**SUPPORTING STATEMENT**

**NMFS Implementation of the Seafood Traceability Program**

**OMB CONTROL NO. 0648-xxxx**

**A. JUSTIFICATION**

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

This is a temporary new information collection which will be merged into OMB Control No. 0648-0739.

On March 23, 2018, the Commerce, Justice, Science, and Related Agencies Appropriations Act, 2018 (2018 Appropriations Act)(P.L. 115-141, Div. B) was signed by the President and became law. Section 539 of Title V of Division B of the Act directed the Secretary of Commerce to “lift the stay on the effective date of the final rule for the Seafood Traceability Program published by the Secretary on December 9, 2016, (81 FR 88975 et seq.) for the species described in § 300.324(a)(3) of title 50, Code of Federal Regulations: provided that the compliance date for the species described in section 300.324(a)(3) of title 50, Code of Federal Regulations, shall occur not later than December 31, 2018.” On April 24, 2018, NMFS published a final rule lifting that stay, and established a compliance date of December 31, 2018 for shrimp and abalone. See 83 FR 17762. In addition to the requirement to include shrimp and abalone species under the Seafood Traceability Program, Section 539 of the 2018 Appropriations Act directed the Secretary of Commerce to “…establish a traceability program for United States inland, coastal, and marine aquaculture of shrimp and abalone…” and by December 31, 2018 to “…promulgate such regulations as are necessary and appropriate to establish and implement the program.”

On March 15, 2015, the Presidential Task Force on Combating Illegal, Unreported, and Unregulated (IUU) Fishing and Seafood Fraud (Task Force), co-chaired by the Departments of Commerce and State, published its action plan to implement Task Force recommendations for a comprehensive framework of integrated programs to combat IUU fishing and seafood fraud. As part of implementing the Task Force plan, NMFS issued a final rule (RIN 0648-BF09) for a risk-based traceability program to track seafood from production to entry into U.S. commerce known as the Seafood Traceability Program (see 50 CFR §§ 300.320-300.325). The final rule included, for designated priority fish species, import permitting and reporting requirements to provide for traceability of seafood products offered for entry into the U.S. supply chain, and to ensure that these products were lawfully acquired and are properly represented.

The Seafood Traceability Program is a risk-based traceability program, which established permit, reporting and recordkeeping requirements needed to prevent illegally produced and misrepresented seafood from entering into U.S. Commerce. This program applies to thirteen species, including shrimp and abalone, identified as particularly vulnerable to IUU fishing and/or seafood fraud. However, in the final rule establishing the Seafood Traceability Program, NMFS stayed program requirements for shrimp and abalone species indefinitely because there is commercial scale aquaculture of shrimp and abalone in the United States and gaps existed in the collection of traceability information for domestic aquaculture of shrimp and abalone, which is currently largely regulated at the state level.

During development of the Seafood Traceability Program, NMFS explored the possibility of working with its state partners to establish reporting and recordkeeping requirements for aquaculture traceability information that could be shared with NMFS. However, this did not prove to be a viable approach. See 81 FR at 88977-78. In the Seafood Traceability Program final rule, NMFS explained that “[a]t such time that the domestic reporting and recordkeeping gaps have been closed, NMFS will then publish an action in the Federal Register to lift the stay of the effective date for § 300.324(a)(3) of the rule pertaining to shrimp and abalone.” See 81 FR at 88978.

This proposed rulemaking would establish registration, reporting and recordkeeping requirements for domestic, commercial aquaculture producers of shrimp and abalone species and products containing those species from the point of production to entry into U.S. commerce. A producer, , i.e., the the owner or operator of an aquaculture facility that produces shrimp or abalone for human consumption, is responsible for the registration, reporting and recordkeeping requirements of this Program.

The proposed Traceability Information Program for Seafood consists of three requirements of producers of shrimp and abalone for consumption as food: (1) registration; (2) monthly reporting of production events; and (3) recordkeeping requirements with respect to both production events and chain of custody information to the point of entry into U.S. commerce via sale or non-sale transaction (including transfers between components of a vertically-integrated enterprise). This proposed rule is published under the authority of the 2018 Appropriations Act and the Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. 1801 et seq.

Application of the program’s reporting and recordkeeping requirements will enable NMFS to determine the origin of the products and confirm that they were lawfully produced and enable implementation and enforcement of the Seafood Traceability Program.

**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 electronic reporting system established by NMFS will consist of two parts. The first will be a publicly accessible registration page where producers (an aquaculture facility owner or operator) will provide basic information to identify their business. Once a producer identifier has been designated via the NMFS system, the producer can obtain login credentials to access the second part – a data entry portal that will require a unique login for each user. After logging into this site, the user will be able to report the required data elements.

