

**SUPPORTING STATEMENT  
FISHERY CAPACITY REDUCTION PROGRAM BUYBACK REQUESTS  
OMB CONTROL NO. 0648-0376**

**A. JUSTIFICATION**

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

This request is for extension of a current information collection.

The **Sustainable Fisheries Act** (SFA) amended the **Magnuson-Stevens Fishery Conservation and Management Act** (MSA) to provide for voluntary reduction of excess fishing capacity through fishing capacity reduction (buyback) programs. Excess fishing capacity decreases fisheries earnings, complicates fishery management, and imperils fishery conservation. Congress acknowledged this by providing program authority. This extension request for information collection approval involves standard information required to be included in any program request for any fishery.

The statutory objective of a program is “to obtain the maximum sustained reduction in fishing capacity at the least cost and in a minimum period of time.” Buybacks pay fishermen either to (1) surrender their fishing permits or (2) both surrender their permits and either scrap their fishing vessels or restrict vessel title to prevent fishing. Buybacks can involve either a Federal or State fishery. Buybacks can be funded via a long-term loan from the Federal government to the fishery (called industry-funded buybacks), to be repaid by the industry by post-buyback landing fees, or funded from appropriations (non-industry funded) or other non-loan sources of funds. Programs involving industry financed loans are authorized by of Chapter 537 of the Shipping Act (formerly Title XI of the Merchant Marine Act), codified at **46 U.S.C. 53701**.

Framework guidelines for future implementation of programs for specific fisheries was published at **50 CRF part 600 (subpart L)** on May 18, 2000. These guidelines were intended to provide direction and elaboration for future, fishery-specific rules. The SFA amendments to the MSA require a separate rule for each specific program. There are currently four (4) fishing capacity reduction programs that have been published at **50 CFR part 600 (Subpart M)**, and which are in repayment under the existing Paperwork Reduction Act (PRA) OMB Control Number listed above.

**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.**

Buybacks can involve as many as seven types of information collection requirements on the public. These are:

- (1) Program requests (including development of a harvester proponents' implementation plan),
- (2) Invitations to bid,
- (3) Referendum material for review and vote,
- (4) Buyer reporting and recordkeeping,
- (5) Seller reports (if buyers do not collect the fee),
- (6) State actions for fisheries subject to State authority, and
- (7) Advisement of conflicts in ownership claims.

## **FISHERIES SUBJECT TO FEDERAL AUTHORITY**

The steps in an industry-funded program are as follows (steps involving information requirements are underlined>):

- (1) Harvester proponents (Private Sector):
  - (a) Develop buyback implementation plan and loan proposal (implementation plan), and
  - (b) Submit implementation plan to:
    - Fishery Management Council (FMC), or
    - Majority of permit holders in the fishery;
- (2) Fishery Management Council (FMC):
  - (a) Approves implementation plan;
  - (b) Approves Fishery Management Plan (FMP) amendment required to complement implementation plan; and
  - (c) Submits program request to NMFS;
- (3) NMFS:
  - (a) Determines whether request is sufficient, cost-effective, and in a program involving an industry fee system, is prospectively capable of being repaid;
  - (b) Conducts advanced referendum (if requested);
  - (c) Prepares implementation plan and regulations;
  - (d) Approves buyback loan (assumes availability of sufficient appropriation and apportionment authority);
  - (e) Adopts buyback amendment to FMP;
  - (f) Proposes implementation plan and regulations;
  - (g) Adopts implementation plan and regulations;
  - (h) Invites program bids;
  - (i) Receives and tallies bids;
  - (j) Accepts bids;
  - (k) Conducts post-bid referendum;
  - (l) Certifies referendum results approving the industry fee system;
  - (m) Advises accepted bidders of removal of express condition subsequent to bidding (i.e., referendum approval);
  - (n) Conducts buyback;
  - (o) Upon completing the program, the FMP buyback amendment becomes effective, and implementation regulations become fully effective, upon program completion; and

(p) Collection-of-fees process begins (buyer reporting and recordkeeping and possible seller reports).

