

**JUSTIFICATION FOR CHANGE  
SOUTHEAST REGION PERMIT FAMILY OF FORMS  
OMB CONTROL NO. 0648-0205**

Participants in the federally-regulated fisheries in the U.S. exclusive economic zone of the Gulf of Mexico and South Atlantic are required to obtain federal permits under the existing permit programs for the specific fishery management plans of each region. The National Marine Fisheries Service (NMFS) needs information from the applications and associated data collections to identify fishing vessels, dealers, and participants, as well as to properly manage the fisheries and generate fishery-related data.

As noted in the recent extension and revision to 0648-0205, the Regulatory Flexibility Act (RFA) and the Small Business Administration's (SBA) regulations implementing that Act require federal agencies, including NMFS, to determine whether their rulemakings have a significant, adverse economic effect on "small" entities (e.g., businesses) directly regulated by those rulemakings. The provisions of the RFA apply to all directly regulated businesses regardless of form. Analyses conducted to comply with the RFA require a determination of whether entities are "small" or "large" according to various industry size standards established by SBA or the agency. Agencies must also determine whether their rulemakings have any disproportionate economic effects on small entities relative to large entities. The determination of an entity's size must account for affiliation between entities (i.e., when one business partly or wholly owns another business). The recent revision to 0648-0205 expanded the collection of ownership data on several permit application forms, which NMFS can use to help determine whether entities are affiliated. There is anecdotal evidence that some dealers have ownership interests in commercial harvesting permits and vessels. However, ownership percentage data is not currently collected for dealers due to existing technological constraints. We now also have evidence confirming that some businesses that possess permits are primarily involved in industries unrelated to fishing and seafood. As a result, we have no business activity data (e.g., gross revenue or employment) for those businesses, nor any means to collect such data. Thus, SERO continues to think it is prudent to request that permit applicants confirm whether they are small or large entities.

However, following the revised permit application forms, a significant percentage of applicants incorrectly filled out the new small business and organization certification section of the forms. In addition, many other permit applicants have contacted NMFS staff with questions about how to fill out that section of the form correctly. As a result, the time necessary to process permit applications has noticeably increased for SERO's staff and the permit applicants, which is not desirable nor the intended outcome.

To clarify and reorganize the instructions and section on the respective forms, we have included the instructions that apply to all applicants directly in the small business and organization certification section of the forms. Conversely, we moved the instructions regarding affiliation, which only affect a minority of applicants with complex ownership relationships, to the main instructions for the form. In addition, some instructions were moved from the top of small business and organization certification section directly into the flow diagram to improve comprehension of the diagram and how to correctly fill out the questions included therein. We

also added check boxes for the “yes or no” questions in the flow diagram per requests received from the applicants, as the lack of such was creating confusion about how to proceed through the diagram. In addition, we clarified that each applicant only has to answer the questions associated with one of the seven boxes in the flow diagram, as some applicants mistakenly thought they had to answer all questions associated with all seven boxes. We also more clearly indicate at what point an applicant has completed the section and explicitly state which section of the form to proceed to when they have completed the small business and organization certification section. We also clarified that crew on fishing vessels are not considered “employees” and should not be included in the applicant’s employment estimate when such an estimate is needed to complete that section of the form.

The new version of the small business and organization section of the form was pre-tested by four permit holders that had not used the current version of the form. It was also reviewed by four other permit holders that had already filled out the current version of the form. In addition to specific changes that they requested to the form, which were taken into account in the changes noted above, the consensus opinion of the permit holders that had already filled out the approved forms is that the new version of this section is considerably easier to understand and, as a result, will take less time to complete when compared to the approved forms. However, because we do not have time burden estimates specific to particular sections of our forms, we do not anticipate any changes to the average time burden to complete the affected permit application forms.

Thus, the annual respondent, response, burden and cost estimate, for OMB Control No. 0648-0205 would not change and remains at 10,311 respondents, 11,745 responses, 7,259 hours, and \$345,899.