

**SUPPORTING STATEMENT  
PACIFIC COAST GROUND FISH TRAWL RATIONALIZATION PROGRAM  
PERMIT AND LICENSE INFORMATION COLLECTION  
OMB CONTROL NO. 0648-0620**

**INTRODUCTION**

This is a revision to this information collection related to Proposed Rule 0648-BF11. This proposed rule clarifies the divestiture provisions for entities that exceed accumulation limits, and adds a process by which quota share permit owners may abandon quota shares in excess of the control limit for aggregate nonwhiting holdings to NMFS prior to the divestiture deadline. Permit owners must submit any abandonment request in writing;

The [Magnuson-Stevens Fishery Conservation and Management Act](#) (MSA), 16 U.S.C. 1801 *et seq.*, authorizes the Fishery Management Councils to prepare and amend fishery management plans (FMP) for any fishery in waters under its jurisdiction. The National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service (NMFS) manages the groundfish fishery in the 3-200 mile zone off of the coasts of Washington, Oregon and California. In 1993, the Council, under Amendment 6 (50 CFR 660 Subpart G), implemented a limited entry program for the groundfish fishery.

The Pacific Fishery Management Council (Council) began developing a trawl rationalization program, a catch share program, for the Pacific coast groundfish limited entry trawl fishery in 2003. The trawl rationalization program (program) was intended to increase net economic benefit to the nation; and to provide participants with: 1) economic stability in the fishery, 2) full utilization of the trawl sector allocation, 3) improved safety, product quality and value, 4) increased accuracy and 5) mitigated or decreased environmental impacts than occurred under previous fishing practices and regimes.

The Council established the trawl rationalization program through two amendments to the Pacific Coast Groundfish FMP: 1) Amendment 20, which addresses the program, and 2) Amendment 21, which addresses the intersector allocation. Amendment 20 developed the structure and management details of the trawl rationalization program, while Amendment 21 allocated groundfish stocks between the trawl and non-trawl fisheries, and within trawl fisheries. The Council took final action on Amendment 20 at their November 2008 meeting, with subsequent related actions at the March 2009, April 2009, June 2009, November 2009 and April 2010 meetings. The Council took final action on Amendment 21 at their April 2009 meeting, with trailing actions at the March 2010 meeting.

NMFS implemented the program in January 2011 as a limited access privilege program (LAPP) under the MSA as reauthorized in 2007. A LAPP is considered a grant of permission to the holder of the limited access privilege to participate in the program. The privilege may be revoked, limited or modified by the Secretary of Commerce at any time. In other words, under this program, catch shares are a conditional privilege to harvest a specified amount of fish. NMFS issued permits, as described below, for this conditional privilege.

The trawl rationalization program is composed of three sectors, as follows: 1) the shorebased individual fishing quota (IFQ) sector, 2) the at-sea whiting mothership (MS) sector, and 3) the at-

sea whiting catcher/processor (C/P) sector. The shorebased IFQ sector consists of quota share (QS) permit owners, catcher vessels that are registered to limited entry trawl permits, have vessel accounts, and fish for quota pounds (QP), and first receiver site license holders who receive the shorebased IFQ landings. The at-sea trawl fleets catch and process Pacific whiting (whiting) with midwater trawl gear. In the MS sector, mothership catcher vessels harvest the whiting and deliver the catch to large MS vessels where it is sorted and processed at-sea. One or more MS coops may form and/or vessels may choose to fish in a non-cooperative fishery. For both the coop and non-coop fishery, vessels pool their harvest together. In the C/P sector, C/P vessels catch and process whiting at-sea under a single C/P coop.

In the shorebased IFQ sector, there is 100% observer coverage on vessels, 100% catch monitor coverage at the landing site, and every pound landed or discarded is debited from a vessel account. QS permit owners hold percentages of QS for each of 30 species groups, and received initial QS percentages as a result of the history of fishing on their limited entry trawl permits - or in the case of Pacific whiting first receiver QS permit owners, as a result of whiting historically landed to their facilities. Each year, based on the shorebased IFQ sector allocation, NMFS allocates quota pounds (QP) to QS accounts in proportion to each QS owner's QS percentages. QPs are expressed as a whole pound, while QS percentages are expressed to the thousandth of a percentage (0.001%). The QS permit/account is like an investment or savings account - QS permit owners hold QS percentages and are allocated pounds, but the pounds must be transferred to a vessel account before they can be fished. A vessel account is like a checking account, where the QP can be "spent", or used to offset IFQ catch (landed or discarded). The QS permit owner must use their QS account in order to transfer QPs to a vessel account, and the recipient vessel account must accept the transfer through their vessel account.

Any participant who owns a vessel registered to a trawl limited entry permit can request a vessel account; they do not also need to be QS permit owners. Likewise, many QS permit owners may not own a vessel. Vessels fishing in the shorebased IFQ program must have an observer on board, land all IFQ catch to a first receiver site license holder, and cover all IFQ landings and discards with QP in their vessel account. Vessel owners may obtain QP from any QS permit/account or from any other vessel account. When the IFQ landings are delivered to a site with a first receiver site license (FRSL), a catch monitor is present to observe the offload and sorting activities at the dock. Catch is recorded and entered independently by both the first receiver (FR) and the catch monitor, and the reports are compared in the vessel account. The observer also submits an independent report estimating the bycatch discards, or the fish that were thrown back into the ocean off of the vessel. In this way, all fish that were caught in a net are counted against the vessel account, and vessel owners must obtain QP to cover all catch. Vessels that incur a deficit cannot fish in the IFQ program until the deficit is cured, and the deficit must be cured within 30 days to avoid a violation.

In order to comply with the MSA, NMFS tracks the ownership interest of all entities who own a QS permit/account or a vessel account. QS permit owners are held to set accumulation and control limits, both at the initial allocation stage and during the operation of the program, and vessel owners must comply with vessel limits for each account. These ownership and control limits were adopted by the Council as part of Amendment 20.

In the at-sea whiting sectors of the trawl rationalization program, under Council provisions, NMFS did not make an allocation of catch shares to the individual vessels in the single C/P

sector cooperative. Instead, the C/P coop receives a total allocation of Pacific whiting and other non-whiting groundfish species, and organizes independently as a cooperative to harvest the allocation. In contrast, the mothership catcher vessels (MS/CV) in the mothership sector were allocated catch shares of whiting, called catch history assignments (CHA), which were attributed to qualifying limited entry trawl permits based on MS/CV at-sea whiting delivery history in the qualifying years. These limited entry trawl permits were issued an MS/CV endorsement and individual catch history assignment, expressed as a percentage. MS/CV-endorsed limited entry permit owners may choose to participate in the coop or non-coop fishery. The whiting associated with the CHA on the MS/CV-endorsed limited entry permit is caught by catcher vessels registered to trawl limited entry permits, and landed at-sea to vessels registered to MS permits. As with the shorebased IFQ sector, NMFS tracks the ownership interest of all entities who own an MS/CV-endorsed trawl limited entry permit or MS permit.

NMFS implemented the trawl rationalization program through two initial sets of rulemakings. NMFS published the initial issuance portion of the final rule 0648-AY68 on October 1, 2010 (75 FR 60868). This rule restructured and clarified the Pacific coast groundfish regulations to more closely track the organization of the management measures that establish the allocations and procedures set forth under Amendment 21 for initial issuance of permits, endorsements, quota shares, and catch history assignments under the IFQ and coop programs. NMFS published the program components portion of the final rule 0648-AY68 on December 15, 2010 (75 FR 78344) to implement the key components of the trawl rationalization program for the start of the 2011 fishery, including: IFQ gear switching, observer programs, retention requirements, equipment requirements, catch monitors, catch weighing requirements, coop permits, coop agreement requirements, first receiver site licenses, quota share (QS) accounts, vessel accounts, further tracking and monitoring components, and economic data collection requirements. Most of the information collections under OMB Control No. 0648-0620 stemmed from this rulemaking.

Since the initial implementation of the trawl rationalization program in January 2011, the Council and NMFS have been addressing implementation issues as they develop, and trailing actions and subsequent rulemakings have revised or added to the program. NMFS published the program improvement and enhancement (PIE) 1 final rule on December 1, 2011 (76 FR 74725). This rulemaking included an FMP amendment to further revise Amendment 21 (Amendment 21-1). Regulatory revisions included: the Pacific halibut trawl bycatch mortality limit; clarification that Amendment 21 supersedes limited entry/open access allocations for certain groundfish species; revisions to the observer coverage requirement while a vessel is in port and before the offload is complete; revisions to the electronic fish ticket reporting requirements; revisions to the first receiver site license requirement; further clarification on moving between limited entry and open access fisheries; a process for end-of-the-year vessel account reconciliation; and an exemption from processing at sea for qualified participants in the Shorebased IFQ Program.

