

SUPPORTING STATEMENT
COST-EARNINGS SURVEY OF AMERICAN SAMOA LONGLINE FISHERY
OMB CONTROL NO.: xxxx-xxxx

A. JUSTIFICATION

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

The [Magnuson-Stevens Conservation and Management Act](#) (MSA) mandates that conservation and management measures prevent over-fishing and obtain an optimum yield on a sustained basis and the measures shall be based upon the best scientific information available. The MSA also requires that conservation and management measures take into account the importance of fishery resources to fishing communities in order to: (a) provide for the sustained participation of such communities, and (b) to the extent practicable, minimize adverse economic impacts on such communities. To promote better utilization and management of fishery resources in American Samoa, the National Marine Fisheries Service (NMFS) proposes the collection of cost-earnings data in American Samoa longline fishery.

The American Samoa longline fishery is the second largest commercial fishery managed under the Western Pacific Region Fishery Management Council (WPRFMC). The annual average revenue of the American Samoa longline fleet was over \$10 million during the past 10 years. In recent years, the American Samoa longline fishery has experienced serious economic hardship due to several factors like higher fuel cost, lower catch per unit of effort (CPUE), and competition from foreign fisheries. Therefore, timely economic data are important for fishery managers to design sound policy.

The most recent update on the cost-earnings study of American Samoa was based on 2009 operations (Pan and Arita, 2013)¹. Because this dated research is inadequate to support current management actions and meet the requirements put forth by MSA, we are proposing updating our knowledge of cost-earnings data for the American Samoa longline fishery in 2016. The objectives of this study are to update the cost-earnings economic information for the longline fleet of American Samoa and to evaluate the economic performance of this fishery and provide important information for fishery management in general. The information collected will be used to: 1) satisfy regulatory objectives and analytical requirements through the collection of economic data for this fleet, 2) assist the WPRFMC in selecting policies that meet conservation and management goals and minimize to the extent possible any adverse economic impacts to fishery participants.

The need and the authorization to collect these economic data are found in the MSA ([16 U.S.C. 1801 et seq.](#)), the Regulatory Flexibility Act (RFA, [5 U.S.C. 601 et seq.](#)), the National Environmental Policy Act (NEPA, [42 U.S.C. 4372 et seq.](#)), and [EPA Executive Order \(EO\) 12866](#). The MSA notes that collection of reliable data is essential to the effective conservation, management, and scientific understanding of the fishery resources of the United States. The

¹ Arita, Shawn and Minling Pan. 2013. Cost-Earnings Study of the American Samoa Longline Fishery Based on Vessel Operations in 2009. PIFSC Working Paper WP-13-009.

nation's fisheries should be "conserved and maintained so as to provide optimum yields on a continuing basis". Furthermore, eight of the ten National Standards under the MSA, which provide guidance to the regional fishery management councils, have implications for economic analyses. For example, under section 303 (a) (9) of the MSA, a fishery management plan must include a Fishery Impact Statement (FIS), which assesses, specifies, and describes the likely effects of the conservation and management measures on participants in the fisheries being managed, fishing communities dependent on these fisheries, and participants in fisheries in adjacent areas. Under the RFA, the Small Business Administration needs a determination of whether a proposed rule has a significant impact on a substantial number of small entities that are to be directly regulated. For RFA purposes, one of the criteria to determine significant economic impact involves an assessment of the change in short-term accounting profits for small entities. The NEPA requires a determination of whether Federal actions significantly affect the human environment. This requires a number of economic analyses including the impact on entities that are directly regulated and those that are indirectly affected. Lastly, EO 12866 mandates an economic analysis of the benefits and costs to society of each regulatory alternative considered by the fishery management councils, and a determination of whether the rule is significant.

2. 1 Explain how, by whom, how frequently, and for what purpose the information will be used. 1 If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

The information collected will provide valuable cost-earnings data and related information on social conditions for American Samoa longline fishery. The information will partially fill the data gap set forth in the Commercial Fisheries Economic Assessment Index (CFEAI) by NMFS Science & Technology. CFEAI is comprised of several elements: operating cost data be collected and net trip revenues be estimated at least every three years; and fixed cost data be collected and profitability be estimated at least every five years. Another element is revenue per vessel. This will be estimated based on the landings and price information collected by the data collection program at the Western Pacific Fisheries Information Network (WPacFIN) of the Pacific Islands Fisheries Science Center (PIFSC). The survey seeks to collect fishing-related expenditures such as operating costs and fixed costs as primary data. Then, net trip revenue and profit can be estimated by revenue minus costs. Net revenue is a key factor for commercial fishers to determine stay or leave the fishing industry; therefore, it is a very important indicator of the dynamic of the fishing effort in short run and fishing industry development in long run. It can be used to examine any significant short-term economic impact from conservation and management measures. In addition, the cost-earnings data will allow NMFS economists to analyze the relationship between fishing effort and cost and predict the possible changes of fishing effort due to external changes like fuel cost changes and fishery management actions.

