

SUPPORTING STATEMENT
U.S. Department of Commerce
National Oceanic & Atmospheric Administration
American Lobster – Annual Trap Transfer Program
OMB Control No. 0648-0673

A. JUSTIFICATION

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

The National Oceanic and Atmospheric Administration’s (NOAA) National Marine Fisheries Service (NMFS) requests the approval by the Office of Management and Budget (OMB) of an extension of the existing collection of information under OMB Control Number 0648-0673 for the American Lobster – Annual Trap Transfer Program.

The American lobster resource and fishery are cooperatively managed by the states and NMFS under the authority of the Atlantic Coastal Fisheries Cooperative Management Act, according to the framework established by the Atlantic States Marine Fisheries Commission (ASMFC) in Amendment 3 of its Interstate Fishery Management Plan (ISFMP). This collection of information is in response to several addenda to Amendment 3 of the ISFMP that work to reduce trap fishing effort through limited entry fishing and trap allocation limit reductions. The Trap Transfer Program is intended to foster economic flexibility for the lobster industry while reducing fishing effort on the American lobster resource.

Currently, Federal lobster permit holders qualified to fish with trap gear in Lobster Conservation Management Areas 2 and 3 are undergoing scheduled annual trap allocation reductions of 5 percent per year until 2021 (Area 2) and 2020 (Area 3) from recommendations in Addendum XVIII to Amendment 3 of the ISFMP. In 2015, in an effort to help mitigate the initial economic burden of these reductions, NMFS and state agencies implemented the Lobster Trap Transfer Program that allows all qualified Federal lobster permit holders to buy and sell trap allocation from Areas 2, 3, or Outer Cape Cod. Through the program, any Federal lobster permit holders (regardless of prior area qualifications) may purchase all or part of an Area 2, Area 3, and/or Outer Cape Area trap allocation from eligible permit holders; and those with qualified permits for any of these three areas may sell and buy traps to scale their businesses to an optimal size. Each transaction includes a conservation tax of 10 percent, which removes the number of traps equal to 10 percent of the total traps in the transfer permanently from the fishery. These traps would be debited from the overall number of fishable traps for the associated lobster trap area, as well as the lobster fishery as a whole, thereby reducing the overall number of fishable traps in the water. This concept is consistent with the ISFMP, which includes the conservation tax as an additional means of controlling effort in the fishery.

This collection of information will allow NMFS to continue to obtain data from Federal lobster permit holders on a voluntary basis every year in the form of an application form to transfer traps through the annual Trap Transfer Program. Applications are only accepted during a 2-month period each year (August 1 - September 30), and the revised allocations for each participating lobster permit resulting from the transfers become effective at the start of the following Federal lobster fishing year, on May 1. Both the seller and buyer of the trap allocation must sign and

date the form as an agreement to the number of traps in the transfer; as well as clearly show that the transferring permit holder has sufficient allocation to transfer and the permit holder receiving the traps has sufficient room under any applicable trap cap. This information allows NMFS to process and track transfers of traps through the Trap Transfer Program, and better enables the monitoring and management of the American lobster fishery as a whole.

The Atlantic Coastal Act authorizes NMFS to regulate lobster in Federal waters in cooperation with the ASMFC through implementation of the ISFMP. The ISFMP requires that states implement regulations in support of the lobster management plan and recommends that NMFS implement complementary regulations in Federal waters. The majority of the lobster fishery occurs in state waters and most Federal lobster permit holders also hold a state lobster license. To coordinate the trap transfer effort between NMFS and the states, a joint interjurisdictional trap transfer database was developed for the Trap Transfer Program that is cooperatively managed by both NMFS and state agencies. All trap transfer applications are processed through this joint database and must be approved by both NMFS and the corresponding state, with special attention given to those transactions involving “dual” permit holders with both state and Federal trap allocation. Working cooperatively with the states and sharing a joint trap transfer database prevents disconnect between a state and Federal trap allocations and transfer agreements (especially for dual state and Federal permit holders), and fosters a supportive environment between agencies. This simplifies the overall transfer process, and helps all parties maintain accurate data for their records and management.

The Trap Transfer Program officially began in 2015, and has now been conducted for four years. This program is a part of further management measures that seek to promote economic efficiency within the fishery while maintaining existing social and cultural features of the industry where possible. It is important to maintain this program on an annual basis in order to continue to allow permit holders to mitigate the stress caused by scheduled trap reductions and maximize economic flexibility; while also realizing the conservation benefits that result from the transfer tax, and keep the American lobster industry sustainable.

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.