With the PIE I rulemaking, NMFS requested a revision to OMB Control No. 0648-0620, which was approved without change on December 2, 2011. The collection revision included a change to the definition of a first receiver under the IFQ program, and therefore a change to the pool of applicants, and updated the application requirements for first receiver site license holders to exclude the unnecessary request for a site inspection. NMFS removed account managers from QS and vessel accounts/applications, and clarified regulations to explain what would constitute a change in ownership for QS permit and vessel account owners. In addition, a new provision allowed permit owners to request a change in the registration of the MS/CV endorsement and

associated CHA from one trawl limited entry permit to another (called severability in Council Documents) and clarified MS/CV-endorsed permit combinations, which resulted in a new collection to document these registration changes. This new provision also affected the MS coop permit application collection, because a permit owner could now have multiple, distinct MS/CV endorsements and associated CHA amounts registered to one trawl limited entry permit, and must obligate each separately. The updated form provided a new space for applicants to designate the specific MS/CV endorsements and associated CHA amounts separately.

NMFS requested a non-substantive change to OMB Control No. 0648-0620, which was approved without change on February 15, 2012 and did not align or result from any rulemakings. The collection was changed to include a required form for vessel account registration, in contrast to the previously optional form. This helped to standardize the information NMFS received from new vessel account applicants. The non-substantive change also added a small business certification section to the existing trawl ownership interest form and first receiver site license form, in order to assist with Regulatory Impact Reviews (RIR)/Initial Regulatory Flexibility Analysis (IRFA) for the trawl rationalization program.

Two additional rulemakings, referred to as Reconsideration of Allocation of Whiting (RAW), Rules 1 and 2 (RAW 1 and RAW 2, respectively), were the outcome of a lawsuit, *Pacific Dawn v. Bryson*, No. C10-4829 TEH (N.D. Cal.) (*Pacific Dawn*), which challenged the initial allocations of whiting under the trawl rationalization program. NMFS published the RAW 1 final rule on August 1, 2012 (77 FR 45508). This was a temporary, emergency action rule which delayed transfers of QS between QS permits/accounts, and delayed the change in the registration of the MS/CV endorsements and associated CHAs from one trawl limited entry permit to another (severability). The rule also delayed divestiture requirements, and modified issuance provisions for QP for the beginning of the 2013 fishing year to preserve NMFS' ability to deposit the appropriate final amounts into IFQ accounts based on any recalculation of QS allocations. The emergency action rule was extended on January 17, 2013 (78 FR 3848).

NMFS published the RAW 2 final rule on March 28, 2013 (78 FR 18879). After reviewing the entire record, including the Council's record and comments received on the proposed rule (78 FR 72), NMFS determined that the existing initial whiting allocations provided for a fair and equitable allocation and were consistent with the Magnuson-Stevens Act, the groundfish fishery management plan, the court's order in *Pacific Dawn*, and other applicable law. The final rule did not make any changes to initial allocations, but did revise several provisions of the trawl rationalization program and supersede regulatory delays and/or revisions established through temporary emergency action and extension. Changes in the final rule included: transfer of QS or individual bycatch quota (IBQ) (except for widow rockfish QS) between QS permit holders in the shorebased IFQ fishery beginning January 1, 2014; a requirement that QS permit holders in the shorebased IFQ fishery holding QS or IBQ in excess of the accumulation limits divest themselves of excess QS (except for widow rockfish QS) or IBQ by November 30, 2015; limited entry trawl permit holders in the MS fishery to request a change (or transfer) of MS/CV-endorsement and CHA beginning September 1, 2014; a requirement that MS/CV-endorsed trawl limited entry permit owners divest themselves of ownership in permits in excess of the accumulation limits by August 31, 2016; and extension of the divestiture period delay and moratorium on transfer of widow rockfish QS in the shorebased IFQ fishery indefinitely. These rulemakings did not affect or change the previously approved collections under OMB Control No. 0648-0620, but instead further delayed QS transfer and change of registration for MS/CV

endorsement and associated catch history assignment.

## **JUSTIFICATION**

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

The trawl rationalization program was implemented in January 2011 and continues to operate consistent with regulations given at 50 CFR 660. Since that time, the Council and NMFS have been addressing implementation issues as they arise, through the public Council process.

At its April 2015 meeting, the Council took final action to clarify revocation protocols for cases where QS permit owners who exceed an individual QS or IBQ control limit or the aggregate non-whiting control limit do not voluntarily divest to these limits by the November 30, 2015 divestiture deadline. As part of this action, the Council also identified a situation where QS permit owners who are over the aggregate non-whiting control limit may not be able to find a willing recipient to take their excess QS. The Council recommended that QS permit owners in this situation could abandon unwanted excess QS to NMFS if they were unable to find another recipient. This process is included in proposed rule 0648-BF11, which proposes a process by which QS permit owners over the aggregate limit may abandon excess shares to NMFS by November 1, 2015. The abandonment option would provide additional flexibility for QS permit owners who are over the aggregate limit, because they could choose which non-whiting IFQ species to abandon, rather than waiting until the divestiture deadline when some of each species would be revoked proportionally by NMFS (as outlined in the proposed rule). This process essentially provides QS permit owners with more choice if they are unable to find a willing buyer or recipient of their excess QS in order to get under the limits.

NMFS is proposing a revision of the previously approved information collection, OMB Control No. 0648-0620. None of the previously approved collection items are affected by this proposed rule (0648-BF11); however, NMFS is adding one information collection: an abandonment request. This is a relatively minor change since only three or fewer QS permit owners (described this way to protect confidentiality) currently exceed the aggregate non-whiting control limit, and only these three or fewer QS permit owners would be eligible to submit an abandonment request to NMFS in 2015. In addition, if NMFS were to find that a QS permit owner somehow exceeded the aggregate limit in 2016 or beyond, the QS permit owner would also be provided an opportunity to abandon QS at that time, within 30 days of the overage notification from NMFS. The collection of information under OMB Control No. 0648-0620 is important to implementation success of the program as designed in regulation, and is important to evaluating that success. This collection of information (abandonment) provides additional flexibility to QS permit owners who exceed an aggregate control limit and want to come into compliance without having QS revoked.

**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.**

Each collection item below is numbered, and the number corresponds to the burden estimate table under Question 12.

*(1) QS Permit/Account Application Form*

This form will be submitted on paper, by mail, one time, by new QS permit applicants who want to own QS in the shorebased IFQ fishery. The applicant will also be required to submit a trawl identification of ownership interest form, which is described separately (see (10)). For each approved application, NMFS will mail a QS permit with zero QS% for each species, and will establish an associated QS account (also with zero QS% for each species). Current QS permit owners were allocated percentages of each IFQ species groups, but new entrants will receive zero QS% on their permits and in their QS accounts and will need to obtain QS percentages from other existing QS permit owners by transferring QS percentages through the QS account. As explained below, QS percentage transfers can occur at any time between January 1 and November 30 in a given year, and NMFS expects, on average, to have about **10** new applicants each year. The purpose for the information collection is to gather name and contact information for new entities, include the name and contact information on the physical QS permit, and to verify that the entity is eligible to own a QS permit as outlined in regulation and as certified on their application.

*(2) QS Permit/Account Renewal - Online*

This prefilled form will be submitted online once each year by current QS permit owners who wish to renew their QS permit for the following year. The QS permit owner will be required to make any changes necessary to their contact information. The purpose of the renewal is to maintain current QS permit owner contact information and ownership interest information. The ownership interest form for renewals is listed separately (see (11)).

There are currently 138 QS permit owners, and new applicants cannot apply for a permit until 2014. NMFS expects, on average, to have about 10 new applicants each year, so for the three-year lifecycle of this information collection (if approved), NMFS expects an average of **148** QS permit renewals over each of three years. Since these permits and the quota pounds allocated to renewed permits have high value, NMFS expects all QS permit owners to have significant incentive to renew during the renewal period (October 1-November 30, online only). During the first two renewal cycles since NMFS issued QS permits (renewals for 2012 and 2013), all 138 QS permit owners renewed online during the renewal period. For the purposes of the burden estimate, NMFS listed the number of respondents renewing online during the renewal period to be 147 each year, and the number renewing by paper outside of the renewal period to be 1 (see collection 3). Although we expect all QS permit owners to renew online in order to receive their QP allocation for the year, we wanted to build in the possibility that, especially with new QS permit entrants, we might not always see 100% of the renewals submitted on time (see collection 3).

### *(3) QS Permit/Account Renewal Form*

Each year QS permit owners are responsible for renewing their QS permit and account online through their QS account during the renewal period, October 1 – November 30 (see (2)). The online account renewal portal was set up to service the majority of renewals during the renewal period, and does not appear in accounts outside of the renewal period. Those permit owners who do not renew their QS permit during the renewal period will have their account inactivated by NMFS at the end of the calendar year, and NMFS will not issue QP or IBQ pounds to the inactive QS account associated with the non-renewed QS permit for that year. Additionally, as part of the proposed rule 0648-BD31, QS permit owners with non-renewed permits/accounts would not be able to transfer their QS percentages.

NMFS proposes to allow QS permit owners who did not renew their QS permit/account during the online period (October 1- November 30) to renew by paper, using the QS permit/account renewal form. Although QS permit owners who renew their permits outside of the online renewal period will not be issued any QP to their QS account for the remainder of the calendar year, submitting this paper application form would reactivate their QS account and allow them to transfer QS percentages once their permit is renewed. Because NMFS anticipates so few renewals outside of the renewal period, and because there is a high cost associated with creating an online renewal option outside of the renewal period, a paper form is a simple alternative.

