

**SUPPORTING STATEMENT
ALASKA CRAB ARBITRATION SYSTEM
OMB CONTROL NO. 0648-0516**

This action is a request for extension of the existing Crab Rationalization Program Arbitration information collection.

BACKGROUND

In January 2004, the United States Congress amended section 313(j) of the [Magnuson-Stevens Act](#), 16 U.S.C. 1801 et seq., to mandate the Secretary of Commerce to implement the Crab Rationalization Program (CR Program) for the Bering Sea and Aleutian Islands Management Area (BSAI) crab fisheries. The CR Program allocates BSAI crab resources among harvesters, processors, and coastal communities through the Fishery Management Plan for Bering Sea/Aleutian Islands King and Tanner Crabs (FMP), which establishes criteria for the management of certain aspects of the BSAI crab fisheries. Regulations that implement the FMP are found at [50 CFR part 680](#).

Under the CR Program, eligible License Limitation Program license holders (see OMB Control No. 0648-0334) were issued crab quota shares (QS), which are long term shares, based on their qualifying harvest histories. The QS yield annual individual fishing quota (IFQ), which represent a privilege to receive a certain amount of crab harvested with IFQ. Processor quota shares (PQS) are long term shares issued to processors. The PQS yield annual individual processor quota (IPQ), which represent a privilege to receive a certain amount of crab harvested with Class A IFQ.

Alaska Crab Arbitration System (“Arbitration System”)

BSAI crab fisheries have a history of contentious price negotiations. Harvesters have often acted collectively to negotiate an ex-vessel price with processors, which at times delayed fishing. The Arbitration System was developed to compensate for complications arising from the creation of QS/IFQ and PQS/IPQ. The complications include price negotiations that could continue indefinitely and result in costly delays and the “last person standing” problem where the last Class A IFQ holder to contract deliveries would have a single IPQ holder to contract with, effectively limiting any ability to use other processor markets for negotiating leverage. To ensure fair price negotiations, the Arbitration System includes a provision for open negotiations among IPQ and IFQ holders, as well as various negotiation approaches, including a) a share matching approach where IPQ holders make known to unaffiliated IFQ holders that have uncommitted IFQ available the amount of uncommitted IPQ they have available so the IFQ holder can match up its uncommitted IFQ by indicating an intent to deliver its catch to that IPQ holder; b) a lengthy season approach that allows parties to postpone binding arbitration until during the season; and c) a binding arbitration procedure to resolve price disputes between an IPQ holder and eligible IFQ holders.

The Arbitration System begins with dissemination of information. The two sectors (harvesters and processors) jointly select a “Market Analyst,” who produces the Market Report, and a “Formula Arbitrator,” who develops a non-binding price formula specifying an ex-vessel price as a portion of the first wholesale price. The two sectors (i.e., the Arbitration Organizations) also choose a pool of “Contract Arbitrators,” who preside over any binding arbitration proceedings.

The **Non-binding Price Formula Report** is an important pre-season report that is intended to inform negotiations and the binding arbitration process of the non-binding price formula. The **Market Report** is intended to provide baseline information concerning the market and a signal of a reasonable price.

Neither the Market Report nor the non-binding price formula has any binding effect. Instead, they are intended to provide baseline information concerning the market and a signal of a reasonable price. The Market Report and non-binding price formula are intended to serve as the starting point for price negotiations. The Market Report is a tool for members of the Arbitration Organizations to use in private negotiations for crab prices and is required to be submitted to NMFS.

The Non-binding Price Formula Report is required to be released no later than 50 days prior to the season opening except the western Aleutian Islands golden king crab fishery and the eastern Aleutian Islands golden king crab fishery must be produced not later than 30 days prior to the first crab fishing season for those crab QS fisheries.” The market report originally was on the same schedule, but starting with the 2012 fishing year the due date of the market report was changed to 7 days prior to the season opening. In addition, the parties asked for a supplemental snow crab market report during the first week of January each year. When the date of the Market Report was changed to coincide with the start of the season, the parties also agreed that the report would only rely on publicly accessible data so as to avoid any potential anti-trust issues. The non-binding price formula remains as a tool to use in private negotiations in crab price arbitrations and is required to be submitted to NMFS.

