SUPPORTING STATEMENT ALASKA LICENSE LIMITATION PROGRAM FOR GROUNDFISH, CRAB, AND SCALLOPS OMB CONTROL NO. 0648-0334

This request is for revision and extension of an existing information collection. One component of this information collection that was in effect for a specific period is removed.

INTRODUCTION

National Marine Fisheries Service Alaska Region (NMFS) manages the fisheries in the exclusive economic zone (EEZ) off the coast of Alaska under the Fishery Management Plan for Groundfish of the Gulf of Alaska (GOA FMP), the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Management Area (BSAI FMP), the Fishery Management Plan for Bering Sea/Aleutian Islands King and Tanner Crabs (Crab FMP), and the Fishery Management Plan for the Scallop Fishery off Alaska (Scallop FMP). The North Pacific Fishery Management Council (Council) prepared, and NMFS approved, the FMPs under the authority of the Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. 1801 *et seq.* These FMPs are implemented by regulations at 50 CFR parts 679 and 680.

BACKGROUND

The License Limitation Program (LLP) restricts access to the commercial groundfish, crab, and scallop fisheries in the EEZ off Alaska, except for certain areas where alternative programs exist. The intended effect of the LLP is to limit the number of participants and reduce fishing capacity in fisheries off Alaska. More information on the LLP can be found on the NMFS Alaska Region website¹ and at 50 CFR 679.4(g) and (k), and 679.7(i).

In 1999, NMFS implemented the groundfish and crab LLP to limit the number, size, and specific operation of vessels that may be deployed in the crab and groundfish fisheries (other than sablefish managed under the Individual Fishing Quota Program and demersal shelf rockfish east of 140° W. longitude) in the Bering Sea and Aleutian Islands (BSAI) and Gulf of Alaska (GOA). The LLP was established by Amendment 39 to the BSAI FMP, Amendment 41 to the GOA FMP, and Amendment 5 to the Crab FMP and necessary to address concerns that the harvesting fleets had expanded beyond the size needed to efficiently harvest the optimum yield (63 FR 52642, October 1, 1998). The groundfish and crab LLP replaced the Vessel Moratorium Program, which had imposed a temporary moratorium on the entry of new vessels into the groundfish and crab fisheries off Alaska and expired December 31, 1999.

Under the groundfish and crab LLP, vessels participating in directed fishing for LLP groundfish species in the GOA or BSAI, or fishing in any BSAI LLP crab fisheries, must be named on a valid copy of the LLP license that is on board the vessel, with some exceptions. An LLP groundfish or crab license authorizes the license holder to deploy the vessel in fisheries in

¹ Groundfish and crab LLP – <u>https://alaskafisheries.noaa.gov/fisheries/llp;</u> scallop LLP – <u>https://alaskafisheries.noaa.gov/fisheries/sllp</u>

accordance with the specific area and species endorsements, the vessel and gear designations, the maximum length overall (MLOA) specified on the license, and any exemption from the MLOA specified on the license.

To receive an LLP groundfish or crab license, an eligible applicant needed to apply during the application period, which ran from September 13, 1999, through December 17, 1999 (64 FR 49104, September 10, 1999).

In 2001, NMFS implemented the scallop LLP to limit the number of participants and reduce fishing capacity in the scallop fishery off Alaska. The scallop LLP was established by Amendment 4 to the Scallop FMP and necessary to address concerns about excessive fishing capacity and exploitation in the scallop fishery, particularly if latent moratorium permits were activated (65 FR 78110, December 14, 2000). The scallop LLP replaced the federal moratorium program on the entry of new vessels to the scallop fishery, which had expired on June 30, 2000.

Under the scallop LLP, an LLP scallop license is required for vessels deployed in scallop fisheries in federal waters off Alaska (except for some diving operations). This license authorizes the person named on the license to catch and retain scallops in compliance with State of Alaska regulations using a vessel that does not exceed the MLOA specified on the license and the gear designation specified on the license. Unlike the LLP groundfish license, the scallop license is not vessel specific. A valid copy of the LLP scallop license must be on board the vessel.

To receive an LLP scallop license, an eligible applicant needed to apply during the application period, which ran from January 16, 2001, through February 12, 2001.

A. JUSTIFICATION

1. <u>Explain the circumstances that make the collection of information necessary</u>.

