

**SUPPORTING STATEMENT  
RECREATIONAL BAIT AND TACKLE STORE ECONOMIC SURVEY  
OMB CONTROL NO. 0648-XXXX**

**A. JUSTIFICATION**

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

The National Oceanic and Atmospheric Administration's (NOAA) National Marine Fisheries Service (NMFS) manages recreational fisheries, under the authority of the [Magnuson-Stevens Fishery Conservation and Management Act of 1976 as amended through 2006](#) (MSA). National Standard 2 under the MSA Sec 301.98-623 requires the use of the best scientific information available. Sec. 303.109-479 specifies that a fishery impact statement for the plan or amendment must assess, specify and analyze the likely effects, including the social, conservation and economic impacts of conservation and management measures for participants in the fishery and fishing communities.

Marine recreational fishing is a popular pastime across the United States (U.S.) that generates significant economic impacts to both local economies and to the nation. One category of businesses that is most directly supported by marine recreational fishing is stores that sell bait, tackle, and other fishing-related equipment. Such businesses can be heavily impacted by spatial and temporal changes in recreational fishing participation caused by fishing regulations such as fishery closures. As specified in the MSA, NMFS is required to enumerate the economic impacts of the policies it implements on fishing participants and coastal communities. In order to fulfill this mandate and in recognition of the economic importance of businesses supported by recreational fisheries, NOAA will conduct a nationwide cost and earnings survey on bait and tackle stores located in coastal and near-coastal communities.

The purpose of this data collection is to gather cost and earnings data nationwide from marine recreational fishing bait and tackle stores in coastal and near coastal communities in all coastal states. These data will be used to estimate total costs and earnings of marine bait and tackle stores and develop regional and national economic profiles of the marine bait and tackle store industry. The population targeted by the economic survey will be stores that sell marine recreational fishing bait, tackle, and other fishing-related equipment and apparel (excluding boats) that are located in coastal and near-coastal counties (Appendix I, Figures 1 and 2).

The primary objectives of this data collection are to: 1) collect data on the annual costs and earnings of stores that sell bait, tackle, and other equipment for marine recreational fishing; 2) obtain data required to profile and categorize the different types of businesses that sell bait and tackle; and 3) receive feedback from business operators on how various factors affect their sales of bait and tackle. Additionally, we are considering the possibility of using the data collected by this study to estimate the economic contribution of marine bait and tackle stores to regional economies and the nation using a regional economic input-output model such as IMPLAN, but are not requesting authorization for such analyses at this time.

For the purpose of this study, bait and tackle stores are defined as any store that sells marine recreational fishing bait, tackle, and fishing-related equipment and apparel, whether such

merchandise represent the majority of the business' sales, or only a small fraction of them. The proposed data collection will be the first time NOAA will conduct a nationwide survey to gather cost and earnings data on marine recreational fishing bait and tackle stores across the United States.

**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.**

The information will provide fisheries managers with baseline quantitative information on the costs and earning of bait and tackle stores in coastal and near coastal communities. Fisheries management council staff may refer to the information periodically to better understand the economic characteristics of the marine bait and tackle store sector in their region. Survey data may be used to categorize bait and tackle stores in coastal communities, and identify the fisheries that these businesses depend on the most.

The survey will collect information on: 1) total gross revenue and how much of that revenue is derived from sales of marine recreational fishing bait and tackle, 2) business costs, 3) number of full and part time employees, 3) descriptive data about the structure of businesses, 4) which fisheries generate the most sales, and 5) how various factors are affecting the sales of bait and tackle stores. Data on business costs and employees will be collected for the entire business, even if bait and tackle sales only make a portion of gross sales, as it would likely be difficult for a store operator to attribute the exact percentage of costs and employees directly related to bait and tackle sales. In data analysis, cost and employee data will be scaled based on each business' ratio of bait and tackle sales to total gross sales.

The survey will be conducted in two phases. One phase will utilize a mail survey, to collect cost and earnings data on independent bait and tackle stores, and small regionally restricted chains. Questionnaires will vary slightly by region with the main differences being the use of different lists of fisheries for each region in one question, and the inclusion of spearfishing gear in the Hawaii region. The second phase will collect cost and earnings data on large national and regional chains via a mail survey following direct efforts to identify and recruit firm personnel to participate in the study. Results will be calculated by fisheries management region, store category, and nationally.