The **Annual Arbitration Organization Report** is compiled by each of the two Arbitration Organizations; one represents the processors, and the second represents the harvesters. The Arbitration Organizations must submit a complete Annual Arbitration Organization Report to NMFS by May 1 of each year.

A. JUSTIFICATION

The Arbitration System is a series of steps that harvesters and processors can use to negotiate delivery and price contracts. Most of the Arbitration System is regulated through private contracts among QS/IFQ holders and PQS/IPQ holders through Arbitration Organizations. The Arbitration System is designed to minimize antitrust risks for crab harvesters and processors and is intended to ensure that a reasonable price is paid for all landings.

The Arbitration System is designed to accommodate the varied interests of the parties involved as well as reflect the historical negotiations between harvesters and processors. The system identifies the general structure of the system, the general principles that guide oversight and management, and the roles and fundamental standards.

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

Under the CR Program, NMFS created an arbitration system at 50 CFR 680.20. The Arbitration System consists of the following:

- ◆ Arbitration Organization — Establishes an arbitration system through a series of contracts that define and govern the share matching and arbitration system among shareholders and the Arbitration Organization. The Arbitration Organization is responsible for selecting arbitrators, coordinating and disseminating information among participants, ensuring confidentiality of sensitive information, and collection and disbursement of arbitration costs.
- ◆ Formula Arbitrator — Prepares a non-binding price formula that describes the historic division of first wholesale values among harvesters and processors that can be used in price negotiations and arbitrations.

- ◆ Contract Arbitrator — Reviews the positions of the parties during an arbitration proceeding and issues a binding decision based on a last-best offer form of arbitration.
- ◆ Market Analyst — Provides a pre-season market report of likely market conditions for each crab fishery to aid in price negotiations and arbitrations.

The Formula Arbitrator, Contract Arbitrator, and Market Analyst roles can be fulfilled by the same person. In addition, a third-party data provider arranges for the receipt and delivery of up-to-date information as required by an Arbitration Organization.

The CR Program requires that Arbitration System costs are shared equally between IPQ holders and Class A IFQ holders; processors pay half, and fishermen pay half.

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

The Arbitration System requires several information collections, including annual reports and notifications. The Annual Arbitration Organization Report, Market Report, and Non-binding Price Formula Report are the primary reports submitted to NMFS each year. There are several notification requirements that do not require a document or report. There are no forms submitted to NMFS. There is one optional template for the Annual Arbitration Organization Report.

All the information collections are submitted on an annual basis to NMFS in accordance with regulations found at Crab Rationalization regulations 50 CFR 680.20. The information is not disseminated to the public.

a. Annual Arbitration Organization Report [adjusted]

Since 2006, there exist the same two Arbitration Organizations: 1) Alaska Crab Processors Arbitration Organization (ACPAO) combined with Alaska Affiliated Crab Harvester Arbitration Organization, which includes processors and affiliated harvesters; and 2) Bering Sea Arbitration Organization, which includes unaffiliated harvesters. Each of these organizations has an authorized representative (who is not an employee) who is responsible for submitting required information to NMFS establishing the administrative aspects of the Arbitration System, coordinating the dissemination of information among the participants, ensuring confidentiality of sensitive information, and collecting payments to disburse program costs.

Each Arbitration Organization must provide its members with a copy of the contracts for the Market Analyst, Formula Arbitrator, and Contract Arbitrator for each fishery in which the member participates.

The Arbitration Organization must notify NMFS annually of the persons for each crab fishery selected as the Market Analyst, Formula Arbitrator, and Contract Arbitrators no later than June 1. The Arbitration Organization authorized representative (typically the Executive Director) must submit a complete Annual Arbitration Organization Report to NMFS by May 1. The Executive Directors assemble and submit the annual reports at no charge to the membership.

