

**SUPPORTING STATEMENT  
WEST COAST REGION PACIFIC COAST GROUND FISH FISHERY: TRAWL  
RATIONALIZATION COST RECOVERY PROGRAM  
OMB CONTROL NO. 0648-0663**

**INTRODUCTION**

Beginning in January 2011, the National Marine Fisheries Service (NMFS) implemented a trawl rationalization program, a type of a catch share program or limited access privilege program, for the Pacific coast groundfish fishery's trawl fleet. The program was adopted through Amendment 20 to the Pacific coast groundfish fishery management plan (FMP). It consists of an individual fishing quota (IFQ) program for the shorebased trawl fleet (including whiting and non-whiting fisheries); and cooperative (coop) programs for the at-sea mothership (MS) and catcher/processor (C/P) trawl fleets (whiting only).

As a type of limited access privilege program, the [Magnuson-Stevens Fishery Conservation and Management Act](#) (MSA) requires the agency to recover part of the costs of management, data collection, and enforcement for the trawl rationalization program, up to 3 percent of the ex-vessel value [16 U.S.C. 1853a MSA §303A and §304(d)(2)]. This is called a cost recovery program. The cost recovery program for the trawl rationalization program would cover all three sectors in the trawl rationalization program: the Shorebased IFQ Program, the MS Coop Program, and the C/P Coop Program.

In the Pacific coast groundfish fishery regulations, the trawl rationalization cost recovery program is codified in the Code of Federal Regulations (CFR) at [50 CFR 660.115](#).

**A. JUSTIFICATION**

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

The trawl rationalization cost recovery program is required by the MSA. As a type of limited access privilege program, the MSA requires the agency to recover part of the costs of management, data collection, and enforcement for the trawl rationalization program, up to 3 percent of the ex-vessel value.

**2. 1Explain how, by whom, how frequently, and for what purpose the information will be used. 1If 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 trawl rationalization cost recovery program requires the fish sellers to pay the fee and all parties making the first ex-vessel purchase of groundfish (i.e., the fish buyers) to collect the fee, account for and forward the fee revenue to NMFS. To reduce the burden on the fish sellers and fish buyers, NMFS has structured the trawl rationalization cost recovery program to be similar to and utilize certain elements of the Pacific coast groundfish buyback program (buyback program), specified at 50 CFR 600.1102.

### **a. Fish sellers to fish buyers**

The fish seller is required to pay the appropriate fee to the fish buyer (Note: In the C/P Coop Program, a cooperative of vessels that both harvest and process whiting at-sea, the fish seller and the fish buyer are the same entity). The fish seller is billed by the fish buyer at the time of landing or delivery and the full fee is due and payable to the fish buyer at the time of fish landing/delivery. Each fish buyer shall collect the fee at the time of fish landing/delivery by deducting the fee from the landing/delivery value before paying the net landing/delivery value.

NMFS does not need to collect any new information as part of that transaction. NMFS already receives information on the amount of groundfish subject to the cost recovery fee as follows:

- For the Shorebased IFQ Program, NMFS already receives landing information from the electronic fish ticket.
- For the MS Coop Program, NMFS receives information on the catch delivered from the catcher vessel to the mothership from the observer data.
- For the C/P Coop Program, NMFS receives information on the harvest of groundfish from the observer data.

### **b. Fish buyers to NMFS**

Each fish buyer collects the fees from fish sellers and must maintain a segregated account at a Federally-insured financial institution for the sole purpose of depositing fee collections and disbursing them to NMFS through a U.S. Treasury Limited Access System Administrative Fund (LASAF) subaccount. The LASAF is established by section 305(h)(5)(B) of the MSA.

For the Shorebased IFQ Program and the MS Coop Program, the process is similar to the requirements for the buyback program. Each month the fish buyer must disburse all collected cost recovery fees to NMFS, unless the subaccount has less than \$100 of collected fees. By the 14<sup>th</sup> calendar day of every month, the fish buyer will send the full deposit principle to NMFS via electronic payment on pay.gov. To support this system, the buyer must maintain certain records and submit a cost recovery program fee collection report.

For the C/P Coop Program, which is not subject to the buyback program, the fish buyer must disburse all cost recovery fees to NMFS annually by December 31 each year. The fish buyer will send the full deposit principle to NMFS via electronic payment on pay.gov. To support this system, the buyer must maintain certain records and submit a cost recovery program fee collection report.

*Fee Collection Report – Monthly for Shorebased IFQ and MS Coop Programs, annually for the C/P Coop Program.*

The fee collection report contains the following information: fish buyer's name, mailing address, city, state, zip, phone number, state buyer code, date of landings, weight, ex-vessel value, fee collected, payment of late charges, and any fee adjustments.

The fish buyers contact information and state buyer's code is included in case NMFS needs to contact them and to match them with the appropriate landings information. The date of landings is to verify which landings the submitted fees cover. The weight, ex-vessel value, and fee

collected are to document what the fish buyer is submitting the fees for and what they claim are the appropriate landings. Fee adjustments are to document any changes to prices or fees. A box is included so they can specify any amount paid for late charges. Fees are subject to a 1.5% late charge for which they receive a Bill of Collection for late charges. Many fish buyers pay the outstanding late charges with the monthly fee payment so that, for their convenience, one payment covers all outstanding cost recovery related payments.