The steps in a non-industry financed program involve much less collection of information from the public, since the industry neither develops the plan nor is subject to fees. The steps are:

- (1) FMC:
  - (a) Develops preliminary program proposal; and
  - (b) Submits program request to NMFS;
- (2) NMFS:
  - (a) Preliminarily determines whether request is sufficient;
  - (b) Develops buyback plan;
  - (c) Submits buyback development plan to FMC for confirmation;
- (3) FMC:
  - (a) Approves FMP amendment required to complement buyback development plan; and
  - (b) Submits program confirmation to NMFS; and
- (4) NMFS:
  - (a) Determines request is sufficient;
  - (b) Adopts buyback FMP amendment;
  - (c) Prepares implementation plan and regulations;
  - (d) Determines sufficiency of appropriation and apportionment authority;
  - (e) Proposes implementation plan and regulations;
  - (f) Adopts implementation plan and regulations;
  - (g) Invites bids;
  - (h) Receives and tallies bids;
  - (i) Accepts bids; and
  - (j) Conducts buyback.

NOAA anticipates that most programs will be industry-funded.

## **FISHERIES SUBJECT TO STATE AUTHORITY**

If the fishery involved is subject to State authority, the request must be made by the Governor(s) of the State(s) exercising management authority over the fishery, or by a majority of permit holders in the fishery who wish to conduct a voluntary fishing capacity reduction program. The term “fishery authority” can mean the FMC, the Governor, or the majority of permit holders in the fishery, as appropriate to the fishery.

The steps in an industry-funded program are as follows (steps involving information requirements are underlined>):

- (1) Harvester proponents (Private Sector):
  - (a) Develop buyback implementation plan and loan proposal (implementation plan); and
  - (b) Submit implementation plan to Governor; or

- (c) Submit implementation plan for approval by the majority of permit holders the fishery.
- (2) Governor or majority of permit holders:
  - (a) Approves implementation plan;
  - (b) Approves state FMP amendment required to complement implementation plan; and
  - (c) Submits request to NMFS;
- (3) NMFS:
  - (a) Determines whether request is sufficient;
  - (b) Conducts advanced referendum (if requested);
  - (c) Prepares implementation plan and regulations;
  - (d) Approves buyback loan (assumes availability of sufficient appropriation and apportionment authority);
  - (e) Proposes implementation plan and regulations;
  - (f) Adopts implementation plan and regulations;
  - (g) Invites bids;
  - (h) Receives and tallies bids;
  - (i) Accepts bids;
  - (j) Conducts post-bid referendum;
  - (k) Certifies referendum results approving the industry fee system;
  - (l) Advises accepted bidders of removal of express condition subsequent (i.e., referendum approval);
  - (m) Conducts buyback;
  - (n) Upon completing the program, the state implementation regulations become fully effective; and
  - (o) Collection-of-fees process begins (buyer reporting and recordkeeping and possible seller reports).

The steps in a non-industry financed program involve much less collection of information from the public, since the industry neither develops the plan nor is subject to fees. The steps are:

- (1) Governor (or majority of permit holders):
  - (a) Develops preliminary buyback proposal; and
  - (b) Submits request to NMFS;
- (2) NMFS:
  - (a) Preliminarily determines whether request is sufficient;
  - (b) Develops buyback plan; and
  - (c) Submits buyback development plan to Governor for confirmation;
- (3) Governor:
  - (a) Approves state FMP amendment required to complement buyback development plan; and
  - (b) Submits program confirmation to NMFS; and
- (4) NMFS:
  - (a) Determines request is sufficient;
  - (b) Approves state implementation plan and regulations;
  - (c) Determines sufficiency of appropriation and apportionment authority;

- (d) Adopts implementation plan and regulations;
- (e) Invites bids;
- (f) Receives and tallies bids;
- (g) Accepts bids; and
- (h) Conducts buyback.

The specific types of information requirements are addressed below.

### **Buyback Requests**

The relevant Council for fisheries, Governor of a State or majority of permit holders are the parties authorized to initiate program requests and buyback plans, however the relevant fishery management authorities must support these requests. NMFS implements these for non-industry-funded programs for Federally-managed fisheries, while the State develops them for State-managed fisheries. For industry-funded programs, the relevant fishery management authority (usually an FMC) makes the request, but obtains the implementation plan from the buyback proponents in the fishery industry.