NMFS collects the trap transfer applications on an annual basis from Federal lobster permit holders interested in buying or selling trap allocation from one or more of the transferable lobster management areas (Areas 2, 3, and Outer Cape Cod). The information will be used to enact the transfer transactions themselves, which includes: checking the permits and trap allocations of the participants, returning/revising incomplete or erroneous applications, auditing the information to ensure the appropriate ending trap allocations are correct in the shared internal and individual regional trap transfer databases, and notifying the participants of the completed transaction and changes to their respective permits after the transfer is finalized.

Each year, permit holders have the opportunity to transfer all or some of their Area 2, 3, or Outer Cape trap allocation by submitting a trap transfer application form during the designated two-month application period (August-September). NMFS collects all of the applications, but

consults with the appropriate state agencies on all applications that involve dual state and Federal trap allocations throughout the transfer process. All data collected through this program is then entered into and processed through a shared, cooperatively managed trap transfer database. Accordingly, NMFS will utilize this data to remain consistent with the ASMFC's recommendations for complementary management. To do otherwise could lead to incongruent trap allocations for dual permit holders, creating confusion and undermining the effective implementation of the program.

NMFS makes the Area 2, 3, and Outer Cape trap allocation data of each Federal lobster permit holders available online each year before and during the trap transfer application period to facilitate the transfer process, allocation management, and rulemaking process. Specific information on each transaction is never available to the public, but the aggregate allocation and transfer data, including permit-specific allocations, are available for public use.

It is anticipated that the information collected will be used to support publicly disseminated information regarding potential future rulemaking actions relevant to the Trap Transfer Program or other lobster fishery management actions. 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 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.

Trap transfer applications are currently accepted electronically by email, in addition to traditional fax, U.S. mail, or other postal method. NMFS provides options to facilitate the timely submission of the required information, and to reduce the time and costs associated with the application process. NMFS utilizes its own databases to track and process applications/trap transfers, as well as a joint trap transfer database collaboratively managed with state agencies to handle applications from dual (state and Federal lobster) permit holders.

NMFS posted copies of the trap transfer application form (both fillable and printable) and instructions for this information collection on the NMFS American Lobster Species Page (<https://www.fisheries.noaa.gov/species/american-lobster#trap-transfer-program>) under the "Trap Transfer Program" tab, to provide easy access for those who have misplaced their applications and to inform interested parties such as state agencies and industry groups. The "fillable" version of this form also calculates and populates the "number of traps received by buyer" field for the applicant, to help prevent math errors and returned applications.

4. Describe efforts to identify duplication.

NMFS works with the states on cases of applicants who hold dual (state and Federal) permits to

ensure duplication does not occur. All trap transfer applications must be approved by both NMFS and the marine fisheries agency of the permit holder's resident state(s) before the transaction is approved and processed. All transfer data is entered into a joint trap transfer database that can be accessed and managed by both NMFS and state agencies. If duplication occurs it can be identified quickly within the shared system and resolved easily.

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

All the respondents are small businesses; however this collection is voluntary, and is not expected to have a significant financial impact. To reduce burden on all applicants, trap allocations for Areas 2, 3, and Outer Cape (before and after the year's annual trap reductions) are made available online to permit holders before each trap transfer application submission window. This saves potential applicants the burden of finding their information, or taking extra time to search for potential buyers/sellers to transfer with. All documents and instructions for the Trap Transfer Program are also made available online, together with the posted allocation information on the NMFS American Lobster webpage, to provide easy access for interested parties to relevant materials all in one place. Applicants may submit application forms electronically through email; saving time and postage costs.

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

The Trap Transfer Program is intended to help control fishing effort while increasing economic flexibility in the American lobster trap fishery. NMFS and state agencies will use the collected data, on an annual basis, to help permit holders voluntarily transfer trap allocation to or from his or her permit. Permit holders may submit applications during a two-month submission window in the fall, to manage their permits and make business decisions before annual trap reductions take effect for Areas 2 and 3 at the beginning of the following fishing year on May 1. The annual transfer period is optimal, as it provides a means for permit holders to take advantage of the economic benefits associated with trap transferability on an optional basis, while restricting the timing to minimize the administrative burdens on the Federal government and affected permit holders. Failure to implement/offer this program at all would restrict economic flexibility, and remove an option initially provided to help mitigate the impact of scheduled trap allocation reductions in Areas 2 and 3.

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

The data collection as described is 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 Federal Register Notice published on September 10, 2019 (84 FR 47495), solicited public comment. No comments were received.

NMFS officially began conducting the Trap Transfer Program in 2015, and works to maintain open industry/public communication as a part of participation in the program. Feedback in the form of comments or questions is welcomed and encouraged throughout the trap transfer process, and several contact numbers are provided on the application form and supporting informational materials.

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

Respondents will not receive any gifts or payment.