Upon completion, the Annual Arbitration Organization Report must be submitted as follows:

By mail to: Regional Administrator, NMFS
P.O. Box 21668
Juneau, AK 99802

By courier to: NMFS
709 West 9th Street
Juneau, AK 99801

By fax to: 907-586-7465

By email to: Glenn.merrill@noaa.gov

Based on previous comments received on this information collection, the authorized representatives scan and email the materials to NMFS to avoid the cost of mail without objection from NMFS.

Notification

- A list of Arbitration Organizations that mutually agreed to the selection of the Market Analyst, Formula Arbitrator, and Contract Arbitrator(s)
- Signatures of representatives of those Arbitration Organizations
- A copy of the contract with Market Analyst, the Formula Arbitrator, and each Contract Arbitrator
- Curriculum vitae and other relevant biographical material for each of these individuals

Annual Arbitration Organization Report

Type of Arbitration Organization

Crab QS fisheries to which arbitration report applies

Arbitration Organization information

- Name of the Arbitration Organization
- Name of primary contact
- Permanent business mailing address
- Business telephone number, fax number, and e-mail address
- Additional contact information (secondary contact)
 - Name of contact person
 - Permanent business mailing address
 - Business telephone number, fax number, and e-mail address

Amount of QS/IFQ or PQS/IPQ held by each member

Ownership interest of the Arbitration Organization member

Indicate if member is a publicly held corporation

Indicate if member is a non-individual

If YES, indicate if the entity still active

Indicate if member is an estate that has been probated

If YES, enter date the probate was finalized

If an Arbitration Organization member holds ownership interest in separate or additional corporation, partnership, or other entity, indicate name of entity and the percentage interest that the member holds in that entity

Attachments

- Business license for Arbitration Organization
- Resumes of management personnel
- Bylaws of the Arbitration Organization
- Minutes of any meeting held by the Arbitration Organization or any members of the Arbitration Organization

List of key personnel not limited to the board of directors, officers, representatives, and any managers

Any last-best offers made during the binding arbitration process, including all contract details, the names of other participants in the arbitration, whether the bid was accepted by the Contract Arbitrator; and

Any information, data, or documents given by the Contract Arbitrator to any person who is not a party to the particular arbitration for which that information was provided.

The burden hours per response has been increased from 3 hours to 6 hours.

Notification & Organization Report, Respondent	
Number of respondents	2
Total annual responses	2
Frequency of response = 1	
Total burden hours	12 hr
Time per response = 6 hr	
Total personnel cost (\$350/hr x 12)	\$4,200
Total miscellaneous costs (0.10)	\$1
Email = 0.05 x 2 = 0.10	

Notification & Organization Report, Federal Government	
Number of responses	0
Total burden hours	0
Total personnel costs	0
Total miscellaneous costs	0

b. Market Report [no change]

The Market Report provides an analysis of the market for products of a specific crab fishery and reports on activities occurring within three months prior to its generation. Data must be sufficiently aggregated in the report such that it does not identify specific price information by an individual provider.

The Market Analyst produces a Market Report for each crab QS fishery unless it is anticipated that the crab QS fishery will not open for fishing during a crab fishing year. The purpose of the Market Report is to provide background information on each crab fishery, the products generated by each fishery, and position of those products in the marketplace. The Market Report also discusses the historical division of wholesale revenue, and provides a methodology for predicting wholesale prices before the fishery occurs. In addition, the Market Report examines trends in both ex-vessel prices and in wholesale prices.

The Market Report is due just before the season opens, so it is known in advance if a fishery is going to open or not. The Market Analyst must provide the Market Report not later than 50 days prior to the first crab fishing season for each crab QS fishery in that crab fishing year to the following:

- ◆ each Arbitration Organization in that fishery;
- ◆ the NMFS Alaska Regional Administrator;
- ◆ the Formula Arbitrator; and
- ◆ the Contract Arbitrator(s) for the fishery.

Based on previous comments received on this information collection, the authorized representatives scan and email the materials to NMFS to avoid the cost of mail without objection from NMFS.