In industry-funded programs, NMFS is the lender and post-buyback harvesters are the borrower (repaying the loan through landing fees). It is a conflict of interest for lenders to develop borrowers' plans for the conduct of borrowers' activities. Consequently, NMFS requires the borrower (in the form of buyback proponents who will potentially be post-buyback harvesters) to prepare buyback development and implementation plans for industry-funded programs. The implementation plan and regulations that NMFS must propose and adopt for each industry-funded program institutionalize that buyback development plan. For subsidized programs, the requester must prepare a preliminary development plan. The preliminary development plan is a more precursory and generalized reduction proposal than the implementation plan required for a financed program, and is used by NMFS to prepare a final development plan.

The buyback harvester proponents must gather the information and do the analysis necessary to develop a successful implementation plan. Buyback proponents asking the relevant fishery management authority to request an industry-funded program must be responsive to the practical necessity that buyback development plans reflect fairly the needs, interests, and desires of a broad spectrum of the buyback fishery's harvesters. The implementation plan must include both those who may wish to leave the fishery (be bought back) and those who may wish to remain in the fishery (repay the buyback loan). Buyback development planners must demonstrate this by extensive coordination during plan development. This should be supported by surveys of affected harvesters. Buyback development plans that are not realistic and broadly supported by the buyback fishery's harvesters have little chance of referendum approval and may waste considerable time and effort.

Development plans for industry-funded programs must, if they are to succeed, be sufficient to:

- (1) Convince the relevant fishery management authority or majority of permit holders in the fishery to request a program,
- (2) Convince NMFS to finance a program,

- (3) Allow NMFS to readily prepare implementation plans and regulations based on the buyback development plans,
- (4) Enable bidding results that convince industry voters to approve program financing, and
- (5) Enable NMFS to complete the buyback.

To avoid conflicts of interest, however, NMFS neither develops nor assists in developing industry-funded program plans. NMFS will, however, provide buyback planners with whatever fisheries data, statistics, or other public information may be relevant to plan development. NMFS will, upon request, also review and comment on industry-funded program plans during their development stage.

An implementation plan must:

- (1) Specify detailed buyback methodology and procedures, including the appropriate point to conduct a pre-bidding referendum;
- (2) Propose the types and numbers of vessels or permits that are eligible to participate in the program;
- (3) Project the buyback fishery's annual gross ex-vessel income during the buyback loan's term;
- (4) Specify the buyback loan's principal and repayment term;
- (5) Specify the minimum amount of reduced capacity for the program to be cost-effective;
- (6) Analyze program cost-effectiveness at the minimum level and at additional incremental levels;
- (7) Demonstrate the ability to prospectively repay debt obligations imposed by the program;
- (8) Specify measures to prevent replacement of removed fishing capacity by vessel upgrades or other means;
- (9) Propose a specified or target total allowable catch that will trigger post-buyback closures or other measures to reduce catch;
- (10) Specify the names and addresses of all likely post-buyback fish buyers;
- (11) Specify fee collection and reporting procedures (in the case of fisheries in which some sellers sell unprocessed fish to buyers and others sell processed fish to buyers, a means of establishing the delivery value of processed fish needs to be specified; also the procedures may need to specify what actions may be needed, and who must take them, if state confidentiality laws or other impediments will negatively affect the collection and reporting procedures);
- (12) Demonstrate measures used to ensure wide industry support for the implementation plan;
- (13) Include certification that the implementation plan will accomplish the program purpose; and
- (14) Assess the potential impact of the program on other fisheries, including the general economic impact and possible steps to mitigate undesirable impacts.

The information in the implementation plan will be used by the fishery management authority and NMFS to review the request, develop regulations, and to take other related actions. The fishery authority and NMFS will use the information to determine whether the program has a reasonable chance of achieving the goals of the program.

### **Buyback Bids**

Before a program is instituted, NMFS determines what permits and/or vessels will be bought back through the use of an inverse auction. The auction terms require the fishery participants to bid competitively against each other via sealed bid. The bids are accepted in inverse order which ensures that the Government is buying the most production capacity for the least amount of money.

Bids would contain the following types of information:

- (1) Self-identification information,
- (2) The bid price,
- (3) Information on the permits and vessels affected,
- (4) Information on the vessel fishing history (if appropriate),
- (5) Statements and affirmations that the person owns the vessels, holds the permits, and retains the fishing history, and
- (6) Similar information pertaining to the specific program being conducted.