In this project, a survey form has been developed based on past cost-earnings studies of the longline fishery in American Samoa, for ease of economic data comparison. The proposed questionnaires have six sections: 1) about owner or owner operator related to vessel ownership and fish disposition, 2) about hired captain's employment status, 3) vessel characteristics, 4) annual base fixed costs in 2015, 5) labor costs in 2015, and 6) fishing trip costs.

The first section asks the owner or owner operator about the number of longline vessels with American Samoa longline permit, the length of vessel ownership, and the disposition on fish by different channels. This information is essential to understand the ownership of American Samoa longline permit and owner's decision about disposition of fish to cannery and other places.

The second section asks hired captains about their current contractual agreement, the length of relationship with the company, and opinion about difficulty to recruit hired captain and crew. The information collected in this section will provide better understanding of the labor force employed in the fishery.

The third section inquires about the vessel characteristics such as the vessel's length and width, year built, fuel capacity, holding capacity, horsepower of engines, and year purchased. It also asks the vessel value that includes purchase price, current value, and replacement value. This information can be used to estimate the cost-benefit of capital investment in the fishing industry.

The fourth section asks about the annual fishing expenditures (i.e., the fixed costs incurred regardless of the number of trips taken in a year like insurance, loan payment, mooring fees, major repairs and gear replacement, financial services, dry dock cost, engine overhaul cost, etc.). The information collected in this section will be used to estimate the fixed cost and profitability in annual basis.

The fifth section asks about labor costs including costs for agent, owner, owner operator, captain, and crew members. The information collected in this section will be used to estimate the operating costs, net trip revenues, and profitability in annual basis.

The last section asks the fishing trip costs for the most recent landed trip. This will provide the variable costs during the operation of vessel which include boat fuel, oil, ice, bait, fishing gear costs, provisions costs, communication cost, freight cost, and other. The information collected in this section will be used to estimate the operating costs and net trip revenues.

The economic data will be collected through in-person interview with owners, agents, and/or captains of American Samoan longline vessels in Pago Pago, American Samoa because no existing mailing address is available for most of the active fishers and in-person surveys in the past proven high response rate . Efforts will be made to collect information for every active vessel, since the size of this fleet is limited.

It is anticipated that the information collected will be disseminated to the public or used to support publicly disseminated information. NOAA, National Marine Fisheries Service will retain control over the information and safeguard it from improper access, modification, and destruction, consistent with NOAA standards for confidentiality, privacy, and electronic information. See response to Question 10 of this Supporting Statement for more information on confidentiality and privacy. The information collection is designed to yield data that meet all applicable information quality guidelines. Prior to dissemination, the information will be subjected to quality control measures and a pre-dissemination review pursuant to [Section 515 of Public Law 106-554](#).

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

The proposed data collection does not involve use of any of the above information technology techniques. The data will be conducted through a voluntary, in-person intercept interview methodology.

We do plan to make a copy of the OMB approved survey instrument available online for outreach and information purpose. The data collected will not be available to the public over the internet, given its confidential nature. However, a report summarizing the aggregated and main results will be available online once the data collection and analysis is completed.

4. Describe efforts to identify duplication.

We contacted the local agency in American Samoa Department of Marine and Wildlife Resources (DMWR) to inquire about their upcoming data collection effort and they do not have any plan for data collection initiatives dealing with fishing expenses of longline fishery in the upcoming years.

A literature review was conducted to find studies that collect longline cost-earnings data in American Samoa and literature on this topic are all outdated and based on a one-time survey (see response in Question 1 for past studies). Although PIFSC implemented a continuous data collection program to collect fishing trip cost data in American Samoa in 2006 through an observer program, it was restricted to a few basic fishing cost items like fuel cost, ice cost, and cost of bait and chum. Therefore, we are proposing updating our knowledge of economic conditions of longline fishery.