This QS permit/account renewal form will be submitted on paper, by mail, one time, by QS permit renewal applicants who failed to renew on time, but who want the ability to transfer QS percentages. NMFS estimates that at most, only **one** QS permit owner will complete this form per year because the QP allocated to renewed permit owners has such high value, and because NMFS has seen such high compliance with QS permit renewals in the past (see collection 2). The QS permit owner would also be required to submit a trawl identification of ownership interest form, which is described separately (see collection 11). The purpose for the information collection is the same as the online renewal (see collection 2): to maintain current QS permit owner contact information and ownership interest information.

### *(4) QS Transfer*

QS permit owners own QS percentages (divisible to the thousandth of a percentage, 0.001%) for 30 IFQ species groups. Initially, these percentages were not transferrable, in order to allow the participants a few years to gain greater understanding and confidence with the new program. Beginning in January 2014, QS permit owners will have the opportunity to permanently transfer those QS percentages to other QS permit owners (either existing owners or new entrants) from January 1 to November 30 each year through their QS account, with the exception of widow rockfish QS, for which QS transfers have been postponed indefinitely. QS transfers must be initiated by the transferor, and accepted by the transferee to be finalized. QP associated with QS % being transferred will not be part of a QS transfer. QS transfers are completely separate from QP transfers. QS can only be transferred between QS accounts, and not to vessel accounts, while QP can only be transferred from QS accounts to vessel accounts, and between vessel accounts.

NMFS allocates QP throughout the year, and will allocate QP based on the QS percentages listed on a renewed QS permit. For example, if a QS permit owner started the year with 3.000% of a certain species, and transferred 1.000% to another QS permit owner in that year, he would

continue to be allocated QP based on the 3.000% until the start of the following year. Essentially, QS permit owners can transfer QS at any time and as many times and in as many increments as they want between January 1 and November 30. Whatever remains in their QS account on November 30 at midnight will be printed on their renewed permit for the following year. NMFS will allocate QP for the remainder of the following year based on the QS percentages given on the QS permit.

NMFS estimates that the QS transfer function will be used an average of three times per year by each QS permit owner who wishes to permanently transfer some or all of their QS percentages to another QS owner (average of 148 QS permit owners x 3 QS transfers = **444** responses per year). The transfer of QS percentages is not currently allowed, so it is difficult to estimate how many QS owners will transfer their QS. NMFS expects that the majority of QS owners may not make any QS transfers (at least initially) while they wait for the market and pricing to stabilize and further refine their business strategies; but that others may get out of the fishery entirely and sell all of their QS percentages to other current or new QS permit owners. Other QS permit owners may have multiple permits and may choose to consolidate their holdings in a single permit/account. Also, NMFS anticipates initial changes of QS percentages between participants from the northwest and southwest coasts who may own QS for species that are not caught in their area. While there may be some initial unpredictability, the QS transfers will likely become more patterned after a few years.

To initiate a QS transfer, the user will log in to the QS account associated with their QS permit, preview their current QS percent ownership, select the species and amount of QS% to transfer, indicate the nature of the transaction (i.e. cash sale, barter), provide the overall cost for the transaction, and select the QS permit/account to transfer to, up to the accumulation limits of the receiving QS permit/account. The cost information collected helps NMFS to understand the nature of the QS% sale and relative price information. The burden estimate in Question 12 includes both the time for the transferor to initiate the transfer, and the time for the receiving party to review and accept the QS transfer in their QS account. Through the internal business rules for programming being implemented with the proposed rule 0648-BD31, and after discussions with the NMFS Southwest Regional Office and members of industry, NMFS plans to program the QS percentage transfer functionality in online QS accounts so that QS permit owners could trade all species in a single transaction, reducing the burden for those participants who do wish to transfer more than one species in a single transaction.

The collection of this information is extremely important to both NMFS and the QS permit owners, and is a baseline for the success of the shorebased sector of program, since QS is a valuable asset and all pounds caught by vessels that are delivered to first receivers originate from the QS permit ownership and QP allocation to the QS permit/account. The QS permit owners will use current QS percent holdings of other QS permit owners to determine who they may be able to buy and sell quota from. QS permit owners will also need to be able to show lenders, brokers, and other stakeholders their current QS holdings for various purposes. The QS account will allow them to print a PDF of their current QS percentages for all species, but the permit will show the percentages to which NMFS is allocating QP. NMFS will current QS transfer information to track and confirm QS percentages for the shorebased IFQ fishery. The ability to transfer QS is an important component of the program, allowing NMFS to implement the program as intended by the Council and industry, and allowing for new entrants and a changing fishery. The transfer of QS also allows for individual business flexibility and allows QS permit



owners to shape their business strategies through a portfolio of QS. QS percent balances (but not transfer information) are displayed publicly on the Quota Share Account Balance tab of the [IFQ homepage](#). These balances are displayed publicly to provide transparency, information about the fishery, and for participants to locate QP – and soon, QS.

#### *(5) QP Transfer from QS Account to Vessel Account*

The QP transfer function from QS account to vessel account will be completed online approximately five times each year by QS permit owners who are moving QP from their QS account to a vessel account (average of 148 QS permit owners x 5 QP transfers = **740** responses per year). Because NMFS allocates pounds to QS accounts at different times throughout the calendar year, the QS permit owner must login to their QS account several times per year to move the QP to a vessel account. While some QS owners may wait until the spring when most QP has been allocated to the shorebased IFQ sector to transfer their QP to vessel accounts (decreasing the average number of transfers), others may make QP transfers to multiple vessels directly from their QS accounts (increasing the average number of transfers). NMFS estimates an average of five QP transfers from each QS account per year. Based on actual QP transfer activity in 2011 and 2012, NMFS estimates that each QS permit owner will average five transfers of QP from their QS account to a vessel account per year.

To initiate a QP transfer from a QS account, the user will log in to the QS account associated with their QS permit, preview their current available QP, enter the species and amount of QP to transfer (in pounds), indicate the nature of the transaction (i.e. cash sale, barter), provide the overall cost for the transaction, and select the vessel account to transfer to, up to the vessel limits of the receiving vessel account. The cost information collected helps NMFS to understand the nature of the QP sale and relative price information. The burden estimate in Question 12 also includes the time for the receiving party to review and accept the QP transfer in their vessel account. QP transfer functionality is an important accounting tool for both NMFS and industry. The QS account system provides accurate balances of QPs available for use (to transfer to a vessel account) in real time, and documents the initiation and acceptance of individual QP transfer transactions. Currently, users may print the transfer summary PDFs in their accounts to demonstrate a transfer has been made to brokers or receiving parties. QP balances (but not transfer information) in QS accounts are displayed publicly on the Quota Share Account Balance tab of the [IFQ homepage](#). These balances are displayed publicly to provide transparency, information about the fishery, and for participants to locate QP.

#### *(6) Vessel Account Registration Request*

This form will be submitted on paper, by mail, one time, by new vessel account applicants who own a vessel registered to a trawl limited entry permit, and want to harvest or hold QP in the shorebased IFQ fishery. The applicant will also be required to submit a trawl identification of ownership interest form, which is described separately (see (10)). For each approved vessel account registration request, NMFS will establish a vessel account with zero QP for each species, and the vessel owner will obtain QP from a QS permit owner's QS account or other vessel account. NMFS expects, on average, to have about **10** new applicants each year. That estimate is based on the number of new vessel account entrants we have seen each year since the start of the program in 2011. The purpose for the information collection is to gather name and contact information for new entities, and to correctly establish the vessel name/number and vessel owner

name on the account for correct catch accounting by first receivers, catch monitors and observers in the shorebased IFQ fishery.

#### *(7) Vessel Account Renewal – Online*

This prefilled form will be submitted online once each year by current vessel account owners who wish to renew their vessel account for the following year. The vessel account owner will be required to make any changes necessary to their contact information on the renewal form. The purpose of the renewal is to maintain current vessel owner contact information and ownership interest information. The ownership interest form for renewals is listed separately (see (11)).

There are currently 144 active, renewed vessel accounts, and new applicants may request a registration at any time (see (6)). NMFS expects, on average, to have about 10 new applicants each year, and therefore expects an average of 154 vessel account renewals over each of three years. Since these vessel owners that renew their accounts can fish in the shorebased IFQ fishery at the start of the year and may receive carryover of any surplus pounds from the previous year, NMFS expects vessel account owners to have significant incentive to renew during the renewal period (October 1-November 30, online only). For the purposes of the burden estimate, NMFS listed the number of respondents renewing online during the renewal period to be **152** each year, and the number renewing by paper outside of the renewal period to be 2 (see (8)).

#### *(8) Vessel Account Renewal Form*

Each year vessel account owners are responsible for renewing their vessel account online through their vessel account during the renewal period, October 1 – November 30 (see collection 7). The online account renewal portal was set up to service the majority of renewals during the renewal period, and does not appear in accounts outside of the renewal period. Those account owners who do not renew their vessel account during the renewal period will have their account inactivated by NMFS at the end of the calendar year, cannot fish in the shorebased IFQ fishery, cannot transfer QP (except in the case of a deficit), and will not be issued any carryover of surplus QP from the previous year, if eligible.