Each invitation to bid will constitute the entire terms and conditions of a buyback agreement under which each bidder shall make an irrevocable offer to the United States of fishing capacity to be bought back by the United States, and the Secretary of the Department of Commerce (Secretary) shall accept or reject, on behalf of the United States, each bidder's irrevocable offer.

### **Buyback Referendum**

Buybacks are a voluntary process and each individual program must be approved through a referendum of the fishery's participants. When a referendum is conducted, each participant in the fishery will receive a ballot with accompanying information and enclosures. Persons may notify NMFS if they believe that they should be on a referendum list, or if they believe someone else should not be on the list.

The ballot and accompanying information will: (1) summarize the referendum's nature and purpose; (2) establish the last date by which the Secretary must receive a completed ballot in order for the ballot to be counted as a qualified vote; (3) identify the place on the ballot for the voter to vote "for" (yes) or "against" (no) the industry-fee system, the place where the person signing the ballot on the voter's behalf must sign the ballot, and the purpose of the enclosed envelope in returning the completed ballot to the Secretary; (4) establish the total program cost, the amount of the buyback loan (if different than the total program cost), the term of the buyback loan, and the amount of fishing capacity that the total program cost will buyback; (5) establish the initial fee rate necessary to amortize the buyback loan over its term and the fee rate for the first year after program completion; and (6) summarize such other factors as the Secretary deems pertinent.

The enclosures will include: (1) a specially marked and pre-addressed envelope that a voter must use to return the ballot to the Secretary by whatever means of delivery the voter chooses; (2) a copy of the adopted FMP amendment complementing buyback; (3) a copy of the adopted implementation plan and regulations; and (4) a copy of the instructional portion of the framework regulation dealing with the referendum.

The referendum is necessary to establish the conditions under which NMFS can collect fees from the industry participants to repay the buyback loan.

### **Buyer Reporting and Recordkeeping**

The repayment of an industry-funded program is dependent on the collection of fees by the first purchasers of the fish from the buyback fishery, or the Secretary may determine that the fees should be collected from the seller. These fees are remitted by the fish buyer or seller to a lockbox at the Treasury Department where they are eventually applied against the buyback loan. The statutory authority exists to collect up to 5% of the ex-vessel sale value of the fish to repay the loan.

Each fish buyer, or seller if the Secretary has determined that fees must be collected from the seller, required to collect fees must maintain a segregated account at a Federally-chartered national bank for the sole purpose of depositing fee collections and disbursing them there from to the Secretary. At the end of each business day the buyer or seller must deposit into the account all collected fees. On the last business day of each calendar month, the fish buyer or seller will send the full deposit principle to NMFS. To support this system, the buyer or the seller must maintain certain records and submit an annual report.

Records maintenance and monthly reports during six-month fishing season: Each fish buyer, or seller if the Secretary has determined such fees should be collected from the seller, must, on forms the Secretary specifies, maintain accurate records of all transactions involving fees. Each fish buyer or seller must maintain such records in a secure and orderly manner for a period of at least 3 years from the date of the transactions involved. The following information shall be maintained, and reported monthly, by each fish buyer, or seller as appropriate, for all deliveries of post-buyback fish such fish buyer buys, or fish seller sells:

- (1) Delivery date;
- (2) Fish seller's name;
- (3) Number of pounds of each species of post-buyback fish bought;
- (4) Name of fishing vessel from which unloaded;
- (5) Ex-vessel price per pound of each species of such fish;
- (6) Total ex-vessel value of such fish;
- (7) Net ex-vessel value of such fish;
- (8) Name of party to whom net ex-vessel value paid if other than fish seller;
- (9) Date net ex-vessel value paid;
- (10) Total fee amount collected; and



(11) Such other information as the Secretary shall deem reasonably necessary for each program.

Much of this information (date, name, pounds delivered, vessel, price per pound, date) is collected as part of normal fish ticket procedures in many fisheries. The fee information and the length of the record retention is an additional burden.

In addition, the buyer or seller collecting fees must maintain records on all fee collection deposits to, and disbursements from, the deposit account, including:

- (1) Dates and amounts of deposits;
- (2) Dates and amounts of disbursements to the Fund's lockbox account the Secretary designates; and
- (3) Dates and amounts of disbursements to the fish buyer, fish seller, or other parties, of interest earned on deposits (this information would be a normal part of bank statements).

The fish ticket and deposit/disbursement information is necessary to enforce the fee collection process to ensure that the Federal government is repaid and that fishermen's fees are directed to that end.