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

As stated on the forms, all data will be kept confidential as required by NOAA Administrative Order 216-100, Confidentiality of Fisheries Statistics. Final eligibility determinations and trap allocations are available to the public, consistent with current practices relative to NMFS permit data, but no confidential data is included in this information, or ever made available.

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.

For each trap transfer transaction, both the seller and buyer of the traps need to fill out, sign, and date the trap transfer application form together; resulting in two applicants/parties (buyer and seller) for each application/transaction. **NMFS estimates that for each two-party transaction, it takes 10 minutes to complete the application form, sign the form in agreement, and submit the final application to NMFS.** The time required for a permit holder to submit a trap transfer application online is roughly the same as submitting a hard copy, but the costs of an electronic submission could be \$0.00, since those choosing that option may already have access to a computer and the internet. In the first two years of the Trap Transfer Program, most applications were received by email or fax, but several are still received in hard copy format

through the mail. It can be difficult to determine, in any given year, how applications will be submitted, and there are still participants with limited access to computers and the internet. So we will assume—for the purposes of public burden estimation—that all participants will conduct their transactions using hard-copy submissions.

In general, based upon relative interest and initial numbers, NMFS estimates that approximately 25 percent of those permit holders with trap allocations in one of the transferable areas (Area 2, Area 3, Outer Cape Cod Area) may decide to transfer traps. **This amounts to 86 permit holders¹.** Permit holders with trap allocation in other areas and those with non-trap permits may also be interested in establishing a trap allocation for the trap transferability areas. Some factors that may influence a permit holder’s decision to “buy in” to one of these areas may be: The availability and price of traps; the location of the permit holders; the gear types they use; and the other areas and allocations they may already be authorized to fish. Given these factors, initial program numbers, and other uncertainties—including the current failing stock status of Southern New England lobster—it may be sufficient to estimate that about 5 percent of all Federal lobster permit holders who do not have allocation in Area 2, Area 3 or the Outer Cape Area, may participate in the Trap Transfer Program in any given year. There are 3,146 Federal lobster permits in 2019. If we consider the 343 permits that qualify for at least one of the three trap transfer areas, the result is 2,803 permits that are not granted a trap allocation for these areas, and would need to “buy in” to gain access. We can assume that only those permit holders who are actively fishing their permits would want to add new fishing areas and expand the regions in which they can continue to fish²; so if we remove the 459 permits currently inactive in CPH (confirmation of permit history), we are left with 2,344 permits. Five percent of all lobster permits in this subset gives us **a total of 118 permits/permit holders** who would potentially participate in the Trap Transfer Program. When this is added to the number of permit holders with allocation in Area 2, Area 3, and the Outer Cape Area that are expected to participate (25 percent of the 343 total = 86), **the overall number of potential annual participants to buy and/or sell traps in any given year is approximately 204 Federal lobster permit holders.**

Each transfer transaction requires two permit holders, a buyer and a seller. Therefore, the number of expected participants is twice the number of actual transactions. **If 204 permit holders buy or sell traps in a given year, then the number of transfer transactions would be half that number, or 102 transactions. If each transaction takes 10 minutes to complete, then the total time for 204 permit holders to transfer traps through 102 transactions during the annual trap transfer application submission window is 17 hours (102 transactions X 10 minutes per transaction = 1,020 minutes = 17 hours).**

Current estimates for the annual Trap Transfer Program collection of information, as described above, predict approximately 102 two-party transactions from 204 respondents, creating an overall public burden of 17 hours annually.

¹This figure is based on the total number of qualifiers for the three areas: Area 2 = 194; Area 3 = 131; Outer Cape Area = 18; 194 + 131 + 18 = 341; **Total = 343 X 0.25= 86.**

² There has been some evidence of permit holders with CPH permits *selling* traps through the Trap Transfer Program, but these are individuals that already have allocation Areas 2, 3, or OC, and would not need to “buy in.”

Table 1. Estimate of Annual Time Burden on Respondents

Information Collection	Type of Respondent (e.g., Profession)	Respondents	Total # of Annual Responses	Burden Hrs / Response	Total Annual Burden Hrs	Mean Hourly Wage	Total Annual Wage Burden Cost
Trap Transfer Form	45-1011 First-Line Supervisors of Farming, Fishing, and Forestry Workers	204	102	0.16	17	\$23.84	\$405.28

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

The cost to submit a trap transfer transaction application is equal to the price of a large letter sized envelope (\$2.00) and postage (\$1.22), totaling \$3.22, added to the cost of copying or faxing each page of the two-sided trap transfer form (two copies, one for each permit holder = \$0.20 per page X four pages; estimated at \$0.80). This adds up to roughly \$4.02 per application transaction. However, each applicant may also need to provide two additional pages of documents such as a letter to show their current trap allocation or permit information. This adds four more pages for copying or faxing, at \$0.20 per page, and about \$0.80 more to the cost. **Therefore, the total cost of each joint transfer transaction is approximately \$4.82, and the estimate of the overall annual cost for all 102 trap transfer transactions at \$4.82 per transaction is \$491.64.**