NMFS allows vessel account owners who did not renew their vessel account during the online period (October 1- November 30) to renew by paper, on the vessel account renewal form. Although vessel account owners who renew their accounts outside of the online renewal period are not issued any carryover of surplus QP from the previous year, submittal (and NMFS acceptance) of this paper renewal form would reactivate their account and allow them to fish in the shorebased IFQ fishery and transfer QP. Because NMFS anticipates so few renewals outside of the renewal period, and because there is a high cost associated with creating an online renewal option outside of the renewal period, a paper form is a simple alternative.

This vessel account renewal form will be submitted on paper, by mail, one time, by vessel account renewal applicants who failed to renew on time, but who want the ability to fish in the shorebased IFQ fishery and transfer QP. NMFS estimates that at most, only **two** vessel account owners will complete this form per year because we expect so many to renew on time online, and because we have seen such high compliance with vessel account renewals in the past. The vessel account owner would also be required to submit a trawl identification of ownership interest form, which is described separately (see collection 11). The purpose for the information collection is

the same as the online renewal (see collection 7): to maintain current vessel owner contact information and ownership interest information.

#### *(9) QP Transfer from Vessel Account to Vessel Account*

The QP transfer function allows vessel owner to transfer QPs online from their vessel account to another vessel account. Based on actual vessel account transfer activity in 2011 and 2012, NMFS estimates that vessel account owners will average 11 transfers of QP from their vessel account to another vessel account each year (average of 154 vessel account owners x 11 transfers of QP = **1,694** responses per year). Many vessel owners do not make any QP transfers to other vessel accounts during the year, but others, such as vessel accounts being used for risk pool and broker purposes, make many. To initiate a QP transfer from a vessel account, the user will login to their vessel account, preview their current available QP, enter the species and amount of QP to transfer (in pounds), indicate the nature of the transaction (i.e. cash sale, barter), provide the overall cost for the transaction, and select the vessel account to transfer to, up to the vessel limits of the receiving vessel account. The cost information collected helps NMFS to understand the nature of the QP sale and relative price information. The burden estimate in question 12 also includes the time for the receiving party to review and accept the QP transfer in their vessel account.

QP transfer functionality is an important accounting tool for both NMFS and industry. The vessel account system provides accurate balances of QPs available for use (to cover catch or to transfer) in real time, and documents the initiation and acceptance of individual QP transfer transactions. Currently, users may print the transfer summary PDFs in their accounts to demonstrate a transfer has been made to brokers or receiving parties. QP balances (but not transfer information) in vessel accounts are displayed publicly on the Vessel Account Balance tab of the [IFQ homepage](#). These balances are displayed publicly to provide transparency, information about the fishery, and for participants to locate QP.

#### *(10) Trawl Identification of Ownership Interest Form: New Entrants*

This form is identical to the form used under (11), trawl identification of ownership interest form: renewal, however new entrants will likely take longer to complete the form since it will not be prefilled for them, so we separated the collections. This form will be submitted on paper, by mail, one time, by an estimated **24** respondents each year, including:

- **10** new QS permit applicants (trawl identification of ownership form submitted with collection 1),
- **10** new vessel account registrants (trawl identification of ownership form submitted with collection 6),
- **One** applicant who plans to purchase an existing trawl limited entry permit with MS/CV endorsement/CHA (trawl identification of ownership form submitted with change in permit ownership form for the trawl limited entry permit, collected under OMB Control No. 0648-0203), or who owns a trawl permit and plans to purchase an existing MS/CV endorsement/CHA to register to their trawl permit (trawl identification of ownership form submitted with collection 17),
- **One** applicant who plans to purchase an existing MS permit (trawl identification of ownership form submitted with collection 15), and
- **Two** lenders (trawl identification of ownership form submitted with letter of intent to

collateralize assets under the trawl rationalization program, and therefore be exempt from accumulation and control limits).

Please note that under the third bullet (a new applicant who plans to purchase the entire trawl permit with MS/CV endorsement/CHA or a current trawl permit owner who plans to purchase the MS/CV endorsement/CHA from another permit owner) we only estimated that one of those applicants would be a new entrant who had not already submitted an ownership interest form. NMFS expects that most MS/CV endorsement and associated CHA transfers/sales will be among existing MS/CV owners.

Additionally, please note under the last bullet that NMFS expects two lenders who are collateralizing assets for participants under the trawl rationalization program to submit an ownership interest form each year, in order to be exempt from the accumulation and control limits. This is a new clarification proposed under the PIE 2 rulemaking, 0648-BD31. The proposed regulations regarding lenders are described more fully under question 15.

The trawl identification of ownership interest form is collected from new entrants to verify their eligibility to participate in the program, to monitor compliance with accumulation and control limits, and to gather small business information to assist with regulatory impact reviews (RIR)/initial regulatory flexibility analysis (IRFA) for new rulemakings.

#### *(11) Trawl Identification of Ownership Interest Form: Renewal*

This form is identical to the form used under (10), trawl identification of ownership interest form: new entrants, however NMFS separated the collections because the forms are prefilled for renewals and take significantly less time to complete, on average. For renewals where there has been no change to the ownership interest, most applicants (QS permit and vessel account owners) will submit this form online without a notary, while some (MS/CV-endorsed limited entry permit owners, MS permit owners, lenders) will be sent a prefilled paper form and will notarize the form. In the future, NMFS will try to make ownership interest forms for renewals for all trawl rationalization participants available online. For any renewal where there was a change to the ownership interest, the participant will need to complete a new form and have it notarized. We have factored the average response time for all response types into our estimated time burden of five minutes: 1. no change, review online, no notary (~3 minutes for 300 of the 302 online renewals), 2. no change, review on paper, with notary (~10 minutes for 44 of the 46 paper renewals), and 3. with change, submit new paper form, with notary (~30 minutes for 4 total renewals) =  $\{[(300 \text{ respondents} \times 3 \text{ minutes}) + (44 \text{ respondents} \times 10 \text{ minutes}) + (4 \text{ respondents} \times 30 \text{ minutes})] \div 348 \text{ total respondents}\} = 4.2 \text{ (4) minutes/respondent}$ .

This form will be submitted as a part of the renewal application by an estimated **348** respondents each year, including:

- **148** QS permit owners (trawl identification of ownership form submitted with (2) or (3),
- **154** vessel account owners (trawl identification of ownership form submitted with (7) or (8),
- **36** MS/CV-endorsed limited entry permit owners (trawl identification of ownership form submitted with MS/CV-endorsed limited entry permit renewal, collected under OMB Control No. 0648-0203),
- **Six** MS permit owners (trawl identification of ownership form submitted with (14),

- **Four** lenders (trawl identification of ownership form submitted with letter of intent to have continued exemption from accumulation and control limits).

Please note under the third bullet that NMFS expects the number of MS/CV-endorsed limited entry permit owners to decrease over the upcoming years, as MS/CV endorsements/CHA are expected to be consolidated onto fewer trawl limited entry permits.

Additionally, please note under the last bullet that NMFS expects four lenders who are collateralizing assets for participants under the trawl rationalization program to submit an ownership interest form to continue their exclusion from the accumulation limits each year. This is a new clarification proposed under the PIE 2 rulemaking, 0648-BD31. The proposed regulations regarding lenders are described more fully under question 15.

The trawl identification of ownership interest form is collected during renewals to maintain verification of their eligibility to participate in the program, to monitor compliance with accumulation and control limits, and to gather small business information to assist with regulatory impact reviews (RIR)/initial regulatory flexibility analysis (IRFA) for new rulemakings.

#### *(12) First Receiver Site License Application Form: New Entrants*

This form is identical to the form used under (13), first receiver site license application form: re-registration; however, NMFS separated the collections because initial applicants have an increased burden estimate when compared to re-registering applicants. This form will be submitted on paper, by mail, one time by new first receiver applicants who want to receive shorebased IFQ landings from vessels with IFQ vessel accounts. NMFS estimates about **five** responses per year, based on new applications submitted during 2011-2013.

First receivers must have a separate license for each unique location where they want to take possession of IFQ landings. In addition to the application form, the applicant will also be required to submit an application fee, a copy of their current state buyer's license for the state in which the license will be held, and a catch monitor plan, which will be followed by a site visit. All of these application requirements are included in the burden estimate. The catch monitor plan is the most time-consuming component of the application, because it requires a write-up of the operations of the receiving facility, including information on offloading, sorting, weighing, and labeling catch, as well as information for catch monitor safety. NMFS provides guidelines and a template for the catch monitor plan to each applicant to ease some of the time burden. The catch monitor coordinator also visits the site to ensure that the catch monitor plan accurately represents the receiving process in the facility. After a site inspection, the applicant may be required to revise their CM plan.