In the Phase One questionnaire, which targets independent stores and local chains, questions 1 (type of store) and 2 (number of store locations) are descriptive questions that will be used to categorize the responding stores. Question 3 will be used to indicate whether the data provided is for a calendar year or a corresponding fiscal year. Questions 4 through 7 will be used to determine each store's total gross sales, and how much of those sales are for recreational bait and tackle, both overall and for specific categories. Question 4 through 7 will be used to determine how reliant businesses are on sales of bait and tackle, particularly for saltwater fishing versus freshwater fishing, and will be used in cost and earnings analyses. Question 8 will be used to assess the seasonality of bait and tackle sales which will allow for future determination of how seasonal fishery closures might affect bait and tackle sales. Question 9 will be used to determine if stores have internet sales and if so, what percentage of their gross sales come from this source.

This will inform us as to whether stores are solely dependent on local sales or not. Question 10 will provide data on how many individuals stores employ. Questions 11 and 12 will be used to quantify business expenses. Questions 11 and 12 will also be used in cost and earnings analyses. The data will also be compared to total gross sales to estimate business profit margins. When estimated across the industry, this data can help assess the susceptibility of businesses to fluctuations in sales that may come with major regulatory changes in recreational fisheries management. Question 13 will identify which recreational fisheries businesses are most dependent on for sales. While NOAA Fisheries has ample data on fishing effort across regional recreational fisheries, the costs of equipment for various recreational fisheries can vary substantially. As such, the fisheries on which individual stores are most dependent for sales may not always be reflective of angling effort across fisheries. Question 14 will provide data on the age of a business which will enable us to assess if more established businesses are more profitable than others. Finally, Question 15 will provide us data on store owner/operator opinions in regards to how various factors affect their business' sales. While the data collected in question 15 is not the primary concern of this data collection, it will help inform agency and council personnel on the concerns of the industry, and may inform the objectives of future studies of the industry.

The Phase Two questionnaire, which will collect cost and earning data form large national and regional chains, is largely similar to the Phase One questionnaire with a few minor differences. First, we have added a question on sales by geographic region so that sales for large chains can be broken out regionally for rulemaking assessments. Second, we have removed the questions regarding which fisheries support most of their sales because national and regional chains are unlikely to depend primarily on only a few fisheries, but see sales distributed across a multitude of regional fisheries. Finally, we removed the question asking for their opinions on how various factors are affecting their business. This question was removed because of concerns that the individuals that are best suited to respond to the cost and earnings questions within the survey would likely not be the best individuals to advance company opinions on such issues. The sample frame for businesses that sell bait and tackle will be composed from a combination of lists of fishing license vendors and/or bait and tackle stores supplied by coastal state fisheries management agencies, customer lists supplied from bait and tackle wholesalers, and a list of known national and regional chains.

It is anticipated that the information collected will be disseminated to the public or used to support publicly disseminated information as with the results of previous economic surveys of the recreational fishing community (i.e., angler expenditure surveys and for-hire cost and earnings studies). 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 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.**

The data, collected via a mail survey, will have limited use of automated, electronic, mechanical, or other technological techniques and includes a mail merge to create personalized cover letters and mailing labels. The cover letter will involve the merging of the sampling database with prepared cover letters to create a personalized introduction to the survey. Optical character recognition may be used to automatically capture mail survey responses to increase accuracy and efficiency of data entry. The data collected via the telephone survey of non-respondents will be recorded directly into a desktop computer.

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

Based on discussions with other NOAA economists, there is no significant duplication of effort within NOAA Fisheries or with other federal surveys. This is the first nationwide cost and earnings study specifically targeting retail stores that sell recreational fishing bait, tackle, and other related equipment that has ever been conducted by NOAA Fisheries. In recent years, NOAA Fisheries personnel have collected limited data on recreational fishing bait and tackle stores in areas hit by natural and man-made disasters. For example, data was collected on these stores in the Gulf States following the Deep Water Horizon Spill and Hurricanes Katrina and Rita, and in New York and New Jersey following Super Storm Sandy to assess the effects of these events on coastal communities. However, the data collected following these events focused more on damage done to the stores physical locations, lost inventory, and lost sales. These assessments were often hampered by the lack of an established sampling frame, and the kind of baseline data that would be collected by the proposed study. The possession of baseline cost and earnings data and a national sampling frame would greatly expedite future damage assessments.