The LLP originally collected basic information so that NMFS could determine which owners of vessels were issued licenses and which were not. As the application periods and selection process for the LLP have ended, no new licenses will be issued. An LLP license may only be obtained through transfer. This collection of information currently supports transfer of LLP licenses for groundfish, crabs, and scallops. The transfer process for LLP licenses enables a license holder to request a transfer of an LLP license to a person who meets the eligibility requirements.

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

a. Application for Transfer License Limitation Program Groundfish/Crab License [CHANGED] and Application for Transfer of Scallop LLP License [ADJUSTED]

LLP license holders use the transfer applications to request transfer of an LLP license to an eligible receiver. Each transfer request must include a completed transfer application and a copy of the sale or transfer agreement. The information collected is necessary for NMFS to determine the eligibility of the transfer to occur and transfer the license to the transferee. From the copy of the transfer contract or Bill of Sale for LLP licenses, NMFS can look up much of the same financial information if needed. The financial information requested on the applications is primarily used for research and program evaluation.

The transfer application for a groundfish or crab LLP license is submitted either by mail or delivery. The transfer application for a scallop LLP license is submitted by mail, fax, or delivery.

NMFS will approve transfer of a groundfish LLP license, an Aleutian Islands area endorsement, or crab LLP license if the transfer meets the provisions of 50 CFR 679.4(k)(7), and will approve transfer of a scallop LLP license if the transfer meets the provisions of 50 CFR 679.4(g)(5).

The groundfish and crab LLP license transfer application is changed to add the notary public certification requirement, which was inadvertently removed in 2016. Section 679.4(k)(7)(iii) requires a complete application to have notarized and dated signatures of the applicants. Blocks K and L on the application have been revised to include fields for the notary public's signature, the notary stamp or seal, and the date the notary public's commission expires. Additionally, minor editorial changes have been made to both applications.

Application for Transfer License Limitation Program Groundfish/Crab License

Block A – Required documentation

Use this block to determine which forms and other information must be attached to your transfer. Please check all that apply to ensure that your application is complete and can be processed in a timely manner. Block B – Identification of license to be transferred

Indicate whether license to be transferred is groundfish, crab, or Aleutian Islands, and enter LLP license number. Block C – Identification of Rockfish QS to be Transferred

This section applies only to Rockfish Quota Share (QS) assigned to an LLP license that exceeds a use cap specified in § 679.82 (a)(2). All other Rockfish QS is not severable from the LLP license on which it was initially allocated. LLP license number on which Rockfish QS over the use cap is currently assigned

- LLP license number to which the Rockfish QS is being transferred. This LLP license must already be assigned Rockfish QS.
- Identification of Rockfish QS to be transferred (list number of QS units and Rockfish Species)

Block D – Identification of transferor (seller)

Name of transferor (as it appears on LLP license)

Business mailing address: indicate whether permanent or temporary

Business telephone number, business fax number, and e-mail address

Block E – Identification of transferee (receiver) Indicate if transferee is a U.S. Citizen, or U.S. corporation, partnership, association, or other non-individual entity. If NO, stop here. The person is not eligible to receive a license. Name of transferee Business mailing address: indicate whether permanent or temporary Business telephone number, business fax number, and e-mail address Block F – Vessel currently named on license Name of vessel Length overall (ft) ADF&G vessel registration number USCG documentation number Block G - Vessel to be named on new license Name of vessel Length overall (ft) ADF&G vessel registration number USCG documentation number Block H – LLP Ownership documentation Provide the names of all persons, to the individual level, holding an ownership interest in the LLP License being transferred and the percentage ownership each person and individual will hold in the LLP License. Block I – Transferor information Enter total amount being paid for the license in this transaction, including all fees. Indicate whether this price includes the price of the vessel. If YES, enter sales price of the license. Reason for transferring the license (check all that apply) Indicate whether a broker is employed to assist with this transaction. If YES, enter price paid in brokerage fees or percent of total price. Block J – Transferee information Indicate whether license is used as collateral for a loan. If YES, enter name of party holding security interest or lien. Primary source of financing How the license was located Receiver's relationship to the license holder Indicate whether transfer of LLP license includes the sale of the fishing history of a vessel. If YES, identify Name of vessel ADF&G number USCG documentation number Vessel LOA Indicate whether transfer of this LLP license is part of an agreement that also transfers ownership of a vessel. If YES. identify Name of vessel ADF&G number USCG documentation number Vessel LOA Indicate whether there is an agreement to return the license to the transferor or to transfer it to any other person, or is there is any condition requiring the resale or conveyance of the license. If YES, explain <u>Block K – Certification of transferor/seller</u> Printed name and signature of transferor or authorized representative, and date signed If representative, **attach** authorization Name and signature of notary public, notary stamp or seal, and date commission expires Block L – Certification of transferee/receiver Printed name and signature of transferee or authorized representative, and date signed If representative, **attach** authorization

Signature of notary public, notary stamp or seal, and date commission expires.