The information on the first receiver site license application form is collected to gather name and contact information for new first receiver site license holders, and name and contact information at the physical site listed on the license in order to ensure that the name on the application matches the name on the fish tickets for accounting and enforcement purposes, and to register the name and contact information on the physical first receiver site license. The application fee is collected to cover costs associated with processing first receiver site licenses, as calculated in the unit cost computation. The copy of the state buyer's license is collected in order to ensure that the

first receiver is eligible to receive fish in that state, and is complying with state requirements. The catch monitor plan is required as part of the collection to ensure that every IFQ species is accurately sorted and counted to a vessel account under the IFQ program, and that the site follows proper safety procedures while a catch monitor is present. Essentially, the catch monitor plan allows NMFS to understand the layout, delivery process, and sorting procedures at the given site before the catch monitor arrives to work at the site, and helps NMFS determine the site safety and whether or not it is safe and suitable for the catch monitor to work in, as verified at the site inspection.

#### *(13) First Receiver Site License Application Form: Re-Registration*

This form is identical to the form used under (12), first receiver site license application form: new entrants, however NMFS separated the collections because the application process takes significantly less time to complete, on average, for re-registering applicants. This form will be submitted on paper, by mail, one time each year by each first receiver applicant who wants to re-register their existing first receiver site license in order to continue receiving shorebased IFQ landings from vessels with IFQ vessel accounts. NMFS estimates about **50** responses per year, based on re-registrations submitted during 2011-2013.

The re-registering applicant will also be required to submit an application fee, a copy of their current state buyer's license for the state in which the license will be held, and a catch monitor plan. *As proposed under the PIE 2 rulemaking, 0648-BD31, a site inspection will only be required once every three years in order to reduce the burden for re-registering applicants (previously required every year).* All of these application requirements are included in the burden estimate. For re-registering applicants, the catch monitor plan takes less time to submit (as compared to new entrants) because they have their plan from the previous year saved. The first receiver simply needs to update any information that has changed, and resubmit.

The information on the first receiver site license application form is collected to maintain name and contact information for new first receivers, and to be able to include the name and updated contact information on the physical first receiver site license. The application fee is collected to cover costs associated with processing first receiver site licenses, as calculated in the unit cost computation. The copy of the state buyer's license is collected in order to ensure that the first receiver is still eligible to receive fish in that state, and is complying with state requirements. The catch monitor plan is required as part of the collection to ensure that every IFQ species is accurately sorted and counted to a vessel account under the IFQ program, and that the site follows proper safety procedures while a catch monitor is present. Re-registering applicants must submit the CM plan each year to recertify that the plan is accurate, and in order to submit any changes to the operating procedures, if applicable.

#### *(14) Mothership Permit Renewal Form*

Each year MS permit owners are responsible for renewing their MS permit during the renewal period, October 1 – November 30. MS permit owners must submit the renewal application with the renewal fee and a completed trawl identification of ownership interest form (see 11), which is prefilled and sent to MS permit owners with their renewal package. MS permit owners do have the option to submit the renewal form and fee online (and mail the ownership interest form separately), but most submit their renewal application on paper, by mail since they already have

to submit the ownership interest form. There are **six** MS permit owners, and **no new** MS permits will be given since this is a limited entry permit. NMFS anticipates that all six will submit their renewal application each year, based on previous behavior and because of the high value of the permits and the business arrangements associated with the MS permits/vessels registered to the permits in the MS coop. This is a limited entry fishery, and no new MS permits/applications will be allowed. New entrants may become MS permit owners only by transfer (15).

The purpose for the information collection is to maintain current MS permit owner contact information and ownership interest information.

*(15) Mothership Permit Change of Vessel Registration, Permit Owner, or Vessel Owner Application Form*

If an MS permit owner would like to change the vessel registered to their MS permit, change the permit owner on their MS permit, or notify NMFS of a change in vessel owner of the vessel registered to their MS permit, they must submit the MS permit change of vessel registration, permit owner, or vessel owner application form on paper, by mail. This form can be submitted at any time during the calendar year. NMFS anticipates **three** MS transfers per year. Under the previously approved information collection for OMB Control No. 0648-0620, NMFS had MS permit owners complete the limited entry permit change of vessel registration, permit owner, or vessel owner form, which is part of the limited entry permit collection OMB Control No. 0648-0203. *Under this current revision request, NMFS has decided to create a separate form specific to MS permit owners in order to reduce confusion and clarify the process for MS permit owners.* If a new entrant obtains an MS permit, they must submit this form with a trawl identification of ownership interest form (11) to verify ownership of the permit.

The purpose for this collection of information is to gather accurate information about the MS permit ownership and the vessel registered to the permit. The form provides formal certification and documentation of the request and allows NMFS to review the request for compliance with permit regulations. Changes in permit or vessel ownership can be requested as many times as necessary during a calendar year. Up to two transfers of the vessel registered to the permit may be allowed during a calendar year; however, the second transfer must be back to the vessel originally registered to the permit in a given year.

*(16) Mothership Cooperative Permit Application Form*

The MS coop permit application form may be completed by one or more MS coops, or not at all if a coop doesn't organize in a given year. For the first three years of the program there has been a single coop with all MS/CV-endorsed limited entry permit owners given as members, with no non-coop fishery. For the purposes of this collection, NMFS estimates that there will be **one** coop completing this form per year. The MS coop permit application is completed by the coop manager, and is submitted on paper, by mail. A complete application includes the MS coop permit application form and a copy of the MS coop agreement. Additionally, the MS coop must provide an annual coop report. Through the application form, the MS coop identifies their members (MS/CV-endorsed limited entry permit owners), the individual CHAs associated with each MS/CV-endorsed permit and to which MS permit the CHAs are obligated, the total CHA for the coop, and the vessels that will harvest the whiting as part of the coop. The MS coop agreement provides further detail about the terms and conditions agreed to by coop members,

and how the allocation of whiting to the MS sector will be fished. The annual coop report details the status of the MS coop fishery during the prior year. *Submission of the coop report has previously been a biannual requirement, but through the PIE 2 rulemaking, 0648-BD31, NMFS proposes to reduce this to a single annual report in order to reduce burden and duplication.*

This annual collection provides NMFS the information necessary to allocate whiting and bycatch to the MS sector. Whether there is a single coop, multiple coops, and/or a coop and non-coop fishery in a given year, the MS coop permit application provides the formal process to convey the structure of the at-sea MS sector, and therefore determines the allocation mechanism. The collection of information also assists NMFS in determining compliance with accumulation limits.

#### *(17) Change of MS/CV-Endorsement and Catch History Assignment Registration Application Form*

*Beginning in 2014, and as proposed in 0648-BD31, the MS/CV endorsement and CHA will be severable from a limited entry trawl permit, and eligible to be registered to any other limited entry trawl permit, up to the accumulation limits. If an MS/CV-endorsed limited entry permit owner would like to change the registration of the MS/CV endorsement and associated CHA to another limited entry trawl permit, they must submit the MS/CV-endorsement and CHA registration application form on paper, by mail. This form can be submitted during the registration period, September 1 – December 31 each year. If a new entrant obtains an MS/CV endorsement and CHA, they must submit this form with a trawl identification of ownership interest form (11) to verify ownership of the permit to which the endorsement and CHA will be registered. NMFS estimates six MS/CV-endorsement/CHA transfers per year.*

The purpose for this collection of information is to allow the transfer of MS/CV endorsements and CHA among limited entry trawl permits, and to gather accurate information about MS/CV-endorsed permit ownership. The form provides formal certification and documentation of the request by the permit owner (transferor) and allows NMFS to review the request for compliance with the accumulation limits and with other permit regulations.

#### *(18) Mutual Agreement Exception*

A mutual agreement exception is an agreement that allows the owner of an MS/CV-endorsed limited entry permit to withdraw the permit's obligation of its CHA to a permitted MS processor, when mutually agreed to with the MS processor, and to obligate CHA to a different permitted MS processor. There is no form for this collection; instead the owner of the MS/CV-endorsed permit must submit a copy of the agreement to NMFS that includes the MS permit owner's acknowledgement of termination of the catcher vessel's obligation to the permitted MS vessel.

The purpose of this collection is to assist NMFS in tracking changes in the MS/CV-endorsed permit CHA obligations, which are important to monitoring the fishery. The CHA obligation process assists MS sector participants to clearly register their intent for the Pacific whiting season, and the mutual agreement exception provides flexibility to participants in order to change those obligations as needed. During the first three years of the program, NMFS has received two



to three mutual agreement exceptions per year, and estimates **three** per year for the purposes of the burden estimate.

#### *(19) Mothership Withdrawal*

If an MS permit withdraws from the fishery before Pacific whiting has been allocated to the MS sector, then any MS/CV-endorsed limited entry permit owner who has obligated CHA to that MS permit may elect to participate in the coop or non-coop fishery. There is no form for this collection; instead the MS permit owner shall provide written notification of its withdrawal to NMFS and all owners of MS/CV-endorsed permits with CHA obligated to the withdrawing MS permit. Additionally, the MS/CV-endorsed limited entry permit owners shall notify NMFS of their intent to participate in the coop or non-coop fishery with each CHA. For those continuing in the coop fishery, each MS/CV-endorsed limited entry permit owner shall provide to NMFS the new MS permit to which they will obligate each CHA for the Pacific whiting season.