Bait and tackle, and other sporting goods stores, are of course surveyed from time to time as part of regular U.S. Census Bureau's Retail Trade Reports, but these surveys do not collect the specific level of data found in this study. Many businesses that receive the U.S. Census Bureau's Annual Retail Trade Report are only asked to provide data on their overall costs and sales. For those businesses that are asked to itemize their sales, recreational fishing bait and tackle are lumped in with all sporting goods sales. Most retail stores that sell recreational fishing bait and tackle also sell other sporting goods merchandise for hunting, camping, team sports, and general outdoor apparel. For NOAA Fisheries purposes, it is essential that we be able to distinguish sales of these items from sales of recreational fishing bait and tackle.

Finally, NOAA periodically conducts surveys to collect data on marine recreational angler expenditures at both the regional and national level. While these surveys provide us data on how much anglers spend on recreational fishing bait and tackle, the data they provide are analyzed at a highly aggregated level and therefore do not provide a detailed characterization of the industry or assess the economic contributions of retail bait and tackle stores on their own that can be highly useful for estimating the effects of natural disasters on this sector of the economy. While surveys of angler expenditures provide estimates of total sales of bait and tackle for marine angling, they do not quantify the operating costs of bait and tackle stores. Business operating costs generate a significant portion of their economic contributions to regional economies by supporting other regional businesses whether they are wholesalers, utilities, professional service providers, or other material providers. Furthermore, surveys of angler expenditures do not

provide information on the distribution of sales between large regional and national and local independently operated stores. Data on the distribution of sales between such business categories is necessary to fully grasp the potential regional impacts of agency actions on the bait and tackle retail sector. Finally, representatives of the recreational bait and tackle retail industry have repeatedly requested that NOAA Fisheries take steps to better assess the economic contribution of their industry on the nation's economy.

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

It is anticipated that the vast majority of businesses targeted by this study, with the exception of some of the national chains, will meet the cut off for being considered a small business (\$14 million or less in annual sales). Several steps have been taken in this survey to minimize burden. First, we have kept the survey to three and half pages to ensure it can be completed in the shortest amount of time possible. Second, we provide store owners the flexibility to report their cost and earnings over either the 2013 calendar year, or the approximate fiscal year dependent on how they maintain their financial records. Allowing businesses to report on a time frame that matches their existing financial records will eliminate significant burden that could be associated with recalculating costs and earnings for a time frame that does not match their records. This practice is also used by the U.S. Census Bureau in their Annual Retail Trade Reports. Third, instead of asking stores for their exact total gross revenues, we provide them with a series of bin ranges to choose from, and then ask for percentage estimates for all follow-up revenue questions. Fourth, we ask for all cost estimates as a proportion of total gross sales instead of actual dollar figures. By providing store operators with ranges, and asking for percentage estimates as opposed to exact figures, business operators will be able to avoid having to make time consuming calculations of exact figures. Furthermore, we have received consistent feedback from industry groups that reluctance to provide exact figures among business operators would severely hamper survey response rates. Fifth, the first letter sent to selected businesses will include a postcard that store operators can return if their business does not sell bait and tackle and was included in our sample frame in error. Stores that return these cards will not be bothered by additional mailings. Finally, this reporting is completely voluntary, and all selected businesses will be made aware of this fact in every cover letter accompanying the questionnaire.

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

As stated above, NOAA Fisheries is required to collect economic data that can be used to describe the economic effects on local communities and participants from changes in fisheries management policies. It is vital to collect cost and earnings data via a survey of bait and tackle stores because there are no other sources of this information for marine bait and tackle stores that provide the level of detail required. Without this type of information, fisheries managers will not be able to assess the economic effects that result from changes in recreational fisheries policies that can affect sales of bait and tackle, and therefore, the effects on local and regional communities. Without this study, no other detailed economic description and characterization of the bait and tackle stores that cater to marine anglers will be available.

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

The collection will be conducted in a manner consistent with OMB Guidelines.

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

A Federal Register Notice published on December 23, 2013 (78 FR 77432) solicited public comment.

One comment was received in response to the Federal Register Notice that did not directly address the information collection requirements, and a second public comment in support of the study was submitted following the deadline and is included in this submission.

