal government is $78,000. A private firm will be hired to administer the survey, conduct follow up contacts, and enter and validate the data. In addition to survey firm contract costs, there will be additional costs for project related travel, printing surveys and for supplies. A table of itemized costs is presented below.

Description	Estimated Cost
Data Collection	
Printing and postage	$10,000
Follow-up phone calls	$6,500
Survey tracking, scanning/data entry	$6,500

Project management	$25,000
Incentive Payment	$8,000
Data preparation	
Data verification /checks	$3,000
Development of population weighting adjustments	$4,000
Project management	$15,000

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

This is a new collection.

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

Numerical and textual survey information will be a product of this study. Survey data will be analyzed using standard economic data analysis methods. Final reports and other relevant portions of the research process will be posted on http:/www.nefsc.noaa.gov. Where relevant, studies in their entirety will be published as internal reports and submitted for publication in peer-reviewed journals to encourage additional analysis as well as to disseminate findings. Data will also be released to the public, but only in summary or tabular form.

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.