#### Changes to Buyer Monthly Report Forms

- 1) Buyback fees are subject to a 1.5% late charge for which they receive a Bill of Collection for late charges. Many fish buyers pay the outstanding late charges with the monthly fee payment so that, for their convenience, one payment covers all outstanding buyback related payments. Currently payments over the amount owed on the fee collection report are received as there is no way on the current form for fish buyers to specify that they are paying outstanding late charges. A box has now been included so they can specify any amount paid for late charges.
- 2) The former Chief of the Financial Services Division has retired. The contact point for the public reporting burden has been updated to the current Chief of the Financial Services Division, Paul Marx.

Annual report: Buyers or sellers directed to pay the fees by the authority of the Secretary must also submit a report not later than the date specified in each fishery specific program rule. The report must contain the following program information for the preceding calendar year:

- (1) Total pounds of fish purchased, or sold, from each fish seller;
- (2) Total net ex-vessel value of payments to each fish seller;
- (3) Total fee amounts collected from, or by, each fish seller;
- (4) Total fee collection amounts deposited by month;
- (5) Dates and amounts of monthly disbursements to the Fund lockbox account;
- (6) Total amount of deposit interest withdrawn by fish buyer or seller; and
- (7) Balance of depository account at year-end.

This information is also needed to track and enforce the fee collection system.

## **Seller/Buyer Reports**

These reporting requirements would apply in situations where one of the parties in a sale refuses to either pay or collect the required fees.

If a fish buyer refuses to collect the fee, the fish seller is supposed to advise the fish buyer of the fish seller's fee payment obligation and of the fish buyer's fee collection obligation. If the fish buyer still refuses to collect the fee, the fish seller must, within the next 24 hours, forward the fee to the Secretary and advise the Secretary in writing of the full particulars, including: the fish buyer's and fish seller's name, address, and telephone number; the name of the fishing vessel from which the fish seller made post-buyback fish delivery and the date of doing so; the quantity and ex-vessel value of each species of such fish delivered; and the fish seller's reason for refusing to collect the fee in accordance with this subpart.

If a fish seller refuses to pay the fee to the buyer, the fish buyer should advise the fish seller of the fish buyer's collection obligation and of the fish seller's payment obligation. If the fish seller still refuses to pay the fee, the fish buyer must either collect the fee over the fish seller's protest or refrain from buying the post-buyback fish and, within the next 24 hours, advise the Secretary in writing of the full particulars, including: the fish buyer's and fish seller's name, address, and telephone number; the name of the fishing vessel from which the fish seller made or attempted to make post-buyback fish delivery and the date of doing so; the quantity and ex-vessel value of each species of such fish delivered or attempted to be delivered; whether the fish buyer collected the fee over the fish seller's protest or refrained from buying such fish; and the fish seller's reason for refusing to pay the fee.

These reports are necessary to correct any problems that develop in the fee-collection process.

## **State Actions for Fisheries Subject to State Authority**

The information requirements on the State depend upon the type of program involved. For industry-funded programs, the Governor or majority of permit holders in the fishery must: approve the implementation plan submitted by the industry, approve any state FMP amendment required to complement the implementation plan, and submit the request to NMFS.

When the program is not to be funded by industry, the State develops and submits the implementation plan and program proposal. It also must approve any state FMP amendment required to complement the buyback development plan and submit program confirmation to NMFS.

## **Advisement of Conflicts in Ownership Claims**

NMFS will consider any evidence submitted in order to resolve any disputes. Upon satisfaction of any such disputes, NMFS will tender reduction payments to the accepted bidders. NMFS anticipates infrequent use of this option.

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 will retain control over the information and safeguard it from improper access, modification, and destruction, consistent with NMFS 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.**

No automated techniques are required as part of this process. Paper submissions are possible, and in some cases may actually be less burdensome on the public because many of the fish buyers and sellers are small firms and individuals who may not have internet access. Electronic means of submitting information may be allowed between industry and the fishery management authority. Exact procedures will depend upon the specific fisheries and parties involved but may include electronic means in certain situations. NMFS has developed an electronic submission system for each of the programs currently in repayment. This electronic system is through the Pay.gov website, which is operated under government contract with the Cleveland Federal Reserve Bank.

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

Because NOAA is the sole Federal provider of buybacks, there is no duplication of other information requests.