**Comment:** The American Sportfishing Association (ASA) submitted a letter in support of the study. ASA is a national recreational fishing trade association that represents sportfishing manufacturers, retailers, wholesalers, and angler advocacy groups. ASA stated that they believe this data collection represents a landmark effort that will provide important information on coastal fishing tackle retailers and will help NOAA Fisheries better account for this substantial segment of the saltwater fisheries economy. ASA stated that lack of economic data on coastal fishing tackle retailers has made it difficult for fisheries managers to account for and mitigate potential economic impacts of management decisions on this industry.

**Response:** NOAA Fisheries concurs with ASA's assessment of the need for better economic data on recreational fishing bait and tackle retailers. As the first national economic study of recreational fishing bait and tackle retailers ever conducted by NOAA Fisheries, this data collection will provide NOAA Fisheries with baseline data on the industry that will enable fisheries managers to better assess the potential economic impacts of management actions on the industry, and enable us to improve our recreational fishing economic models.

In addition to the Federal Register Notice, meetings were held with industry stakeholders (i.e., recreational fishing group representatives, industry wholesalers, and individual bait and tackle store owners) to discuss the objectives of the survey and the need to conduct the survey. In addition, several presentations about the survey objectives and methods were given, or are scheduled to be given, prior to the survey being sent out, at meetings of fisheries economists, recreational fishing shows, and industry/constituent-based workshops.

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

No payments or gifts are made.

**10. Describe any assurance of confidentiality provided to respondents and the basis for**

**assurance in statute, regulation, or agency policy.**

As stated on the survey instruments, the data collected will be kept confidential as required by section 402(b) of the Magnuson-Stevens and [NOAA Administrative Order 216-100](#), Confidentiality of Fisheries Statistics, and will not be released for public use except in aggregate statistical form. If the individual survey data are requested, it will be provided without identification as to its source and with personal addresses and phone numbers remaining confidential.

**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.**

There are no questions of a sensitive nature.

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

**Independent stores and local chains:**

Total responses: 2,500 completed surveys  
Completion time: 30 minutes  
Total hours: 1,250 hours.

**National and regional chains:**

Total responses: 10 completed surveys  
Completion time: 3 hours\*  
Total hours: 30 hours.

**Non-response telephone follow-up survey:**

Total responses: 400 completed surveys  
Completion time: 5 minutes  
Total hours: 33 hours.

**Total responses:** 2,910 completed surveys  
**Total hours:** 1,313 hours.

**Total annual responses:** 970 annualized responses  
**Total annual hours:** 438 annualized hours.

\*The reason for the greater burden estimate for the large chains is they will be providing numbers for the entire company, both their retail stores and direct Internet sales. To collect sales and costs data on all this will require them to reach out to several departments which will take some extra time. Alternatively, for the independent stores we anticipate that one individual will be able to complete the survey for most stores.

An hourly rate of \$45.21 is based on the average for civilians in management occupations from the January 2011 National Compensation Survey (<http://www.bls.gov/ncs/ocs/sp/nctb1477.pdf>). There are no other costs to respondent. A total of 1,313 burden hours are anticipated across all parts of the survey, resulting in a cost to respondents of approximately \$59,361 over three years, or \$19,787 on an annual basis.

**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).**

There are no start-up, capital, or maintenance costs associated with this collection. No new or specialized equipment is needed to respond to this collection. The forms are provided with postage-paid envelopes.

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

Based on the cost of conducting the 2014 survey, the estimated Cost to the Government is a one-time cost of \$550,000 (annualized to \$185,000) for conducting the mail and phone surveys, developing and cleaning the sample frame, printing and mailing, and entering the data from the survey. All analysis of the data and reporting, and any scientific publications will be developed by NMFS staff as part of their regular federal duties.

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

This is a new submission.

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

All results will be entered in a database using standard QA/QC procedures in survey research. Economists from NOAA Fisheries will analyze the data using standard software (i.e., SAS) and standard statistical procedures that are appropriate for survey data. Results from this collection may be used in scientific, management, technical or general informational publications, and would follow prescribed statistical tabulations and summary table formats.

Summary data will be developed and be included in various forms available on the Web page of the Office of Science and Technology, National Marine Fisheries Service. The Web site address is <http://www.st.nmfs.noaa.gov/economics/fisheries/recreational/index>. Data from this survey may support research and analyses to be presented at appropriate professional meetings and may be submitted for publication in appropriate economic or fisheries peer-reviewed journals. A full report of the survey results will also be produced.

**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.**

Not Applicable.