Market Report

The Market Report shall consider the following factors:

- Current ex-vessel prices, including ex-vessel prices received for crab harvested under Class A IFQ, Class B IFQ, and CVC IFQ permits;
- Consumer and wholesale product prices for the processing sector and the participants in the arbitration (recognizing the impact of sales to affiliates on wholesale pricing);
- Innovations and developments of the harvesting and processing sectors and the participants in the arbitration (including new product forms);
- Efficiency and productivity of the harvesting and processing sectors (recognizing the limitations on efficiency and productivity arising out of the management program structure);
- Quality (including quality standards of markets served by the fishery and recognizing the influence of harvest strategies on the quality of landings);
- The interest of maintaining financially healthy and stable harvesting and processing sectors;
- Safety and expenditures for ensuring adequate safety;
- Timing and location of deliveries; and
- The cost of harvesting and processing less than the full IFQ or IPQ allocation (underages) to avoid penalties for overharvesting IFQ and a mechanism for reasonably accounting for deadloss.

The Market Report expense is included under section e, Cost Allocation Agreement.

c. Non-binding Price Formula Report [no change]

The Non-binding Price Formula Report is designed to serve as a starting point for negotiations between fishermen and processors, or as a starting point for an arbitrator in evaluating offers in an arbitration process. It is not binding. The recommended formula is not considered the only possible formula for all fishermen and processors; negotiations between individual fishermen and processors may find that other price formulas work better for their specific needs. The Non-binding Price Formula Report for each crab fishery is presented as a report with complete documentation as to how each formula was developed, and with detailed analysis of each of the elements entering into each non-binding price formula calculation.

The Non-binding Price Formula Report must be produced by the Price Formula Analyst not later than 50 days prior to the first crab fishing season for that crab QS fishery, except that the Non-binding Price Formula Reports for the western Aleutian Islands golden king crab fishery and the eastern Aleutian Islands golden king crab fishery must be produced not later than 30 days prior to the first crab fishing season for those crab QS fisheries. The number of annual reports depends on how many crab fisheries are open. If a crab fishery is closed, a report is not required. Of the nine CR Program fisheries, three are usually closed each year for various reasons.

The Non-binding Price Formula Report may rely on any relevant information available to the Formula Arbitrator, including, but not limited to, information provided by the QS, PQS, IPQ, and IFQ holders in the fishery, the Market Report for the fishery, and the Formula Arbitrator. The Non-binding Price Formula Report is either mailed or emailed to the Sustainable Fisheries Division Assistant Regional Administrator.

Non-binding Price Formula Report

Be based on the historical distribution of first wholesale revenues between fishermen and processors in the aggregate based on arm's length first wholesale prices and ex-vessel prices, taking into consideration the size of the harvest in each year; and

Establish a price that preserves the historical division of revenues in the fishery revenues in the fishery while considering the following:

- Current ex-vessel prices, including ex-vessel prices received for crab harvested under Class A, Class B, and CVC IFQ permits;

Consumer and wholesale product prices for the processing sector and the participants in arbitrations (recognizing the impact of sales to affiliates on wholesale pricing);
Innovations and developments of the harvesting and processing sectors and the participants in arbitrations (including new product forms);
Efficiency and productivity of the harvesting and processing sectors (recognizing the limitations on efficiency and productivity arising out of the management program structure);
Quality (including quality standards of markets served by the fishery and recognizing the influence of harvest strategies on the quality of landings);
The interest of maintaining financially healthy and stable harvesting and processing sectors;
Safety and expenditures for ensuring adequate safety;
Timing and location of deliveries; and
The cost of harvesting and processing less than the full IFQ or IPQ allocation (underages) to avoid penalties for overharvesting IFQ and a mechanism for reasonably accounting for deadloss.

Include identification of various relevant factors such as product form, delivery time, and delivery location

Consider the “highest arbitrated price” for the fishery from the previous crab fishing season, where the “highest arbitrated price” means the highest arbitrated price for arbitrations of IPQ and Arbitration IFQ which represent a minimum of at least 7 percent of the IPQ resulting from the PQS in that fishery.