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

These requirements should not have a significant impact on small businesses or entities.

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

If the collections were not conducted, statutorily-mandated financial assistance could not be delivered. The only requirement with a set frequency of submission is the fee-related submission of an annual report. This frequency is deemed minimal for protecting the process from abuse.

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

The requirements are consistent with OMB guidelines except for the following: Reporting will take place more often than quarterly in the case of submission of the fee collections, which are required for any month with fishing activity pertaining to the buyback, or more frequently for some participants. Increased frequency may be deemed necessary for safer management and more efficient repayment. Less than 30 days might be allowed for submissions of bids or responses to referenda for a new program should the circumstances require it. This would be determined by the specific program and it is possible that some cases might call for quicker response.

**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 soliciting public comments was published September 1, 2011 (76 FR 54432). One comment was received but it did not address the areas listed in the request for comments.

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

Aside from the loan that may be part of a program, no payments will be made to respondents.

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

No confidentiality is promised or given.

**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 sensitive questions are asked.



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

This submission supports a framework regulation. Specific programs have been implemented through rulemaking, and it is anticipated that future programs will generate additional rulemaking. While NOAA can identify the elements of information collection requirements, the specific burden imposed by the requirements can vary greatly because of the different sizes and natures of the fisheries that may be involved. The estimates that follow are based upon the assumption that there will be one new program per year for fisheries under either Federal or State authority.

The estimates are based on the four programs NMFS has implemented, with one new program estimated for each year. These include the American Fisheries Act (AFA) Pollock, the Pacific Coast Groundfish, the Bering Sea and Aleutian Island (BSAI) King and Tanner Crab, and the Longline Catcher Processor Subsector BSAI Non-Pollock Groundfish programs. The estimates discussed below are based on averaged data from the four programs listed above.

For calculating total burden, we have assumed that 1 new program plan for fisheries under Federal or State management authority will be submitted per year per historical average (previously 2 new programs per year, one in each a Federal and a State managed fishery, were predicted; this change has resulted in a decrease in the total hours of burden); that referenda and bids in an average fishery will affect approximately 400 vessels, and that there will be an average of 300 vessels in the fishery after the buyout. Although not all 400 vessels would decide to make a bid, all would probably read the material sent to them and calculate whether a bid would be to their advantage, so we have included the entire fishery as bid respondents.

Originally, fish tickets were going to be submitted to the buyback program, but we have instead been able to fully rely on the State fish ticket process and use the data already being provided under their regulations, so no additional burden has occurred as previously estimated. It is possible future buyback programs will require an additional line item on fish tickets and 10 minutes for that modification has been provided in the current estimates. In cases where the buyback program provides a change to the fish ticket procedure resulting in an additional 10 minutes of burden when completing the fish ticket, we have assumed that buyers will report on a total of 2,700 trips per fishery (9 landings per 300 vessels) and that an average of half of the future buyback programs will have this impact (thus, in the Burden Estimates table, we show Years 1 and 2 having fish tickets for one program added in Year 1, and burden added in Year 3 for an additional program added in Year 3).

For monthly reporting we have estimated that there will be an average of 35 buyers in a fishery (the average for 3 of the current 4 programs, in addition to the Pacific Coast Groundfish, an outlier with about 386 buyers, many of whom both buy and sell from their vessels) and that seasons are 6 months long, resulting in 6 monthly fee collection reports per buyer per year in addition to the 2,800 current monthly reports (500 from 3 programs per year, 2,300 from Pacific Coast Groundfish).

For annual reporting, we have estimated that the 35 buyers in the new fisheries will provide 1 annual report per year, in addition to the 100 buyers currently providing those reports in the

current programs (Pacific Coast Groundfish does not provide annual reports). The current 4 buyback programs have an average of 10 sellers or buyers per year with issues that require a Seller/Buyer report, which requires 4 hours to document, and an estimate of an additional 2 to 3 seller/buyer issues per year will occur with each new buyback program. We estimate receiving 10 responses advising us of any conflicts in ownership claims which will each total 1 hour.