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

American Samoa longline fishery includes sole owner- or family-operated small businesses. The participation in the survey is completely voluntary. Interviews will be conducted at times and places that are convenient to fishers. This will minimize any potential disruption to fishers' fishing practices. If a fisher refuses to do the survey or if the interviewer senses a fisher does not want to provide data, the interviewer will terminate the interview immediately and thank the fisher for his/her time.

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

Without the data collected through the surveys, the legal requirements put forth by the MSA, NEPA, RFA, and EO 12866 would not be adequately satisfied. These mandates require regional fishery management councils to establish conservation and management measures which take into account the importance of fishery resources to fishing communities in order to provide sustained fishing community participation and to minimize, to the extent possible, adverse

economic impacts on such communities. Particularly, RFA requires a determination of any proposed rule that has a significant economic impact to small businesses. Furthermore, these requirements also mandate that regional fishery management councils establish conservation and management measures using the best available information.

The absence of detailed economic information would prevent the identification of communities that are engaged and dependent on fishing and the estimation of adverse economic impacts on these communities. Management proposals would continue to be debated without sound information. Another consequence of not having the appropriate economic data could be court challenges on the grounds of inadequate analysis. Last, the collection of detailed economic data will allow fishery managers to make timely and better-informed decisions by having the best scientific information available.

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

None.

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

A Federal Register Notice published on September, 10, 2015 (80 FR 54531), solicited public comments on the data collection. No comments were received.

Collection of fishery cost-earnings data was listed as one of the top priorities under WPRFMC Five-year Research Priorities:

http://www.nmfs.noaa.gov/sfa/reg_svcs/Councils/ccc_2012m/TAB%206/WPFMC_Research_Priorities.pdf. It is necessary to update the cost-earnings status for the American Samoa longline fishery since the last study was conducted in 2010 (and the data collected were based on 2009 operation).

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

No payments or gifts will be provided to respondents.

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

All individual surveys will be held by only a limited number of researchers at PIFSC who will enter or work with the data. After the data are entered in an electronic format, only these researchers will have password-protected access to the data. After data from the surveys have

been entered into an electronic format, the hard copies will be kept in a locked cabinet. Fisher's name, vessel name, and permit number will be for internal uses only (such as to link the cost data with catch data that were collected by the Pacific Islands Fisheries Science Center) and those information will not appear in any publications. Also, interviewee's phone number is collected in case there are needs to follow-up after the interview (for incomplete interview or unclear information). It is the Agency's policy not to release confidential data, other than in aggregate form, as the NMFS protects the confidentiality of those submitting data. Whenever data are requested by other users, the Agency will ensure that information identifying the pecuniary business activity of a particular individual is not identified. Only group averages or group totals will be presented in any reports, publications, or oral presentations of the study's results.

We will follow PIFCS's data confidentiality policy of data aggregation: Any fishery-wide aggregations of data shall include information from three or more individual vessels. Effort information, including just the presence of fishing, can be just as sensitive as the actual catch itself. All data analysis programs should include a procedure for calculating the number of vessels within the aggregate. Wherever possible, aggregations should be large enough to include more, rather than fewer, vessels.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

No sensitive questions will be asked.

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

The population of longline vessels in American Samoa was 22 in 2013, based on the longline logbook data submitted to the American Samoa Department of Marine and Wildlife Resources. The 2009 cost-earnings survey conducted by Arita and Pan (2013) using in-person interview methodology achieved a response rate of 88%. Given the similar survey instruments, sample composition, and survey methodology between the proposed new survey and the previous cost-earnings survey, we assume a 88% response rate and the number of respondents is estimated to be 20. With the estimated time to complete a survey being 30 minutes, the burden hours for interviewing all the vessels are estimated to be 10 hours.

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

Other than 10 burden hours listed in question 12, the survey does not impose any burden (costs) to the respondents resulting from the data collection.

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

The total one-year cost of this data collection project is estimated to be \$30,000, which covers (a) travel cost associated with survey development and implementation (\$9,000 = \$4,500 per trip X 2 trips), (b) labor cost (\$5,880 = \$28 hourly rate X 210 hours) including the compensation for labor used to conduct in-person interviewers, data processing, quality control, data entry, report writing, and supervision, (c) computer and equipment (\$1,920), and (d) overhead (\$13,200).

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

This is a new program for the collection of new economic data.

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

The collection of data is expected to be implemented in spring 2016. We expect to complete the data entry and data analysis by fall 2016. The results will be published as a PIFSC report and this will be available on PIFSC website.

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.

The expiration date will be displayed on the survey form.

18. Explain each exception to the certification statement.

There are no exceptions to the certification statement.