Based on previous comments received on this information collection, the authorized representatives scan and email the materials to NMFS to avoid the cost of mail without objection from NMFS. The Non-binding Price Formula Report expense is included under section e, Cost Allocation Agreement.

d. Contract Arbitrator Report [no change]

The Contract Arbitrator Report documents arbitration proceedings if they occur within a fishery. The Contract Arbitrator must provide the following:

- ◆ a copy of any minutes from any meeting attended by that Contract Arbitrator between or among any PQS or IPQ holders concerning any negotiations under this section;
- ◆ any last-best offers made during the binding arbitration process, including all contract details, the names of other participants in the arbitration, and whether the bid was accepted by the Contract Arbitrator; and
- ◆ a copy of any information, data, or documents given by the Contract Arbitrator to any person who is not a party to the particular arbitration for which that information was provided. The Contract Arbitrator must identify the arbitration to which the information, data, or documents apply, and the person to whom those information, data, or documents were provided.

Rather than provide a report, each arbitrator provides professional services under an agreement to resolve disputes concerning the terms of delivery, price, performance, quality, or other factors in the crab fishery. Each Contract Arbitrator is part of a pool of contract arbitrators available to all unaffiliated holders of Class A IFQ in the crab fishery that are eligible to use the Arbitration System to resolve disputes with IPQ holders.

The Contract Arbitrator serves as mediator and arbitrator of disputes in accordance with an agreement with the Arbitration Organization’s representative. The Arbitration Organizations will pay the Contract Arbitrator at an hourly rate, based on work performed as itemized on a written, monthly invoice to the Arbitration Organizations.

The Contract Arbitrator expense is included under section e, Cost Allocation Agreement.

e. Cost Allocation Agreement [previously called Annual Combined Shared Arbitration Accounting Report]

Federal regulations for the CR Program require that the crab arbitration costs are shared equally between IPQ holders and Class A IFQ holders—processors pay half and fishermen pay half. The costs and contracts associated with this requirement are private, between the Arbitration Organizations. NMFS requires the Arbitration Organizations to enter into a contract for the payment of the costs of arbitration but does not require notification or collect information regarding this contract.

According to the annual Cost Allocation Agreement, the Arbitration Organizations submit the year-end accounting of the shared Arbitration System costs for the crab fishing year. This year-end accounting covers the period March through June. These costs are allocated equally between Class A IFQ holders and IPQ holders for the entire crab fishing year. The ACPAO holds landing fees paid by Class A IFQ holders which are to be used only for payment of the Class A IFQ holder’s share of the shared Arbitration System costs. The IPQ holders receive reimbursement of the season shared Arbitration System costs incurred from March through June.

Contractors produce one report that provides combined shared arbitration accounting costs that include the following:

- ◆ Cost to produce the Market Report and non-binding pricing formula for each fishery.
- ◆ Cost of the third party data provider (Sharematch.com). The contractor shall design, construct, and maintain a system in accordance with NMFS regulations for—
 - tracking uncommitted IPQ;
 - allowing the matching of uncommitted Arbitration IFQ with uncommitted IPQ (and the unmatching of Arbitration IFQ and IPQ as necessary);
 - communicating the identity of holders of uncommitted IPQ and their amount of uncommitted IPQ to holders of uncommitted Arbitration IFQ; and
 - communicating arbitration results to holders of uncommitted class A IFQ.
- ◆ Fees and expenses necessary for the participation in the CR Program.
- ◆ Cost of the contract arbitrators for each fishery.
- ◆ General liability insurance, and directors and officers insurance for each Arbitration Organization.
- ◆ Cost of attorney’s fees to prepare, negotiate, and administer the contracts; participate in the CR Program review process; and otherwise implement the Arbitration System, as amended from time to time by NOAA regulation.