To implement this regulation, business rules will be programmed into an electronic reporting system established by NMFS to automatically validate that the producer has populated all data fields in conformance with format specifications. Absent this validation, the report submission would be rejected and the producer would be notified of the deficiencies that must be addressed in order for the report to be accepted.

NMFS proposes that at monthly intervals producers would be required to report information for each entry into U.S. commerce of fish intended for human consumption from the previous month. For example, a producer would be required to report each applicable entry occurring in the month of May by the end of June. If no applicable entries occurred in a given month, no report to NMFS is required. If a producer has no reportable production events for an entire 12-month period, the producer must certify that through the electronic reporting system established by NMFS in order to renew its registration. Producers that have submitted monthly reports would need to certify that all applicable entries have been reported. Annually, all producers would need to confirm their identifying business information in order to renew their registration. Once the producer has submitted all required certifications, registration renewals would be automatic and at no additional cost to the producer. If the registration lapses, the producer would have to re-register.

Reports may also be subject to audit by NMFS in order to verify that the supplied data elements are true and can be corroborated (e.g., production was authorized by the applicable authority, processor receipts correspond to outputs/deliveries, and are sufficient to demonstrate that products entering U.S. commerce were not produced in violation of domestic law and are not fraudulently represented). If a producer fails to provide requested records to NMFS in a timely manner, or fails to provide information to verify that covered products were lawfully produced and accurately represented, the matter will be referred to NOAA Fisheries Office of Law Enforcement for possible follow-up action.

**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.**

NMFS will require that the producer register for and report information online through an electronic system established by NMFS.

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

In addition to measures for registering and reporting outlined in this proposed rule, several states have specific regulations on the requirements for aquaculture operations, typically as terms associated with a permit, certification, or registration. Table 1 below, contains information, by state, on existing regulations relevant to traceability. To the extent practicable and subject to applicable data confidentiality laws, NMFS will work to minimize duplicative reporting. NMFS seeks public comment on Table 1, existing registration and reporting requirements to identify or clarify existing mechanisms that could be used to obtain a unique registrant identifier. NMFS will examine these mechanisms and list acceptable registration identifiers in the electronic registration system established by NMFS.