Some of this information included in these forms is available other places, such as the weight and ex-vessel value. For the Shorebased IFQ Program, the ex-vessel value is available on the electronic fish ticket, the groundfish buyback fee collection report, and the economic data collection form. The weight is available on the electronic fish ticket and in NMFS online vessel account system. For the MS Coop Program, the ex-vessel value is available on the groundfish buyback fee collection report and the weight is available from observer data. For the C/P Coop Program, the ex-vessel value is not available on any other form and the weight is available from the observer program. However, requiring the weight and ex-vessel value to be reported on the cost recovery fee collection report provides fish buyers one place to document and confirm what information they are paying the fee based on. It also provides NMFS all of the information in one place and verification that the appropriate fees have been paid.

#### *Recordkeeping by the fish buyers*

Each fish buyer must maintain accurate records of all transactions involving fees. Each fish buyer must maintain such records in a secure and orderly manner for a period of at least 3 years from the date of the transactions involved. The following information shall be maintained by each fish buyer for all deliveries of fish such fish buyer buys from each fish seller:

- o Delivery date;
- o Fish seller's name;
- o Weight (in pounds) of each species of fish bought;
- o Identity of the fishing vessel that delivered the fish;
- o Ex-vessel price per pound of each species of fish;
- o Net ex-vessel value of such fish;
- o Name of party to whom net ex-vessel value paid if other than fish seller;
- o Date net ex-vessel value paid;
- o Total fee amount collected.

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

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

- o Dates and amounts of deposits;
- o Dates and amounts of disbursements to the Fund subaccount the Secretary designates; and
- o Dates and amounts of disbursements to the fish buyer, fish seller, or other parties
- o of interest earned on deposits (this information would be a normal part of bank

statements).

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

In addition, NMFS requires additional reporting, an annual report, for the MS Coop Program to verify information reported on the cost recovery form.

The three fee collection forms and the annual report are needed to track, verify, and enforce the fee collection system.

### **c. Failure to pay – reporting requirements**

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

If a fish buyer refuses to collect the fee, the fish seller is supposed to advise the fish buyer of the fish seller's fee payment obligation and of the fish buyer's fee collection obligation. If the fish buyer still refuses to collect the fee, the fish seller must, within the next 7 calendar days, forward the fee to NMFS and advise NMFS in writing of the full particulars, including: the fish buyer's and fish seller's name, address, and telephone number; the name of the fishing vessel from which the fish seller made fish delivery and the date of doing so; the quantity and ex-vessel value of each species of such fish delivered; and the fish buyer's reason for refusing to collect the fee.

If a fish seller refuses to pay the fee to the buyer, the fish buyer should advise the fish seller of the fish buyer's collection obligation and of the fish seller's payment obligation. If the fish seller still refuses to pay the fee, the fish buyer must either collect the fee over the fish seller's protest or refrain from buying the fish and, within the next 7 calendar days, advise NMFS in writing of the full particulars, including: the fish buyer's and fish seller's name, address, and telephone number; the name of the fishing vessel from which the fish seller made or attempted to make fish delivery and the date of doing so; the quantity and ex-vessel value of each species of such fish delivered or attempted to be delivered; whether the fish buyer collected the fee over the fish seller's protest or refused from buying such fish; and the fish seller's reason for refusing to pay the fee.

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

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

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

This information collection will require payment of fees from fish buyers to NMFS via electronic payment only through the pay.gov website. Collecting information and payment online benefits both the fish buyer and NMFS by providing a more efficient and accurate method and by allowing NMFS to have the information entered directly into the database. Fish buyers in all three sectors of the trawl rationalization program (Shorebased IFQ Program, MS Coop Program, and C/P Coop Program) are familiar with electronic technology. Fish buyers in the Shorebased IFQ Program have been required to submit electronic fish tickets since implementation of the trawl rationalization program. They are required to have a specific technology, as specified at §660.15(d), to participate in the program, including a computer, internet connection, and a printer. Fish buyers in the MS Coop Program and the C/P Coop Program are larger business entities that generally have business managers and accountants. While they do not have the same electronic fish ticket reporting requirements as the Shorebased IFQ Program, they are expected to be familiar with electronic technologies, including paying and reporting information online.

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

No duplication exists with other information collections. This information collection has purposely been designed to coordinate with the Pacific coast groundfish buyback program that is part of the federal fishing capacity reduction program (OMB control number 0648-0376). This information collection has been designed to collect fees in a similar manner and using similar forms to those used by fish buyers in the Shorebased IFQ Program and the MS Coop Program for the buyback program.

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

1These requirements are not expected to have a significant impact on small businesses or entities. Of the three sectors, the Shorebased IFQ Program is the only sector with small entities. The fish buyers that are small entities are already required to comply with the groundfish buyback program and the reporting requirements of the trawl rationalization program. This information collection is similar to other reporting requirements for this sector and utilizes existing reporting requirements, such as the buyback program, as much as possible.