The purpose of this collection is to assist NMFS in tracking changes in the MS/CV-endorsed permit CHA obligations if an MS permit were to withdraw. The obligations are important to monitoring the fishery. The CHA obligation process assists MS sector participants to clearly register their intent for the Pacific whiting season, and the MS withdrawal provides flexibility to participants in order to change those obligations as needed, if an MS were to withdraw. During the first three years of the program, NMFS has never encountered an MS withdrawal, but estimates **one** per year on the burden estimate table.

#### *(20) Catcher/Processor Cooperative Permit Application Form*

The C/P coop permit application form must be submitted by the single C/P coop each year (one form submitted each year), so NMFS expects **one** response per year. The C/P coop permit application is completed by the coop manager, and is submitted on paper, by mail. A complete application includes the C/P coop permit application form and a copy of the C/P coop agreement. Additionally, the C/P coop must provide an annual coop report. The C/P coop identifies their members (owners of CP endorsed permits) through the application form, and provides further detail about the terms and conditions that coop members have through the C/P coop agreement. The annual coop report details the status of the C/P coop fishery during the prior year. *Submittal of the coop report has previously been a biannual requirement, but through the PIE 2 rulemaking, 0648-BD31, NMFS proposes to reduce this to a single annual report in order to reduce burden and duplication.*

This annual collection provides NMFS the information necessary to allocate whiting and bycatch to the C/P sector, and allows for updated contact information to be printed on the permit. Failure to provide this information would require that NMFS to change the fishery from a coop based fishery to an IFQ fishery.

#### *(21) Material Change*

If there are any changes to a coop agreement, the coop manager of either an MS coop or a C/P coop must notify NMFS in writing of any material change to the coop agreement within seven calendar days of such changes. Within 30 calendar days, the designated coop manager must submit to NMFS a revised coop agreement with a letter that describes such changes. There is not

a form for this collection, and NMFS estimates **one** response per year. NMFS will review the material changes and provide a response letter to the coop manager that either accepts the changes as given, or does not accept the revised coop agreement. If the changes are not accepted, the letter from NMFS will explain why. The coop will be required to resubmit the coop agreement with further revisions that respond to NMFS' concerns. NMFS requires this notification because the coops serve to manage the harvest of whiting through a coop agreement with their members, and NMFS relies on the coops for effective management of the MS and C/P sectors. The coop agreement is the mechanism to effectively manage the fishing activities, including the monitoring and enforcement activities within the coop. Any changes must be provided to NMFS to ensure that the written agreement matches the practice of the coops.

NMFS has removed the transaction dispute request (previously included) from the collection. NMFS never created a transaction dispute request form or received any transaction disputes. For all catch data in vessel accounts, the data is reviewed by catch monitor program and observer program staff, and undergoes initial QA/QC. At the end of each year, catch data managers meet to review all of the IFQ vessel account catch data and correct inconsistencies/discrepancies. Each discrepancy is reviewed and documented. System errors are fixed, and managers will request that catch monitors, observers, and first receivers will update their data for any legitimate discrepancies found. Because landings must match with a paper fish ticket and taxes and buyback loans must be paid based on the amount of fish, there are not typically discrepancies with landings data that take more than a few days to fix. This item was included in the previous collection prior to a complete understanding by NMFS of how the catch data debiting would work, and is being removed since we have a separate QA/QC process that does not involve a written collection from the fishermen.

NMFS will retain control over the information and safeguard it from improper access, modification, and destruction, consistent with NOAA standards for confidentiality, privacy, and electronic information. See response to question 10 of this supporting statement for more information on confidentiality and privacy. The information collection is designed to yield data that meet all applicable information quality guidelines. Although the information collected is not intended to be disseminated directly to the public, results may be used in scientific, management, technical, or general informational publications. Should NMFS decide to disseminate the information, it will be subject to the quality control measures and pre-dissemination review pursuant to [Section 515 of Public Law 106-554](#).

#### *(22) QS Abandonment Request*

At the time of initial QS allocation in 2011, several eligible QS permit owners received QS percentages that exceeded the shorebased IFQ program's accumulation limits. These permit owners were provided an adjustment period where they could continue to hold these excess shares, but are required to completely divest of QS in excess of the accumulation limits by November 30, 2015 (see 50 CFR 660.140 (d)(4)(v)).

For QS permit owners that exceed the control limit for aggregate nonwhiting QS holdings (a 2.7% limit calculated across 28 of the 30 IFQ species) on the November 30, 2015 deadline, NMFS proposes to revoke QS at the species level in proportion to the amount of the aggregate overage divided by the aggregate total owned, in order to get the permit owner's holdings down to the 2.7% limit. NMFS would redistribute these revoked overages to all other QS permit owners in proportion to their QS holdings, up to the QS control limits. This would be an

automatic revocation and redistribution with no information collection.

If QS permit owners are having difficulty divesting to the control limit for aggregate nonwhiting QS holdings prior to the November 30, 2015 deadline, NMFS proposes to provide an abandonment option whereby QS permit owners could permanently abandon shares of their choosing to NMFS. Permit owners utilizing this provision would submit a written request identifying their QS permit number, the IFQ species they wish to abandon, and the percentage of each species to abandon. They would sign this letter and submit it to NMFS by November 1, 2015. Three or less QS permit owners exceed the control limit for aggregate nonwhiting QS holdings, so three is the maximum amount of permit owners who may use this provision and would potentially be affected by this collection of information. The information would not be disseminated to the public, and any QS permit owners receiving redistributed shares would not know which QS permit owner had abandoned QS.

If for any reason NMFS found a QS permit owner to be over the aggregate control limit in 2016 or beyond (for example if widow rockfish reallocation put a QS permit owner over the limit, or if the online IFQ system inadvertently allowed a QS percent transfer that would put a QS permit owner over the limit), NMFS would notify the QS permit owner of their excess and give them 60 days to divest, and 30 days to abandon any unwanted shares using the same process outlined above. For this reason we will consider this an ongoing collection; however, it is very unlikely to be used after 2015.

**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 collection items described below are numbered, and the number corresponds to the burden estimate table under question 12.

QS permit/account renewals (2) and vessel account renewals (7) will be done exclusively online during the renewal period, including the ownership interest form (for renewals, (11), which will be prefilled, displaying information collected last year. Those few QS permit and vessel account owners who do not renew online during the renewal period will lose some privileges, as described above, but will be able to renew by paper (3) and (8), respectively) at any point after the current renewal period, and before the following renewal period. As part of a paper renewal, they would receive a prefilled ownership interest form displaying the information collected last year.

QS transfers (4), as well as QP transfers from a QS account to a vessel account (5), and QP transfers from a vessel account to a vessel account (9), will be made exclusively online. The online forms for users will show the user the amount of QS or QP that they currently have available to transfer, and the user must select how much and to whom they would like to transfer. There will be no paper option for any of these transfer types.

New QS permit/account applicants must submit an original, signed and notarized QS permit/account application form ((1) and trawl identification of ownership interest form (for new entrants, (10). The forms will be available in a fillable PDF format online, but must be signed and mailed.

New vessel account applicants must submit an original, signed vessel account registration request (6), and an original, signed and notarized trawl identification of ownership interest form (for new entrants, (10). The forms will be available in a fillable PDF format online, but must be signed and mailed.

Both new and re-registering first receiver site license applicants must submit an original, signed and notarized first receiver site license application form (12) and (13), respectively). The application must include a signed catch monitor plan, which most first receivers save in an electronic format on their computers and edit and resubmit each year. NMFS provides a fillable PDF format of the first receiver site license application form online, as well as a Word version of the catch monitor plan outline, but both must be signed and mailed.

MS permit owners may submit their MS permit renewal form (14) online with payment, but most will opt to mail their form in with a check, since they also must complete, sign, notarize and mail the trawl identification of ownership interest form (for renewals, (11), which will be prefilled, displaying information collected last year. In the future, NMFS hopes to use an online process for the MS renewal process, as is done with the online QS permit/account and vessel account renewal process, where both the renewal form and ownership interest information would be displayed and completed online. However, since the MS permit renewal information is currently housed in a different database than the QS permit/account and vessel account renewal information, this has not yet been possible.

MS permit owners must submit the signed and notarized MS permit change of vessel registration, permit owner, or vessel owner application form (15) by mail. Likewise, the mothership cooperative permit application form (16), the catcher-processor cooperative permit application form (20), and the change of MS/CV-endorsement and catch history assignment registration application form (17) must be signed, notarized, and mailed to NMFS. NMFS provides a fillable PDF format of these forms, but there will be no online options for submission. A material change (21) to a coop permit would edit a coop agreement, and would also need to be submitted by mail. Similarly, a mutual agreement exception (18) or mothership withdrawal (19) would be submitted as letters to NMFS.

QS permit owners choosing to abandon QS percentages to NMFS would submit a QS abandonment request (22) to NMFS by mail. No online or electronic version would be offered since we estimate that three or fewer QS permit owners would use this option annually.