### **BURDEN IN YEAR 1:**

#### **Industry-Funded Buybacks in Federally-Managed or State-Managed Fisheries**

1 Implementation Plan/yr. x 6,634 hours/plan = 1 response/6,634 hours  
1 State approval/buyback x 270 hours = 1 response/270 hours  
1 Advance referendum/yr. x 4 hrs./voter x 400 voters = 400 responses/1,600 hours  
1 Post-bid referendum/yr. x 4 hrs./voter x 400 voters = 400 responses/1,600 hours  
1 Invitation to bid/yr. x 4 hrs./bid x 400 bids = 400 responses/1,600 hours  
2,700 Trips by 300 vessels x 10 min./fish ticket x 1 buyback = 2,700 responses/450 hours  
2,800 current monthly reports/yr. (during six-month fishing season) (all programs) x 2 hrs/report = 2,800 responses/5,600 hours  
100 Buyers (all programs requiring annual report) x 1 annual report x 4 hrs./report = 100 responses/400 hours  
10 Seller/Buyer reports x 4 hrs./report = 40 hours  
10 Advisements of conflicts in ownership claims x 1 hr./advisement x 1 buyback = 10 responses/10 hours

#### **Non-Industry-Funded Buybacks in Federally-Managed Fisheries**

No such programs are anticipated.

#### **Non-Industry-Funded Buybacks in State-Managed Fisheries**

No such programs are anticipated.

### **Burden in Years 2 and 3:**

Assuming one new program takes place each year, the burden for referenda and invitations will be the same as for Year 1. Monthly and annual buyer or seller reporting would continue for the life of the loan, with the participants from each new program being added to the current number of participants currently completing these reports.

#### **Year 2**

35 new buyers x 6 monthly fee reports x 2 hrs./report = 210 additional responses/420 additional hours  
35 new buyers x 1 annual report x 4 hrs./report = 35 additional responses/140 additional hours  
2 additional Buyer/Seller reports x 4 hrs./report = 2 additional responses/8 additional hours

#### **Year 3**

2,700 Trips x 10 min./fish ticket x 1 additional buyback with fish ticket = 2,700 additional responses/450 additional hours  
 35 new buyers x 6 monthly fee reports x 2 hrs./report = 210 additional responses/420 additional hours

35 new buyers x 1 annual report x 4 hrs./report = 35 additional responses/140 additional hours  
 3 additional Buyer/Seller reports x 4 hrs./report = 3 additional responses/12 additional hours.

Unduplicated respondents: Cumulative total of 951 over the 3-year period, annualized to 923.

| # Respondents                         | Year 1 | Year 2 | Year 3 |
|---------------------------------------|--------|--------|--------|
| Current fish buyers                   | 491    | 526    | 551    |
| Harvesters responding to new programs | 400    | 400    | 400    |
| Total                                 | 891    | 926    | 951    |
|                                       |        |        |        |
|                                       |        |        |        |

The total 3-year responses number and burden hours for new programs is anticipated to be 23,908 responses and 56,770 hours, for an average annual 7,969 responses and burden of 18,922 hours.

| <b>BURDEN ESTIMATE TOTALS</b>      |                                     |                                     |                                     |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                    | <b>Year 1 Responses/<br/>Burden</b> | <b>Year 2 Responses/<br/>Burden</b> | <b>Year 3 Responses/<br/>Burden</b> |
| Implementations plans              | 1/6,634                             | 1/6,634                             | 1/6,634                             |
| State approvals                    | 1/270                               | 1/270                               | 1/270                               |
| Advance Referenda                  | 400/1,600                           | 400/1,600                           | 400/1,600                           |
| Post-bid Referenda                 | 400/1,600                           | 400/1,600                           | 400/1,600                           |
| Invitations to bid and bids        | 400/1,600                           | 400/1,600                           | 400/1,600                           |
| Buyer recordkeeping (fish tickets) | 2,700/450                           | 2,700/450                           | 5,400/900                           |
| Buyer monthly reports              | 2,800/5,600                         | 3,010/6,020                         | 3,220/6,440                         |
| Buyer annual reports               | 100/400                             | 135/540                             | 170/680                             |
| Seller/Buyer reports               | 10/40                               | 12/48                               | 15/60                               |



| <b>BURDEN ESTIMATE TOTALS</b>                |                                     |                                     |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
|  | <b>Year 1 Responses/<br/>Burden</b> | <b>Year 2 Responses/<br/>Burden</b> | <b>Year 3 Responses/<br/>Burden</b> |
| Advisements of conflicts in ownership claims | 10/10                               | 10/10                               | 10/10                               |
| <b>TOTALS</b>                                | <b>6,822/18,204</b>                 | <b>7,069/18,772</b>                 | <b>10,017/19,794</b>                |
| <b>AVERAGE</b>                               | <b>7,969/18,922</b>                 |                                     |                                     |