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

This information collection is required as part of the MSA.

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

The requirements are consistent with OMB guidelines except for the following: Reporting will take place more often than quarterly in the case of submission of the fee collections for the

Shorebased IFQ Program and MS Coop Program, which are required for any month with fishing activity. This was established to parallel the groundfish buyback program requirements (OMB Control Number 0648-0376) at the request of the Pacific Fishery Management Council and the industry participating in that process.

**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 a instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

A Federal Register Notice was published on June 28 2016 (81 FR 41930), soliciting public comments. None were received.

Comments were solicited from respondents, and two were received. The first agreed with our estimate of one hour per response for the fee collection reports, including time for research and completing the forms. The second commenter stated that entering data into pay.gov was quick and easy but was not happy with the annual report forms. The commenter believes that the annual report form should be in a fillable pdf format which would cut down on the time needed to complete it. We have responded that a fillable pdf form can be produced and will replace the current non-fillable form on the cost recovery website as soon as it is available.

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

Not Applicable.

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

The information collected is confidential under section 402(b) of the MSA as amended in 2006 (16 U.S.C. 1801 *et seq.*) It is also confidential under [NOAA Administrative Order 216-100](#), which sets forth procedures to protect confidentiality of fishery statistics.

**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.

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

For the Shorebased IFQ Program and the MS Coop Program, both with monthly reporting, we have estimated that there will be an average of 150 and 6 fish buyers, respectively, for each program, respectively. Many buyers in the Shorebased IFQ Program purchase groundfish year round, resulting in an estimate of 12 monthly fee collection reports per buyer per year. The MS Coop Program season is 8 months long. For the C/P Coop Program, with annual reporting, we

have estimated that 10 buyers will provide 1 annual report per year. The MS annual report will be submitted by the 6 fish buyers.

Based on the experience in the groundfish buyback program, we estimate an average of 10 sellers or buyers per year with issues that require a report about failure to pay, which requires 4 hours to document.

	No. of Respondents	Frequency of Responses per year per respondent	Total Annual Responses	Average Time	Total Hours
Trawl rationalization cost recovery fee collection report					
<i>IFQ</i>	150	12	1,800	1 hour	1,800
<i>MS</i>	6	8	48	1 hour	48
<i>C/P</i>	10	1	10	1 hour	10
MS Annual Report	6	1	6	1 hour	6
Failure to pay report	10	1	10	4 hours	40
<b>TOTAL</b>	166 unduplicated		1,874		1,904

The labor cost per respondent is based on the minimum wage of Washington (the highest of Washington, Oregon, and California), which is \$9.04 per hour. Total annualized labor cost= 1,904 burden hours x \$9.04 = \$17,212.16.

**13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).**

The costs to respondents would be those for copying and mailing submissions for the failure to pay report (fee collection reports are completed and submitted online with disbursement of the collected fees to NMFS). Those are estimated to average \$8 per year. The annual report submitted by fish buyers in the MS Coop Program are estimated to average \$6 per year

<b>COST ESTIMATE TOTAL (in \$)</b>	
	<b>Annual Costs</b>
Buyer fee collection reports	0
MS annual report	6
Failure to pay reports	8
<b>TOTAL</b>	<b>14</b>

Although recordkeeping will take place, most of the records involved would already be kept as part of normal business operations and to support tax submissions. No additional costs have been estimated for recordkeeping.

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

The estimate of annualized cost to the Federal government of the trawl rationalization cost recovery program is \$80,000. This includes 1 full time staff tasked with duties including, but not limited to: calculate fee percentage rate, announce fees, maintain database to track fees collected, send fee collection letters for respondents who fail to pay, QA/QC on fees collected, and provide an annual report on the cost recovery program. The annualized cost value also includes part of the time of existing full time employees in the Northwest Region’s Sustainable Fisheries Division, Fisheries Permits Office and Groundfish Branch. The Fisheries Permits Office would follow-up with appropriate permit actions for any affected public that have not paid the required cost recovery fees. The Groundfish Branch may provide input, as needed, such as public notices and annual reports to the Council.

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

Adjustments: For the IFQ program, we have now estimated 50 more respondents than previously, with an additional 600 responses and hours. This increase in respondents is due to additional businesses acquiring first receiver licenses and buying fish caught under the trawl rationalization program. All fish purchased from vessels participating in the trawl rationalization program must be reported through pay.gov with a corresponding cost recovery payment. These additional participants account for the additional responses and hours.

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

NMFS publishes the fee percentage rate for each sector and any other necessary information for the upcoming year’s cost recovery program during the last quarter of each calendar year for use in the calculation of fees. The fee percentage rate is also reported on the cost recovery program fee collection report. NMFS calculates the fee percentage rate annually based on the methodology specified in regulation at 50 CFR 660.115.

Some of the information collected is tabulated and published in an annual report on trawl rationalization cost recovery program. Information tabulated may contain, but is not limited to the following: Total amount of fees, ex-vessel values and landings, number of fish buyers and fish sellers, and number and description of unpaid fees and payment disputes.

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

Not Applicable.

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

Not Applicable.

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



1This collection does not employ statistical methods.