Application for Transfer of Scallop LLP License

NMFS currently has issued 1,853 groundfish licenses and 348 crab licenses; of these, 197 are joint groundfish/crab licenses. The number of respondents in the table below reflects the number of groundfish/crab transfer applications received in 2014 (48), 2015 (50), and 2016 (42). An average of 47 respondents is used in this analysis.

Adjustments were made to reflect the current postage cost (0.49 instead of 0.45) and current Federal government personnel cost (\$42/hr instead of \$37/hr).

Groundfish and crab transfer application,	
Respondent	
Total respondents	47
Total responses	47
Frequency of response $= 1$	
Total burden hours	47
Time per response = 1 hr	
Total personnel cost (\$37 x 47)	\$1,739
Total miscellaneous costs (500.08)	\$500
Postage (0.49 x 47 = 23.03)	
Photocopy (0.05 x 3pp x 47 = 7.05)	
Notary (\$10 x 47 = 470)	

Groundfish and crab transfer application, Federal Government	
Total responses	47
Frequency of response = 1	
Total burden hours (23.50)	24
Time per response = 30 minutes	
Total personnel costs (24 x \$42)	\$1,008
Total miscellaneous costs	0

NMFS currently has issued 9 scallop licenses. The number of respondents in the table below reflects the number of scallop transfer applications received in 2014 (0), 2015 (0), and 2016 (1). For purposes of this analysis, 1 response is used.

Notary public costs to the respondents have been removed. In 2016, the notary public certification fields were removed from the scallop license transfer application because this certification is not required to transfer an LLP scallop license. Adjustments were made to reflect the current postage cost (0.49 instead of 0.45) and current Federal government personnel cost (\$42/hr instead of \$37/hr).

Scallop transfer application, Respondent	
Total respondents	1
Total responses	1
Frequency of response = 1	
Total burden hours	1
Time per response = 1 hr	
Total personnel cost (\$37 x 1)	\$37
Total miscellaneous costs (0.64)	\$1
Postage (0.49 x 1 = 0.49)	
Photocopy (0.05 x 3pp x 1 = 0.15)	

Scallop transfer application, Feder Government	al
Total responses	1
Frequency of response = 1	
Total burden hours (0.5)	1
Time per response = 30 minutes	
Total personnel costs (\$42 x 1)	\$42
Total miscellaneous costs	0

b. Transfer appeals [ADJUSTED]

To apply for a transfer appeal, the applicant must provide a written statement in support of the appeal and show why the initial determination should be reversed.

In 2014, 2015, and 2016, no permits have been denied, and no appeals have been filed. For

purposes of this analysis, 1 response is used. An adjustment was made to the respondent personnel cost to reflect the assumption that most people would hire an attorney to prepare an appeal. Adjustments were made to reflect the current postage cost (0.49 instead of 0.45) and current Federal government personnel cost (\$125/hr instead of \$75/hr).

Transfer appeals, Respondent	
Total respondents	1
Total responses	1
Frequency of response = 1	
Total burden hours	4
Time per response = 4 hr	
Total personnel cost (\$37 x 4)	\$148
Total miscellaneous costs (502.56)	\$503
Attorney at \$125 per hour: 500	
Postage (0.49 x 4 = 1.96)	
Photocopy (0.05 x 3pp x 4 = 0.60)	

Scallop transfer application, Federa Government	al
Total responses	1
Frequency of response = 1	
Total burden hours	4
Time per response = 4 hr	
Total personnel costs (\$125 x 4)	\$500
Total miscellaneous costs	0

c.Request to Extinguish Pacific Cod Sideboard Limits for Hook-and-Line catcher/processors in the Western or Central GOA [REMOVED]

This component of the LLP information collection was in effect only between May 19, 2015, and May 18, 2016. The one-time application period for this action has ended. Therefore, this component of the information collection is removed.