**Table 1- Existing Aquaculture Registration and Reporting Requirements**

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| State | Citation | Summary of Requirement |
| Alabama | Statute: Ala. Code § 9-2-150 (2015),<https://law.justia.com/codes/alabama/2015/title-9/chapter-2/article-8/section-9-2-150/>. | Oyster leases required.  |
| California | Statute: California Fish & Game Code § 15400 (2006), <https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=FGC&division=12.&title=&part=&chapter=5.&article>.  | Aquaculture Registration is required for each facility devoted to the propagation, cultivation, maintenance, and harvesting of fish, shellfish and plants in marine, brackish, and fresh water.  |
| Connecticut | Statutes: Conn. Gen. Stat. § 26-194 (2013),<https://www.cga.ct.gov/2015/pub/chap_491.htm#sec_26-194>;Conn. Gen. Stat. § 22-11i (2013),<https://www.cga.ct.gov/2015/pub/chap_422.htm#sec_22-11i>.  | Aquaculture-related permits are overseen by the Department of Agriculture, Bureau of Aquaculture and the Department of Energy and Environmental Protection. Permits are required |
| Delaware | Statute: Del. Code tit. 3 § 4 (2013), <http://delcode.delaware.gov/title3/c004/index.shtml>.Regulation: 7-3800 Del.Admin. Code (2014), <http://regulations.delaware.gov/AdminCode/title7/3000/3800/3801.shtml#TopOfPage>.  | In addition to various permits needed dependent on species, all aquaculture operations must register with Delaware Department of Agriculture-valid for 5 years |
| Northern Marianas Islands | Statute: 2006 N. Mar. I. Pub. L. 15-43, <http://www.cnmilaw.org/pdf/public_laws/15/pl15-43.pdf>.  | Site permit in coastal waters only |
| Florida | Statute: Fla. Stat. § 597.004 (2017), <http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0500-0599/0597/Sections/0597.004.html>.  | Aquaculture registration is required with the Florida Department of Agriculture and Consumer Affairs, annually |
| Georgia | Statute: Ga. Code Ann. § 27-4-255 (2017), <https://advance.lexis.com/api/document/collection/statutes-legislation/id/5NYG-GGG0-004D-8406-00008-00?cite=O.C.G.A.%20%C2%A7%2027-4-255&context=1000516>.  | Some species require permits and some require registration with Georgia Department of Natural Resources. |
| Hawaii | Statute: Haw. Rev. Stat. § 187-3.5 (2012), <https://law.justia.com/codes/hawaii/2012/title-12/chapter-187a/section-187a-3.5/>. Regulation: Haw. Code R. § 13-74-43 (1996), <https://dlnr.hawaii.gov/dar/files/2014/04/ch74.pdf>.  | Permit with record-keeping required for aquaculture, including fish ponds through Hawaii Department of Land and Natural Resources. |
| Illinois | Regulation: Ill. Admin. Code tit. 17, pt. 870, ftp://www.ilga.gov/jcar/admincode/017/01700870sections.html.  | Annual permit required, with a recordkeeping component and annual reporting to Illinois Department of Natural Resources. |
| Indiana | Regulation: Aquaculture Permit, 312 Ind. Admin. Code 9-10-17 (2001), <https://www.in.gov/dnr/fishwild/files/aquaculture_permit.pdf>.  | A permit is needed from Indiana Department of Agriculture, which requires records retention and inspection of the facility at any time. |
| Iowa | Regulation: Iowa Admin. Code r. 571-89 (1992), <https://www.legis.iowa.gov/docs/iac/chapter/05-09-2018.571.89.pdf>.  | Annual License required through Iowa Department of Natural Resources, which includes an annual reporting requirement. |
| Louisiana | Regulation: La. Admin. Code tit. 76, § 901-907, <http://www.wlf.louisiana.gov/sites/default/files/pdf/document/39939-title/ose_legal_forms_title_76.pdf>. | Permit applications currently available for Catfish, Tilapia and Oysters. Other species must enter a separate approval process for permitting through Louisiana Department of Fish and Wildlife |
| Maine | Statutes: Me. Rev. Stat. Ann. tit. 12, § 6072 (2017), <http://www.mainelegislature.org/legis/statutes/12/title12sec6072.html>;Me. Rev. Stat. Ann. tit. 7 §1501 (2017), <http://www.mainelegislature.org/legis/statutes/7/title7sec1501.html>.Regulation: 13 188 Me. Code R. 2 (2018),<http://www.maine.gov/dmr/laws-regulations/regulations/documents/Chapter2_031918%20.pdf>.  | Coastal aquaculture through 20 year leases from Maine Department of Marine Resources with annual rent and record-keeping requirements. Land-based aquaculture is licensed through Department of Agriculture, Conservation & Forestry |
| Maryland | Regulation: Md. Code Regs. 08.02.14 (2016), <http://mdrules.elaws.us/comar/08.02.14>. | Must be permitted before operating a facility through Maryland Department of Natural Resources |