Table 2. Estimate of Annual Cost Burden on Respondents

Information Collection	Respondents	Total # of Annual Responses	Cost / Response	Total Annual Cost
Trap Transfer Form	204	102	\$4.82	\$491.64

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

NMFS calculated the total estimated burden on the government from the lobster Trap Transfer Program collection based upon the estimated 204 permit holders who may apply to this program each year, the 102 annual trap transfer transactions expected to take place, and the time and costs associated with the applications’ review and approval. NMFS expects the number of participants to decrease over time as fishermen stabilize their businesses and available traps become scarce, but this estimate may stand to mark the burden on an annual basis since it is uncertain how trap availability and market forces may impact the amount of transactions over time.

Labor Costs

Permit holders will submit trap transfer applications either electronically or in hard copy to the

Greater Atlantic Regional Permit Office where they will be reviewed and processed by a Legal Instruments Examiner (GS-10, Step 8, hourly rate of \$35.01). For the purposes of this estimate, we will assume that all transactions come in hard copy form, to ensure that the full burden is accounted for. The examiner will take about 10 minutes (\$5.83) per application to enact the transfers which includes checking the permits and trap allocations, returning incomplete applications and auditing the information to be sure that the appropriate ending trap allocations are correct in the internal and regional trap transfer databases. A letter or email will also be sent to the affected permit holders to verify the transaction, or to deny the submission if insufficient traps are available in the seller’s permit. A Supervisory Permit Specialist (GS-14 Step 1, \$52.52 hourly) will also conduct a summary review of the decisions prior to approval, taking 2 minutes (\$1.75) per transaction. **Therefore, each transaction is estimated at 12 minutes for a total cost of \$7.58. For all 102 transactions, this totals to 20.4 hours, at a labor cost of \$773.16³.**

Material Costs

The material (non-labor) costs to the Federal government for soliciting, processing, and responding to applications are the costs of paper, envelopes, and postage for any correspondence not conducted electronically. Itemized costs of those materials needed include envelopes at \$0.09 per envelope (\$9.00 per box of 100 envelopes), and sheets of paper at \$0.01 per sheet (500 sheets per one ream at \$5.00 per ream). Postage for could be covered with a single letter sized envelope, approximately 1 ounce in weight, for a postal charge of \$0.55 per response. To get the full burden estimate, we can assume that most correspondence will include two sheets of paper. Therefore, the total material costs of mailing a letter to each applicant is approximately \$0.66 (\$0.09 + \$0.02 + \$0.55).

It is estimated that approximately 10 percent of trap transfer applications submitted may be incomplete or have errors, requiring some sort of interim correspondence totaling \$0.66 per response. A confirmation letter will also be sent to all participating permit holders with a summary of their new allocations after trap transfers are complete, at the same cost of \$0.66 per response. With the 204 confirmation letters, and additional correspondence to 10 percent (20) of those applicants, the total estimated correspondence burden is 224 letters. **This brings the total material costs to the Federal government per year for the Trap Transfer Program to \$147.84 (224 X \$0.66).**

Total Labor and Materials Costs

The total annual cost for labor, paper and envelopes, and postage is \$907.56 (\$773.16 + \$147.84).

Table 3. Estimate of Annual Cost Burden on Federal Government

Trap Transfer Form	Labor Cost (\$)	Material Cost (\$)	Total Annual Burden (\$)
Current	773.16	147.84	921
Previous	773.16	134.4	904.56
Difference	0	13.44	16.44

³ Total cost based on the cost per transaction, rather than burden hours: \$7.58 X 102 = \$773.16

Cost Descriptions	Grade/Step	Loaded Salary /Cost	% of Effort	Fringe (if Applicable)	Total Cost to Government
Federal Oversight	GS-10/8	\$72,820.8	0.8173%		\$595
Positions	GS-14/1	\$109,241.6	0.1634%		\$178
Contractor Cost					
Travel					
Other Costs					\$147.84
TOTAL					\$921

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

There are no changes or adjustments to this collection.

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

There are no plans to use any of the trap transfer application data provided to the Federal government through this information collection for publication. However, the information is made available to state agencies to track and facilitate trap transfers, and manage state and Federal trap allocations for economic and conservation purposes. Updated trap allocation data is made available annually online to help facilitate the trap transfer process, and may be needed in the future to support program enforcement or relevant fishery management actions.

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.

Expiration dates will be displayed on all forms under this collection.

18. Explain each exception to the certification statement.

There are no exceptions for compliance with provisions in the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

No statistical methods will be employed for the purposes of this information collection requirement.