**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 costs to respondents would be those for copying and mailing submissions. Those are estimated to average \$1,803 over the 3-year approval period.

| <b>COST ESTIMATE TOTALS (in \$)</b>   |                     |                     |                     |
|---------------------------------------|---------------------|---------------------|---------------------|
|                                       | <b>Year 1 Costs</b> | <b>Year 2 Costs</b> | <b>Year 3 Costs</b> |
| Implementation plans                  | 100                 | 100                 | 100                 |
| State approvals                       | 180                 | 180                 | 180                 |
| Advance Referenda                     | 374                 | 374                 | 374                 |
| Post-bid Referenda                    | 190                 | 190                 | 190                 |
| Invitations to bid and bids           | 120                 | 120                 | 120                 |
| Buyer monthly reports                 | 580                 | 624                 | 667                 |
| Buyer annual reports                  | 52                  | 70                  | 88                  |
| Seller/Buyer reports                  | 8                   | 10                  | 12                  |
| Advisements of conflicts in ownership | 36                  | 36                  | 36                  |
| <b>TOTALS</b>                         | <b>1,640</b>        | <b>1,703</b>        | <b>1,767</b>        |

Average cost per year will be \$1,703 (rounded up to \$1,704 in ROCIS).

Although recordkeeping will take place, most of the records involved would already be kept as part of normal business operations and to support tax submissions. Therefore, no additional costs have been estimated for recordkeeping. Fish tickets are all handled electronically and no copying or mailing cost is associated with that category any longer. No changes to cost estimates for activities regarding implementation to a new capacity reduction program have been made as these costs reflect a range of printing, mailing, and copying activity which can occur for a new capacity reduction program.

Changes to cost are reflective of current response numbers and updated cost estimates. Cost estimates for these categories are \$0.006 per page for paper, \$0.012 per page for ink, \$0.05 for security envelope, \$0.45 for first class postage, and \$2.95 for certified mail. Buyer monthly reports are sent via first class mail. Buyer annual reports reflect the one-page reports mailed via first class mail. Seller/Buyer reports average 20 pages to document the issue, mailed via first class mail. Advisements of conflict in ownership reflect 10 pages to document the issue mailed via certified mail.

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

There is no cost of this information collection to the Federal government beyond regular staff time.

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

Adjustments:

Our figures from the previous PRA approval have been adjusted to reflect our actual experience based on averaged data from the programs listed in Question 12 above. Our practical experience indicates that only one implementation plan per year for industry-funded buybacks in a federal or state fishery is likely rather than one in each a federal and a state fishery as previously estimated. Consequently the number of annual reports being provided has not increased as previously estimated.

Originally, fish tickets were going to be submitted to the buyback program, but we have instead been able to fully rely on the state fish ticket process and use the data already being provided under their regulations, so no additional burden has occurred as previously estimated. It is possible future buyback programs will not be for fisheries having state fish tickets, and will require an additional line item on fish tickets and 10 minutes for that modification has been provided in the current estimates, based on fish ticket submission being required for half of the new programs. New estimate: 3,600 responses and 600 hours, down from 6,600 responses and 1,100 hours.

Seller/buyer reports are now estimated to average 10 per year, down from 112, with an average of 49 hours, down from 224. This decrease was partially offset by increasing the time per response to four hours, up from the previous 2 hours estimated, as that was determined to be too low an estimate.

There was an increase in the number of monthly buyer fee collection reports due to the large number of fish buyers in the Pacific Coast Groundfish program in comparison to the other three programs: 3,010, up from 1,296 and related hours: 6,020, up from 2,592.

The net decrease in responses is 2,668 (7,969, down from 10,637) and in hours, 9,005 (18,923, down from 27,928).

Estimated average costs have increased by a net of \$24, due mainly to monthly buyer fee collection reports and a postage increase.

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

There are no results to be published for the framework rule; however, results may be published for future individual programs.

**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.**

Not Applicable.



**18. Explain each exception to the certification statement.**

There are no exceptions.

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

This collection does not employ statistical methods.