| Massachusetts | Statute: Mass. Gen. Laws ch. 130, § 80, <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXIX/Chapter130/Section80>. Regulation: 322 Mass. Code Regs. 7.01-02 (2017), <https://www.mass.gov/files/documents/2018/03/20/322%20CMR%207.00.pdf>.Guidance: Dept. of Food & Agriculture, *Mass. Aquaculture Permits Guidance Doc.* (April 1, 1998), <https://www.mass.gov/files/documents/2016/08/rp/aquaculture-permit-guidance-document.pdf>.  | Facilities must be permitted and the permit has a record keeping component and requires a State Inspection prior to permitting . Both the Department of Environmental Protection and the Division of Fisheries and Wildlife are involved in permitting. |
| Michigan | Statute: Mich. Comp. Laws § 286.871-884 (1996), [http://www.legislature.mi.gov/(S(vfrgtb55ih0jydqw2wuzj545))/documents/mcl/pdf/mcl-act-199-of-1996.pdf](http://www.legislature.mi.gov/%28S%28vfrgtb55ih0jydqw2wuzj545%29%29/documents/mcl/pdf/mcl-act-199-of-1996.pdf). | Aquaculture facilities must be registered annually with Michigan Department of Agriculture and Rural Development and are limited to approve species. Operations may be inspected by State Officials at any time. |
| Mississippi | Statute: Miss. Code Ann. §79-22-13 (2013), <https://law.justia.com/codes/mississippi/2013/title-79/chapter-22/section-79-22-9/>.  | Some types of aquaculture require a permit from MS Department of Agriculture and Commerce. A requirement of the permit is record-keeping |
| Nevada | Statutes: Nev. Rev. Stat. § 561.301, <https://www.leg.state.nv.us/NRS/NRS-561.html#NRS561Sec301>; Nev. Rev. Stat. § 576.128, <https://www.leg.state.nv.us/NRS/NRS-576.html#NRS576Sec128>.  | Aquaculture registration (same as farm registration) is annual with Nevada Department of Agriculture |
| New Hampshire | Statute: N.H. Rev. Stat. Ann. § 211: 62-e (2016), <https://law.justia.com/codes/new-hampshire/2016/title-xviii/chapter-211/section-211-62-e>. | Aquaculture must be permitted through the New Hampshire Department of Fish and Game |
| New Jersey | Statute: N.J. Rev. Stat. § 4:27 (1997), <https://law.justia.com/codes/new-jersey/2013/title-4/>. | Aquaculture permit is required along with a license for operations through both Department of Environmental Protection and Department of Agriculture.  |
| New York | Regulation: N.Y. Comp. Codes R. & Regs. tit. 6, § 48 (2018), <https://govt.westlaw.com/nycrr/Browse/Home/NewYork/NewYorkCodesRulesandRegulations?guid=Ia57ed350b5a011dda0a4e17826ebc834&originationContext=documenttoc&transitionType=Default&contextData=(sc.Default)>. | New York Department of Environmental Conservation issues annual permits that require record-keeping. |
| North Carolina | Statutes: N.C. Gen. Stat. § 63-106, <https://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/ByArticle/Chapter_106/Article_63.html>;N.C. Gen. Stat. § 16A-113 (2017), <https://www.ncleg.net/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_113/Article_16A.pdf>. | North Carolina Department of Agriculture and Consumer Services administers permits for allowable freshwater species. North Carolina Division of Marine Fisheries authorizes marine aquaculture leases with annual fees. |
| Ohio | Regulation: Ohio Adm. Code 1501:31-39-01, [http://codes.ohio.gov/oac/1501:31-39-01](http://codes.ohio.gov/oac/1501%3A31-39-01).  | Annual Permit from Ohio Division of Wildlife is required along with a recordkeeping requirement. |
| Oregon | Statutes: Or. Rev. Stat. Ann. § 215.213 (2018), <https://www.oregonlaws.org/ors/215.213>;Or. Rev. Stat. Ann. § 622.270<https://www.oregonlaws.org/ors/622.270>. | Annual permit for shellfish required through Oregon Department of Agriculture with record-keeping and an annual report submission. |
| Rhode Island | Statute: 20 R.I. Gen. Laws § 20-10 (2013),<https://law.justia.com/codes/rhode-island/2013/title-20/chapter-20-10>Regulation: 250 R.I. Code R. § 40-00-1 (2017), <http://sos.ri.gov/documents/archives/regdocs/released/pdf/DEM/9028.pdf>. | Permit through the Coastal Resources Management Council is required, and automatically renewed annually. Other permits may also be required. |
| South Carolina | Statute: S.C. Code Ann. § 50-18-2 (2003), <https://www.scstatehouse.gov/code/t50c018.php>. | Permit required for freshwater game fish aquaculture through South Caroline Department of Natural Resources, with a record keeping requirement. Annual permits also required for shellfish. |
| Texas | Statute: Tex. Agriculture Code §§ 134.011 – 134.023 (1999), <http://www.statutes.legis.state.tx.us/Docs/AG/htm/AG.134.htm#B>. | Texas Department of Agriculture license. Texas Natural Resource Conservation Commission permit to dispose of wastewater. The license is valid for two years and is renewable. |
| Washington | Statutes: Wash. Aadmin. Code § 220-370-060 (2017),<http://apps.leg.wa.gov/WAC/default.aspx?cite=220-370-060>;Wash. Admin. Code § 220-370-090 (2017), <http://apps.leg.wa.gov/WAC/default.aspx?cite=220-370-090>. | In addition to various permits for different types of aquaculture, all aquatic farms must register with the WA Department of Fish and Wildlife. Finfish farms must also have record keeping |