Annual Combined Shared Arbitration Costs		
Third party provider base contract	\$17,000	\$157,700*
Market Report & Non-binding Price Formula Report	\$44,700	
Contract Arbitrators (\$2,000 x 4)	\$8,000	

Arbitrations (\$15,000 x 3)	\$45,000	
EAG/WAG		
BBR		
BSS		
Legal fees (\$12,000 & 23,000)	\$35,000	
Insurance, general liability & directors & officers	\$8,000	

*50% allocation to Class A IFQ holders = \$78,850

50% allocation to IPQ holders = \$78,850

Annual Combined Shared Arbitration Costs, Federal Government	
Total responses	0
Total burden hours	0
Total personnel costs	0
Total miscellaneous costs	0

The information collected will not be disseminated to the public or used to support publicly disseminated information. 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 No. 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 information collections Market Report, Annual Arbitration Organization Report, and the Non-binding Price Formula Report can be submitted through email. Notifications from the contract arbitrator are typically through email.

4. Describe efforts to identify duplication.

None of the information collected as part of this information collection duplicates other collections. This information collection is part of a specialized and technical program that is not like any other.

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

The respondents of this collection of information are Arbitration Organizations in the CR Program. These organizations are not estimated to be small entities; the collection of information does not impose a significant impact on small entities.

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

Without the collection of specified information to support the Arbitration System, the CR Program would be jeopardized. NMFS could not fulfill the intent of the law created under Pub. L. No. 108-199 if this information is not collected. This law also requires that each component of the CR Program enacted by Congress must be implemented or the whole program must be withdrawn. Thus, disapproval of this data collection program would threaten all components of P.L. No. 108-199.

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

No special circumstances exist.

8. Provide a copy of 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, 82 FR 34930, was published on July 27, 2017, and solicited public comment. No comments were received from this notice.

An email questionnaire requesting comments was sent to the two Arbitration Organizations and the contract Market Analyst. NMFS received two substantial comments from an Arbitration Organization representative and a contractor. The comments discussed the Annual Arbitration Organization Report, Market Report, and Non-binding Price Formula Report. Comments are summarized below.

Annual Arbitration Organization Report

Annual Arbitration Organization Report	
Is the information needed to complete the Annual Arbitration Organization Report readily available?	
<p>Comment 1: No. The report asks for (in Block D) the amount of QS/IFQ held by each member for each season and IFQ. The form cannot be filled out because information on IFQ pounds is not available when the report is due (May 1). The "IFQ Pounds" information is not available until October. All the other information requested in Block D is information that NMFS already has and makes public on their website.</p>	<p>NMFS Response: According to 50 CFR 680.20, each Arbitration Organization must submit a complete Annual Arbitration Organization Report to NMFS that must include a statement identifying the members of the organization and the amount of Arbitration QS and Arbitration IFQ, Non-Arbitration QS and Non-Arbitration IFQ, or PQS and IPQ held by each member and represented by that Arbitration Organization, and QS, PQS, IFQ, and IPQ ownership information on the members of the organization.</p> <p>Neither Arbitration Organization submits information specified at 50 CFR 680.20(2)(ii) and (iii) to NMFS each year. However, information on IFQ pounds is available on NMFS' website. NMFS will continue to accept the list of the Arbitration Organization's members at this time since more detailed information is available on NMFS's BSAI crab rationalization web page and appears to be a redundant request of information.</p>
Is our estimate of 6 hours to complete and submit this report accurate? If not, please explain.	
<p>Comment 2: Six hours is spent on the report.</p>	<p>NMFS Response: NMFS will maintain the same estimate of burden hours.</p>

Are there any ways that NMFS could enhance the quality, utility, and clarity of the information collected?	
Comment 3: The requirement to submit an Annual Arbitration Organization Report may no longer be necessary for the program.	NMFS Response: The Arbitration System is a process used to settle disputes and annual price negotiations. The system is in place to solve private disputes and it appears prices have stabilized since the Arbitration System was in place. The Annual Arbitration Organization Report is an important component of the larger crab arbitration process.
Is the proposed collection of information necessary for the proper performance of the functions of the agency?	
Comment 4: No.	NMFS Response: Based on other comments NMFS has received during this renewal process, the reporting requirements under this information collection appear to be necessary for the BSAI CR Program to function. The Arbitration System is a process used to settle disputes and annual price negotiations. The system is in place to solve private disputes and it appears prices have stabilized since the Arbitration System was in place. The information collection is an important component of the larger crab arbitration process.