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

This is a unique information collection and does not duplicate other collections. The trawl rationalization program was developed by the Pacific Fishery Management Council and is unique to the commercial Pacific coast trawl fisheries. The program was, and continues to be, reviewed in many public meetings and is subject to public comment. The program and associated information collection is specific to a section of the Pacific coast commercial fishing industry. The information collected is required to implement and administer the program.

Additionally, NMFS strives to share the information internally to avoid duplication. Various internal NMFS groups such as the office of law enforcement (OLE), the economic data collection (EDC) team, the observer program, the catch monitor program, etc. use the contact information collected by the Fisheries Permit Office as part of this collection, rather than collecting this information again.

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

Many of the respondents are small businesses. NMFS will provide prefilled forms for the following collections: (2) QS Permit/Account Renewal – Online, (7) Vessel Account Renewal – Online, (11) Trawl Identification of Ownership Interest Form: Renewal, and (14) Mothership Permit Renewal Form. These respondents will only need to certify that the current information is correct or make the applicable changes as necessary. Instant, online transfers of the following collections make access to and transfer of assets quick and simple for small businesses: (4) QS Transfer, (5) QP Transfer from QS Account to Vessel Account, and (9) QP Transfer from Vessel Account to Vessel Account.

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

*QS Permit/Account Application Form (1), QS Permit/Account Renewal - Online (2), QS Permit/Account Renewal Form (3), Vessel Account Registration Request (6), Vessel Account Renewal Form (7), Vessel Account Renewal – Online (8), Mothership Permit Renewal Form (14), First Receiver Site License Application Form: New Entrants (12), First Receiver Site License Application Form: Re-Registration (13)*

Initial application information and annual renewal/re-registration information collection is necessary to confirm current address, contact and ownership information and to maintain accurate registrations of the permits/licenses and/or accounts. If the collection is not conducted or conducted less frequently, over time the permit information would become outdated. Often, permit and/or account owners will make a change to their entity name and forget to notify NMFS, and the initial registration and subsequent renewal period has become the time to update all of our records and maintain a high quality of data. Many line offices rely on the contact information that the Fisheries Permit Office collects as a part of registrations/renewals, and less accurate or less frequent information collection would negatively impact other offices. NMFS strives to make significant outreach efforts and a high quality data set is essential to ensuring communication and compliance. Additionally, in the case of the first receiver site license, if the collection was not conducted or conducted less frequently, it would hinder NMFS' ability to

effectively examine the safety of a site for a catch monitor, and know where IFQ landings would occur.

*Trawl Identification of Ownership Interest Form: New Entrants (10), Trawl Identification of Ownership Interest Form: Renewal (11)*

Ownership interest forms must be submitted as part of the initial registrations and subsequent renewals listed above, as well as with initial registrations and renewals of MS/CV-endorsed limited entry permits (both of which are part of a separate collection, OMB Control No. 0620-0203). The ownership interest information is collected to determine compliance with the accumulation limits. If NMFS was not able to conduct such collections, or to conduct such collections less frequently, NMFS would not be able to track changes in shareholders or shareholder ownership interest amounts over time, and participants would have less motivation to stay within the accumulation limits. The accumulation limits are provided to meet the legal mandate under MSA which requires that individuals and/or entities should not receive access to a disproportionate amount of the resource. It makes sense to collect this information in tandem with the annual renewals of permits/accounts because participants are accustomed to submitting information to NMFS at this time of year as part of renewals.

*QS Transfer (4), QP Transfer from QS Account to Vessel Account (5), QP Transfer from Vessel Account to Vessel Account (9)*

The transfer of assets (QS and QP) under the trawl rationalization program is important for business entities and the government. Collecting this information less frequently, by perhaps setting short periods during the year when these transfers could be made, would hinder the flexibility the shorebased trawl program was intended to create for business transactions. QS and vessel accounts function just like savings and checking accounts, and while these transfers are a collection of information by a Federal agency, they are also a necessary business function for fishing and purposes, just like the transfer of money between bank accounts. The QS/QP accounting system is critical to the execution of the fishery and the benefits of the trawl rationalization program cannot be realized without a real-time accounting system that allows for the transfer of QS and QP. Business owners need confirmation of transactions for their private business agreements, and NMFS needs the information to track in-season balances and compliance with regulations.

*Mothership Permit Change of Vessel Registration, Permit Owner, or Vessel Owner Application Form (15), Change of MS/CV-Endorsement and Catch History Assignment Registration Application Form (17)*

Because permits and endorsements convey a conditional privilege given by NMFS, any transfer of such privilege to another permit owner or vessel owner must be formally registered with NMFS. Permit owner, vessel owner, vessel registration, and endorsement registration information is important in enforcing management regulations, providing authorized participants with notice of fishery information during the season, and providing analysts with high quality permit data.

*Mothership Cooperative Permit Application Form (16), Catcher/Processor Cooperative Permit Application Form (20), Mutual Agreement Exception (18), Mothership Withdrawal (19),*

### *Material Change (21)*

The MS and C/P coops serve to manage the harvest of whiting through a coop agreement with all members, and NMFS relies on the coops for effective management of the at-sea sectors. The coop permits, and specifically the coop agreements that must be submitted with the coop permit applications, are the mechanism to effectively manage the fishing activities, including the monitoring and enforcement activities within the coop. Any changes must be provided to NMFS to ensure that the written agreement matches the practice of the coops. These collections are essential to managing the participants and any changes in the fishery. Any removal of these collections would result in an undocumented at-sea fishery, while any reduction of these collections would allow for a situation in which the information collected by NMFS may not match the practice in the coops.

### *QS Abandonment Request (22)*

If this collection was not conducted, QS permit owners would not have as much flexibility for abandoning QS percentages in excess of the control limit for aggregate nonwhiting QS holdings, as provided for in regulation. This information collection is completely voluntary.

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

Not applicable to this collection.

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

A proposed rule 0648-BD31, program improvement and enhancement (PIE 2), was published coincident with the original submission of this request, for public comment on the information collection requirements. No comments were received on the proposed rule or on any of the other information collections on which comment was requested (comments were requested for all ICs). Comments solicited through additional outreach are below.

NMFS has contacted several persons outside the agency to obtain feedback about the collections in the proposed revision:

On May 24, 2013, NMFS contacted a representative from the MS sector to estimate the time spent on the MS coop permit application or any material changes. The MS representative estimated about four hours for either the MS coop permit application or any MS material change, based on the active time filling out the form, updating the agreement, and collecting signatures. This feedback was reflected in the annual burden estimate, under the MS coop permit application collection (16), and under the material change collection (21). A material change could be

submitted for either an MS or C/P coop, so the material change collection burden estimate averages the response time for MS and C/P, as described in the key of the burden estimate table in Question 12.

On March 26, 2013 NMFS contacted two representatives from the shorebased IFQ sector, who are frequent QS and vessel account users, to ask for feedback on the proposed QS transfer process, as well as the time spent on QP/QS transfers. Separately, the representatives each discussed the benefits that transferring QS for multiple species as a single online transaction would have for QS permit owners (as opposed to transferring each IFQ species separately), including reducing the burden of QS transfers and consistency with the familiar QP transfer function. Therefore NMFS has decided to replicate the QP transfer process and allow QS permit owners to transfer QS for multiple species in a single transaction, as described in Question 2. Both representatives agreed with the time burden estimates for QP and QS transfers as outlined in Question 12.

A proposed rule 0648-BF11, Process for Divestiture of Excess Quota Shares in the Individual Fishing Quota Fishery, will be published coincident with the revision submission for this request, for public comment on the QS abandonment request (22) information collection.

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

Not applicable to this collection.

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

Some of the information collected above is confidential under section 402(b) of the MSA. It is also confidential under [NOAA Administrative Order 216-100](#), Protection of Confidential Fisheries Statistics. All collections of phone numbers, fax numbers and email addresses are not released to the public. Transfer amount and price, tax identification number (TIN), date of birth (DOB), the names of individuals who have an ownership interest in an entity and the percentage of ownership, and cooperative agreements provided with coop permit applications are considered business confidential information. DOB is also protected under the Privacy Act. A statement of the confidentiality of this information is provided on each form.

The information collected is part of a Privacy Act System of Records (SORN), COMMERCE/NOAA #19, Permits and Registrations for United States Federally Regulated Fisheries. A notice was published in the Federal Register on April 17, 2008 (73 FR 20914) and became effective on June 11, 2008 (73 FR 33065). An updated SORN was submitted to DOC for review on May 30, 2013.

**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.**

Not applicable to this collection.