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

Since most of the producers are considered small businesses, separate requirements based on size of business have not been developed. The program would create an exemption for very small business with sales under $1,000 per year.

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

If the rule is not implemented, the Department of Commerce would not be in compliance with the 2018 Appropriations Act. In part, this program is established for the purpose of establishing reporting and recordkeeping requirements for domestic aquaculture of shrimp and abalone so that U.S. requirements will be equivalent to the reporting and recordkeeping requirements applicable to imported shrimp and abalone effective December 31, 2018. Delay in the implementation of this rule to collect such information domestically will increase litigation risk in international trade fora.

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

Collection of information will be made in a manner consistent with OMB guidelines.

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

A proposed rule, RIN 0648-BH87, will be published coincident with this submission to OMB. The notice of proposed rulemaking will solicit public comment on the registration, reporting and recordkeeping requirements of the Traceability Information Program for Seafood.

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

No payments or gifts are made.

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

The information collection will be considered and treated as confidential as required by section 402(b) of the Magnuson-Stevens Act, 16 U.S.C. 1881a(b), and [NOAA Administrative Order 216-100](http://www.corporateservices.noaa.gov/ames/administrative_orders/chapter_216/216-100.html).

The Privacy Act System of Records that will cover this information is COMMERCE/NOAA-19, Permits and Registrations for United States Regulated Fisheries. Amended version published on August 7 (80 FR 47457).

**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.**

There are no questions of a sensitive nature.

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

]This rule requires that the producer, or representative acting on their behalf, report the data required to NMFS via an electronic reporting system at monthly intervals. NMFS proposes that at monthly intervals, producers would be required to report information for each entry into U.S. commerce of fish or fish products intended for human consumption from the previous month. For example, a producer would be required to report each applicable entry occurring in the month of May on or before the last day of June. If no applicable entries occurred in a given month, no report to NMFS is required. However, if a producer has no reportable production events for an entire 12-month period, the producer must certify that through the electronic reporting system established by NMFS in order to renew its registration.

In order to collect the required data on covered, NMFS proposes establishing an electronic registration and reporting system which will consist of two parts. The first will be a publicly accessible registration page where producers will provide basic identification of their business and if needed, receive a registrant identifier from NMFS. After logging in to the reporting site, the producer will be able to provide the required data elements for the interval required.

With the requirement to register as a producer under this program, there would be approximately 66 respondents who would need approximately 5 minutes to fill out the online registration form (estimate consistent with that used for ITDS proposed rule 0648-AX63) resulting in a total annual burden of 5.5 hours (1.83 hours annualized). A maximum reporting requirement would be approximate .5 hours per month for a total of 33 hours for all respondents per year. The estimate is calculated as follows:

Maximum First year Registering Burden

66 producers of shrimp and abalone for consumption as food/year = 66 per annum

66 per annum x 0.0833 hours (5 minutes) to register = 5.5 hours

Annualized Registration burden = 1.83 (2)

With the requirement to register at a minimum report once per year or a maximum of 1 per month (12 reports per year). The maximum estimate is calculated as follows:

Maximum Annual Reporting Burden

 66 producers of shrimp and abalone for consumption as food/year = 66 per annum

66 per annum x 0.5 hours per report x 12 monthly reports = 33 hours

Annualized Registration and Reporting Burden

**Annualized responses: 66/3 per registration = 22 + 792 reports = 814.**

**Annualized registering burden hours: 2 + 396 reporting burden hours = 398.**

Labor cost for 1.83 hours: $19.76 (book-keeping/registration mean labor rate) x 1.83=$36.23

Labor cost for 396 hours; $19.76 (book-keeping/reporting mean labor rate) x 33 = $7825.

Total annualized labor cost: $36.23 + 7824 = $7860.96.

**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).**

Total recordkeeping/reporting costs: First year: $1980, Ongoing: $0

The estimate is calculated as follows and summarized below:

First Year Estimate

66 x $30 one time registration fee = $1980.

$0 for data storage as these records are already required for tax and business purposes.

**Annualized total cost burden = $660.**

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

The estimated cost for processing registrations and reports, verifying data for accuracy, and identifying and investigating potential fraud = $94,892.50

Business rules are programmed into the electronic reporting system established by NMFS to automatically validate that the registrant has populated all data fields that conform to format specifications. Absent validation of the NMFS requirements in the registration portal, the report submission would be rejected and the registrant would be notified of the deficiencies that must be addressed in order for the report to be accepted.

The estimate is calculated as follows:

Subject Matter Expert annual rate of 20% of ZA03 for review, verification, data input, analysis and reports = $43,000.

In addition to automated validation of the data submitted, entries may be subject to verification by NMFS Office of Law Enforcement (OLE) that the supplied data elements are true and can be corroborated via auditing procedures (e.g., production was authorized by the local authority where applicable, processor receipts correspond to outputs/deliveries). In the event information cannot be verified via the automated process, OLE would be required to investigate any suspected misreported or fraudulent entries that were selected for audit.

The estimate is calculated as follows.

On average, 25% of 1- 2 FTE OLE officers at the top of band 2/3 for review and investigation of audit reports = $51,892.50.

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

This is a new collection.

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

NMFS does not plan to publish data collected under this program. NMFS may report aggregate statistics on the number of registrants and production for the benefit of industry, such as NMFS’s annual Fisheries of the United States report.

**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.**

There are no exceptions. Not applicable.

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

This collection does not employ statistical methods.