Market Report

Comment 1: The Market Report may no longer be necessary.

Comment 2: In my view, these market reports may no longer be required for its initial purpose to provide market data and statistics that could support positions in price negotiations. It was difficult to get market information when the program started in 2005, and now there are many free and subscription information services.

Comment 3: In 2011, a regulatory amendment moved the timing to one week prior to the opening of the season, and the Market Report was now required to be based on publicly available sources of information. In this case, the Market Reports now were interpretive reports built on the most recent data, but did not have the confidential sources used in the earlier reports. It is not clear that the Market Report is still serving its original purpose.

NMFS Response: The Market Report is an established way of sharing information about markets that was developed in 2005. All members of the Arbitration Organization are given access to this report, regardless of other information sources available. While NMFS recognizes that there are other information sources for market data and statistics, providing this information for all harvesters remains a priority. At this time, substantial changes such as removing the requirements for a Market Report need to be vetted through the Council process.

According to the language in Amendment 30 (76 FR 68358, November 4, 2011) to the FMP, QS and PQS holders can choose to mutually agree to the timing of the Market Report and any subsequent interim or supplemental reports. The Market Analyst can issue interim or supplemental reports for each fishery if the QS and PQS holders mutually agree to those terms. The analysis associated with Amendment 30 states that the primary goal of the Market Report is to provide a general description of market conditions and developments. It appears that the Market Report is achieving that goal.

Non-binding Price Formula Report

Comment 1: The Non-binding Price Formula Report may no longer be necessary.

Comment 2: This report is vital to the CR Program, despite the fact that the formulas have remained extremely stable over time. Price negotiations in the crab industry can be extremely contentious, and having a standard, in this case the price formula, has been a key element in stabilizing the industry.

Comment 3: The non-binding price formula has been a very important tool for price stability within the rationalized crab fisheries.

NMFS Response: NMFS acknowledges that this report is important to the BSAI CR Program; it appears that both parties adhere to it, and it reduces price uncertainty and hostile price negotiations. The Arbitration System is a process used to settle disputes and annual price negotiations. The system is in place to solve private disputes, and it appears prices have stabilized since the Arbitration System was in place. The Non-binding Price Formula Report is an important component of the larger crab arbitration process.

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

No payment or gift will be provided under this program.

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

Under the Magnuson-Stevens Act, fishery information required to be submitted under fishery management plans, including landings data, is confidential. [NOAA Administrative Order \(NAO\) 216-100](#) is the principal guidance for NMFS employees on protocols for handling confidential data. To assure confidentiality, data must be structured or aggregated so that the identity of the submitter cannot be determined from the present release of the data or in combination with other releases. "Submitter" is applied in context for the specific data presented. Data provided by the State of Alaska may have another standard applied, as required by State statute and policy.

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.

This information collection does not involve information of a sensitive nature.

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

Estimated total respondents: 2, no change. Estimated total responses: 2, no change. Estimated total burden: 12 hr, increased from 6 hr. Estimated total personnel costs: \$4,200, increased from \$2,100.

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).

Estimated total miscellaneous costs: \$157,701. No adjustments were made.

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

Estimated total burden: 0 hr. Estimated total personnel costs: \$0. No adjustments were made.

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

This action is an extension with non-substantial adjustments. The burden hours per response for the Annual Arbitration Organization Report was increased to 6 hours in response to comments received under this renewal.

The Annual Combined Shared Arbitration Accounting Report has been renamed Cost Allocation Agreement in response to comments from Arbitration Organizations during the 2014 renewal. The Arbitration Organizations have always referred to this information collection as the Cost Allocation Agreement.

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

The results of this collection-of-information will not be published.

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.

NA.

18. Explain each exception to the certification statement.

NA.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection does not use statistical methods.