This component established a process for a voluntary fishing cooperative to be formed. If the authorized representative notified NMFS within the 1-year deadline that all required freezer longline sector participants were members of the cooperative and that the regulatory provisions for sideboard limit removal had been met, upon approval, NMFS would permanently remove annual sideboard harvest limits for Pacific cod apportioned to catcher/processors using hook-and-line gear in the GOA regulatory area associated with the agreement, effective upon the start of the next fishing year.

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

Section 515 of Public Law 106-554 (the Information Quality Act) requires NMFS to ensure the quality, objectivity, utility, and integrity of information it publicly disseminates. Public

dissemination of data collected by this information collection is governed by NOAA's information quality guidelines, which were issued on October 30, 2014 (http://www.cio.noaa.gov/services_programs/IQ_Guidelines_103014.html).

It is anticipated that the information collected will 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 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 predissemination review pursuant to <u>Section 515 of Public Law 106-554</u>.

3. <u>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</u>.

The transfer applications may be accessed on the NMFS Alaska Region website at http://alaskafisheries.noaa.gov, completed electronically, then downloaded, printed, and submitted. The scallop LLP license transfer application may be submitted by fax. The transfer application for a groundfish or crab LLP license cannot be submitted electronically because the application must be notarized. NMFS is working toward a method whereby all of the information will be entered online and submitted directly and automatically into a database.

4. Describe efforts to identify duplication.

None of the information collected as part of this information collection duplicates other collections.

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

This information collection impacts some small entities. NMFS has attempted to minimize the burden of the LLP transfer requirements on small entities. The transfer applications are available online as fillable pdfs. The scallop LLP license transfer application may be submitted by fax; this option is not available for the transfer application for a groundfish or crab LLP license due to the notary requirement. A toll-free phone number is available for participants to contact RAM (Restricted Access Management) staff for help or information.

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

An essential feature of the LLP is the ability for participants to transfer their LLP license. License transfers are not mandated nor do they contain a cycle of completion. Transfers are done when the participants deem it necessary. Without the ability to track the movement of the LLP license, NMFS would be unable to effectively manage the LLP.

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

No special circumstances are associated with this information collection.

8. <u>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.</u>

A <u>Federal Register</u> notice published on July 27, 2017 (82 FR 34930), solicited public comments. No comments were received.

Additionally, a questionnaire was emailed to 10 randomly selected license holders; one was returned because of an incorrect address. Two responses were received. One is from a person who works for a company that sells LLP licenses and helps the holders transfer those licenses. The second is from a license holder. The comments are summarized and responded to below.

Comment 1: Like most other transfers that NMFS/RAM handles, we're required to get both transferee and transferor to sign the transfer application before a notary and submit that application with original, notarized signatures. We have to physically mail that paperwork to each party in turn and then mail the completed application to NMFS. This takes guite a bit of time, and commercial fishing is a very time sensitive business. The Commercial Fisheries Entry Commission transfers title to limited entry permits, and the National Vessel Documentation Center redocuments vessels and records Bills of Sale, Preferred Ship Mortgages, and other related instruments. Although each of these agencies requires that signatures be notarized, they both accept scanned and emailed submissions. Virtually all of our business with each of those agencies is done electronically, and we're also able to email the documents back and forth between buyer and seller. This results in a tremendous savings of time and expense. The permits that are being transferred routinely exceed \$100,000.00 in value, and the Coast Guard routinely deals with vessels worth many millions of dollars. All by electronic submission. They're able to avoid being buried in paperwork and the associated costs of physically handling and storing all of those documents. If faxed or emailed transfer documents are good enough for those agencies, it should work for NMFS as well. And, when the new permit is issued, rather than mailing copies of everything to us, those documents could be emailed to us and we could print them out, or we could email to the transferor or transferee and they could print them out.

I believe that if NMFS/RAM accepted electronic submissions for transferring LLPs, CHPs, IFQs, etc., it would greatly benefit the commercial fishing industry and also result in lower operating costs for that agency.