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



Collection	Responsible Party	Number of Respondents (a)	Frequency of Responses Per Year (b)	Total Number of Responses Per Year (c) = (a*b)	Average Time Per Response (In Minutes) (d)	Annual Burden (In Hours) (e) = (c)*(d/60)
1. QS Permit/Account Application Form (a) (b)	New QS Permit Applicants	10	1	10	30	5
2. QS Permit/Account Renewal - Online (a) (d)	QS Permit Owners	147	1	147	10	24.50 (25)
3. QS Permit/Account Renewal Form (a)	QS Permit Owners	1	1	1	15	0.25 (1)
4. QS Transfer (d)(e)	QS Permit Owners	148	3	444	10	74
5. QP Transfer from QS Account to Vessel Account (d) (e)	QS Permit Owners	148	5	740	8	98.67 (99)
6. Vessel Account Registration Request (a)	New Vessel Account Applicants	10	1	10	15	2.50 (3)
7. Vessel Account Renewal - Online (a) (d)	Vessel Account Owners	152	1	152	10	25.33 (25)
8. Vessel Account Renewal Form (a)	Vessel Account Owners	2	1	2	15	0.50 (1)
9. QP Transfer from Vessel Account to Vessel Account (d) (e)	Vessel Account Owners	154	11	1,694	8	225.87 (226)
10. Trawl Identification of Ownership Interest Form: New Entrants	New QS Permit Applicants (10), New Vessel Account Applicants (10), New MS/CV-Endorsed Limited Entry Permit Owners (1), New MS Permit Owners (1), Lenders (2)	24	1	24	45	18
11. Trawl Identification of Ownership Interest Form: Renewal (c)	QS Permit Owners (148), Vessel Account Owners (154), MS/CV-Endorsed LEP Owners (36), MS Permit Owners (6), Lenders (4)	348	1	348	5	29
12. First Receiver Site License Application Form: New Entrants (f)	New First Receiver Site License Applicants	5	1	5	210	17.50 (18)
13. First Receiver Site License Application Form: Re-Registration (f)	First Receiver Site License Holders	50	1	50	110	91.67 (92)
14. Mothership Permit Renewal Form (c)	MS Permit Owners	6	1	6	20	2
15. Mothership Permit Change of Vessel Registration, Permit Owner, or Vessel Owner Application Form	MS Permit Owners	3	1	3	45	2.25 (2)

Collection	Responsible Party	Number of Respondents (a)	Frequency of Responses Per Year (b)	Total Number of Responses Per Year (c) = (a*b)	Average Time Per Response (In Minutes) (d)	Annual Burden (In Hours) (e) = (c)*(d/60)
16. Mothership Cooperative Permit Application Form (g)	MS Coop Entit	1	1	1	240	4
17. Change of MS/CV-Endorsement and Catch History Assignment Registration Application Form	MS/CV-Endorsed LEP Owners	6	1	6	45	4.50 (5)
18. Mutual Agreement Exception	MS/CV-Endorsed Limited Entry Permit Owners	3	1	3	60	3
19. Mothership Withdrawal	MS Permit Owners, MS/CV-Endorsed Limited Entry Permit Owners	1	1	1	120	2
20. Catcher/Processor Cooperative Permit Application Form (h)	C/P Coop Entity	1	1	1	120	2
21. Material Change (i)	MS Coop Entity, C/P Coop Entity	1	1	1	150	2.50 (3)
22. QS Abandonment Request	QS Permit Owners	3	1	3	10	0.5 (1)
<b>TOTALS</b>		<b>410 Unique Respondents</b>		<b>3,649 Responses</b>		<b>640</b>

**KEY**

- Paper form that is provided by NMFS

- (a) - These collection types must be submitted with a trawl identification of ownership interest form, but the burden estimates do not include the estimate for the trawl identification of ownership interest form because it is listed separately.
- (b) - This collection type includes new QS applicants and additional QS permit registrations required due to legal proceedings (i.e. death of a permit owner, permit conveyed to a beneficiary)
- (c) - Online Optional
- (d) - Online Only
- (e) - Average time per response estimate includes the time required to initiate the transfer (transferor) and accept the transfer (transferee), as well as the time required to provide transaction price information.
- (f) - Average time per response estimate includes the time required to prepare the catch monitor plan and the time for a designated contact person to be available for the site inspection. New applicants are required to have a site inspection before the license is issued. Re-registering FRSL sites are only required to have a site inspection once every three years.
- (g) - Average time per response estimate includes the time required to complete the application form and submit supplemental documentation, including the mothership coop agreement and signatures from all coop members (36 total).
- (h) - Average time per response estimate includes the time required to complete the application form and submit supplemental documentation, including the catcher/processor coop agreement and signatures from all coop members (10 total).
- (i) - Average time per response estimate includes the time required to update the coop agreement and gather signatures from all coop members. We estimate that it would take the mothership coop about 4 hours on average, and the catcher processor coop about 1 hour on average. We estimate one material change per year total, and averaged the mothership and catcher processor time.

Note - The above time burden does not estimate the time required to report the dissolution of a cooperative. We anticipate that dissolution of a coop will be a very rare event, and if it occurs will require a short letter from the coop manager and/or members stating that the coop has dissolved as of a given date.

**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 total estimated annual cost burden to the respondents or record-keepers resulting from this collection is \$12,475.

Collection	Number of Respondents (a)	Frequency of Responses Per Year (b)	Total Number of Responses Per Year (c) = (a*b)	Mailing Costs to Respondent (d)	Copy Costs to Respondent (\$0.05/page) (e)	Notary Costs (if applicable) (f)	Application Fees (g)	Total Annual Cost Burden to Respondents (h) = (c) * (d+e+f+g)
1. QS Permit/Account Application Form	10	1	10	\$0.44	\$0.50	\$10.00	\$100.00	\$1,109.40
2. QS Permit/Account Renewal - Online	147	1	147	\$0.00	\$0.50	\$0.00	\$0.00	\$73.50
3. QS Permit/Account Renewal Form	1	1	1	\$0.44	\$0.50	\$10.00	\$0.00	\$10.94
4. QS Transfer	148	3	444	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. QP Transfer from QS Account to Vessel Account	148	5	740	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Vessel Account Registration Request	10	1	10	\$0.44	\$0.40	\$10.00	\$0.00	\$108.40
7. Vessel Account Renewal - Online	152	1	152	\$0.00	\$0.50	\$0.00	\$0.00	\$76.00
8. Vessel Account Renewal Form	2	1	2	\$0.44	\$0.50	\$10.00	\$0.00	\$21.88
9. QP Transfer from Vessel Account to Vessel Account	154	11	1,694	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Trawl Identification of Ownership Interest Form: New Entrants	24	1	24	Included With Other Applicable Forms	Included With Other Applicable Forms	Included With Other Applicable Forms	Included With Other Applicable Forms	\$0.00
11. Trawl Identification of Ownership Interest Form: Renewal	348	1	348	Included With Other Applicable Forms	Included With Other Applicable Forms	Included With Other Applicable Forms	Included With Other Applicable Forms	\$0.00
12. First Receiver Site License Application Form: New Entrants	5	1	5	\$1.52	\$0.20	\$10.00	\$175.00	\$933.60
13. First Receiver Site License Application Form: Re-Registration	50	1	50	\$1.52	\$0.20	\$10.00	\$175.00	\$9,336.00
14. Mothership Permit Renewal Form	6	1	6	\$0.44	\$0.10	\$10.00	\$100.00	\$663.24
15. Mothership Permit Change of Vessel Registration, Permit Owner, or Vessel Owner Application Form	3	1	3	\$0.44	\$0.50	\$10.00	\$0.00	\$32.82
16. Mothership Cooperative Permit Application Form	1	1	1	\$1.52	\$3.00	\$10.00	\$0.00	\$14.52
17. Change of MS/CV-Endorsement and	6	1	6	\$0.44	\$0.25	\$10.00	\$0.00	\$64.14

Catch History Assignment Registration Application Form								
18. Mutual Agreement Exception	3	1	3	\$1.52	\$1.50	\$0.00	\$0.00	\$9.06
19. Mothership Withdrawal	1	1	1	\$1.52	\$1.50	\$0.00	\$0.00	\$3.02
20. Catcher/Processor Cooperative Permit Application Form	1	1	1	\$1.52	\$2.50	\$10.00	\$0.00	\$14.02
21. Material Change	1	1	1	\$1.52	\$1.50	\$0.00	\$0.00	\$3.02
22. QS Abandonment Request	3	1	3	\$0.44	\$0.05	\$0.00	\$0.00	\$1.47
<b>TOTAL REPORTING AND RECORD KEEPING COSTS</b>								<b>\$12,475.03 (\$12,475)</b>

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

NMFS will charge application/renewal fees for certain collections (as outlined above under question 13, column f) to recover some administrative costs. In addition, NMFS will incur ongoing program costs related to the trawl rationalization program which includes staff time to: prepare application and renewal packages, review and process (enter data) incoming registration, transfer and renewal applications, prepare decision documents and permit documents, maintain and improve the IFQ accounting system (QS and vessel accounts), and respond to permit owners and vessel account owners about application, account, and program questions. The estimated net administrative cost accruing to the Federal government is approximately \$700,000.

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

**Program Changes:** There are net increases of 3 responses, 1 hour, and \$2 in costs. As the last revision showed an extra hour in ROCIS, this additional hour will not appear as a change, unless there is another rounding-up action by ROCIS.

The reason for the change is the addition of an abandonment option, which will allow QS permit owners who exceed the aggregate non-whiting control limit to abandon excess quota to NMFS in advance of the divestiture deadline if they are unable to find a willing buyer or recipient and get under the QS control limits.

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

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

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

Not applicable to this collection.

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

Not applicable to this collection.

**COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable to this collection.