Comment 2: I think in general RAM is mired in the world of paper and printed forms and mailed documents when it could be modernized. Efficient, timely, expedited transfers of all kinds could

be easily accomplished if RAM would allow notarized scanned, notarized emailed, and notarized faxed documents. Electronic forms in many cases could be used with users printing their own documents and licenses. RAM has become, in my opinion as a customer, a bad experience for polite, professional, efficient public service. There are many times when a phone call or email could get to a quick resolution to an application complication. Instead a letter is sent via U.S. mail back to the applicant. Signing in counter-parts is another idea that would help ease the burden of slow turn arounds on applications. Alaska fishermen operate in remote locations where mail is slow. Email scans and faxes should be utilized to alleviate unnecessary delays. For example, at a minimum when a new permit is issued, rather than mailing copies, those documents could be mailed and emailed, and we could print them out and also have a mailed printed copy from the agency for our records.

Response to Comments 1 and 2: NMFS, Alaska Region is working toward offering more on-line services. Current holders of groundfish and crab LLP licenses may print these permits on-line through eFISH, the NMFS, Alaska Region online service portal. Once a transfer application has been reviewed and approved by NMFS, the new holder of the license may also access these permits on-line through eFISH. As allowable by federal statute, regulation, or departmental policy, NMFS will accept application forms by facsimile. Regulatory requirements sometimes prohibit electronic submission of the documents, especially in cases where confidential or business identifying information (BII) or Personally Identifiable Information (PII) is required on the application form. As a government agency, we are required to protect BII and PII from being improperly accepted through our e-mail or other electronic submissions.

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

No payment or gift will be provided under this program.

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

The information collected is mandatory and is required to manage commercial fishing efforts under 50 CFR part 679 and under section 402(a) of the Magnuson-Stevens Act (16 U.S.C. 1801, *et seq.*). As stated on the forms, responses to this information request are confidential under section 402(b) of the Magnuson-Stevens Act as amended in 2006 and under <u>NOAA</u> <u>Administrative Order 216-100</u>, which sets forth procedures to protect confidentiality of fishery statistics.

The System of Records Notice that covers this information collection is <u>COMMERCE/NOAA-19</u>, <u>Permits and Registrations for United States Federally Regulated Fisheries</u>. A notice was published in the *Federal Register* on August 7, 2015 (80 FR 47457), and became effective September 15, 2015 (80 FR 55327).

11. <u>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</u>.

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 and responses: 49, decreased from 79. Estimated total burden: 52, decreased from 130 hours. Estimated total personnel costs: \$1,924 decreased from \$4,810.

13. <u>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)</u>.

Estimated total miscellaneous costs: \$1,004, increased from \$657.

14. <u>Provide estimates of annualized cost to the Federal government</u>.

Estimated total responses: 49, decreased from 79. Estimated total burden: 29 hr, decreased from 130 hr. Estimated total personnel costs: \$1,550, decreased from \$4,810.

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

Adjustments

The adjustments reflect increased postage cost, the assumption that most people would hire an attorney to file an administrative appeal, and the most recently available data (2014 through 2016) for transfers and appeals.

Applications to transfer groundfish, crab, and scallop licenses

a decrease of 13 respondents and responses, 48 instead of 61 a decrease of 13 burden hours, 48 hr instead of 61 hr a decrease of \$481 in personnel costs, \$1,776 instead of \$2,257 a decrease of \$146 in miscellaneous costs, \$501 instead of \$647

T<u>ransfer appeals</u>

a decrease of 16 respondents and responses, 1 instead of 17 a decrease of 64 burden hours, 4 hr instead of 68 hr a decrease of \$2,368 in personnel costs, \$148 instead of \$2,516 a increase of \$494 in miscellaneous costs, \$503 instead of \$9

Program Changes

Request to remove Pacific cod sideboard limits [REMOVED]

a decrease of 1 respondent and responses, 0 instead of 1

a decrease of 1 burden hour, 0 hr instead of 1 hr

a decrease of \$37 in personnel costs, 0 instead of \$37

a decrease of \$1 in miscellaneous costs, 0 instead of \$1

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

NMFS Alaska Region posts LLP license information on the web at

http://alaskafisheries.noaa.gov/ram/llp.htm#list. The lists contain groundfish, crab, and scallop LLP licenses issued as of the indicated date. Data are updated daily. Under current regulations, groundfish and crab vessels must be designated on the licenses, and the identities of original qualifying vessels are provided for reference only.

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

Not Applicable.

18. Explain each exception to the certification statement.

Not Applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not employ statistical methods.