

SUPPORTING STATEMENT
U.S. Department of Commerce
National Oceanic & Atmospheric Administration
West Coast Groundfish Trawl Economic Data
OMB Control No. 0648-0618

A. JUSTIFICATION

This is a revision pursuant to proposed rule 0648-BI35 that adds a new form and 40 new respondents who are “Quota Share Permit owners” to the West Coast Economic Data Collection.

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

In 2011, NOAA Fisheries and the Pacific Fishery Management Council (PFMC) implemented a catch shares program for the West Coast groundfish trawl fishery. The catch share program consists of cooperatives for the at-sea mothership and catcher-processor fleets that target and process Pacific whiting at sea, and an individual fishing quota (IFQ) program for the shorebased trawl fleet that targets both Pacific whiting and a wide range of other groundfish species. In the IFQ program, fishermen are allocated quota for each species, including rebuilding species, that can be used to catch fish or can be leased or sold. The data collection program described in this document is designed to meet the requirements of the PFMC’s call for mandatory economic data collection as part of the implementation of catch share management in the West Coast groundfish trawl fishery. This mandatory data collection program is needed to meet the monitoring requirements of Section 303A(c)(1)(G) of the Magnuson-Stevens Act (MSA). Requirements are codified in 50 CFR Part 660.114.

In response to the regulatory mandate, the Northwest Fisheries Science Center implemented the Economic Data Collection (EDC) program. Participants in the West Coast groundfish trawl fishery, who must have a limited entry permit with a trawl endorsement, account for about 70% of groundfish landings (by revenue) on the West Coast of the United States (U.S.). The fishery includes an at-sea whiting component (vessels that harvest and process whiting at-sea), a shorebased whiting component (vessels that harvest whiting and deliver to shorebased processors), and a non-whiting groundfish component (all non-whiting groundfish is delivered by catcher vessels to first receivers or shorebased processors).

At its November 2018 meeting, the Council took final action on Catch Share Program 5-Year Review Follow-on Actions. The follow-on actions are range of measures that are intended to complete outstanding program elements, and respond to issues that have arisen following implementation of the Catch Share Program. The range of follow-on actions are included in the final rule for Pacific Coast Groundfish Fishery Management Plan (FMP) Amendment 21-4, 0648-BI35. One follow-on action would require collection of economic data from all Quota Share Permit owners, including those that do not also own lease or charter catcher vessels, catcher-processors, motherships, or own first receivers/shoreside processors,

As mandated in the regulations, data are collected from “All owners, lessees, and charterers of a catcher vessel registered to a limited entry trawl endorsed permit at any time in 2011 and beyond”, “All owners, lessees, and charterers of a mothership vessel registered to an MS permit at any time in 2011 and beyond”, “All owners, lessees, and charterers of a catcher processor vessel registered to a C/P-endorsed limited entry trawl permit at any time in 2011 and beyond”, “All owners of a first receiver site license in

2011 and beyond”, “All owners and lessees of a shorebased processor (as defined under “processor” at §660.11, for purposes of EDC) that received round or headed-and-gutted IFQ species groundfish or whiting from a first receiver in 2011 and beyond”, and “all owners of a quota share (QS) permit as defined at §660.25 (c)).” To date, data have been collected for 2009-2018. The 2009-2010 data collection serves a baseline for comparison.

The collection of data allows for evaluation of the PFMC’s goals for the program:

- 1) Provide for a viable, profitable, and efficient groundfish fishery.
- 2) Increase operational flexibility.
- 3) Minimize adverse effects from an IFQ program on fishing communities and other fisheries to the extent practical.
- 4) Promote measurable economic and employment benefits through the seafood catching, processing, distribution elements, and support sectors of the industry.
- 5) Provide quality product for the consumer.
- 6) Increase safety in the fishery.

These goals are an important consideration in the development of the EDC program, as the Magnuson-Stevens Act (MSA) includes provisions for monitoring the degree to which the goals have been met. Section 303A(c)(1)(G) states that any limited access privilege program (LAPP) shall:

“include provisions for the regular monitoring and review by the Council and the Secretary of the operations of the program, including determining progress in meeting the goals of the program and this Act, and any necessary modification of the program to meet those goals, with a formal review 5 years after the implementation of the program and thereafter to coincide with scheduled Council review of the relevant fishery management plan (but no less frequent than once every 7 years).”

In order to meet the monitoring requirements of the MSA, it is necessary to continue to have economic data on all catcher vessels, catcher-processors, motherships, first receivers/shoreside processors, and quota share permit owners participating in the West Coast groundfish fishery. A separate survey form was developed for each of these five groups.

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.

How Information Will Be Used

Information received from this survey will be used in conjunction with other data sources such as state fish ticket data, observer data, and permit data to serve as the basis for the calculation of economic performance measures and regional economic impacts, regular comprehensive reviews of the catch share program, and policy analysis as requested by the PFMC. Many of the economic performance measures require statistical inference or economic/econometric models.

Examples of uses for statistical inference include calculation of expenditures for each input, calculation of total costs incurred when operating the vessel (which include not only expenditures for inputs but also

other expenditures such as the purchase/leasing of permits and quota), calculation of total revenue earned through operation of the vessel, variable profit (total revenue minus variable costs), vessel operating characteristics (speed and fuel use), crew size, and crew compensation methods (what share of revenue is paid to the crew and which expenses are deducted from landings revenue before the crew is paid). Performance measures that require the estimation of economic models include efficiency of operation and average cost curves for different length vessels (that provide the level of harvest output at which a specific length vessel minimizes its cost per pound of fish landed).

The EDC data provide information on vessel expenditures by cost category (captain, crew, fuel, etc.), which drives the estimates of how changes in landings affect regional and coastal economies. This information is used in the PFMC bi-annual groundfish harvest specification process for calculating net benefits and economic impact estimates for each alternative.

The EDC data have been used in many research papers including analysis of specific gear provisions, the vessel buyback program, analysis of the shorebased whiting processing sector, economic benefits of the catch share program, and analysis of the effect of the catch share program on crew.

Who Will Use the Data?

Information collected in this data collection will be used by economists at the NWFSC and their contractors. Summaries of the data will be produced each year and made available to the general public. These summaries will contain aggregated data (with each variable provided to the public based on responses received from at least three distinct economic units). The reports can be found here: www.nwfsc.noaa.gov/research/divisions/fram/economic/economic_data_reports.cfm and an interactive data exploration tool can be found here: www.nwfsc.noaa.gov/research/divisions/fram/economic/economic_data_reports.cfm.

How Frequently Will the Information be Used?

Both the economic performance measures and the regional economic impact model will be updated annually. The NWFSC economists prepare annual reports with summary statistics for cost categories, sources of revenue, quasi-rents, and the share of fishery economic benefits accruing to various economic agents operating within the fishery (vessel owners, captain, crew, processing plant owners, processing plant employees, and quota owners). These reports are presented to the PFMC. Information reported by catcher vessels, catcher-processors, motherships, first receivers/shoreside processors, and quota share permit owners will also be incorporated into the NWFSC's Input-Output Model for Pacific Coast fisheries (IO-PAC) regional economic model on an annual basis. The performance measures prepared on an annual basis will also be used to determine if the catch share program is meeting the goals identified by the PFMC, and inform policy recommendations.

Economists at the NWFSC also expect to continue a research program examining the impact of catch share programs on fleet structure, production costs, employment, generation and distribution of economic rent, and regional economic impacts. This work will be done on an on-going basis, with analytical results updated as new data become available. Results from this project will be used in the PFMC management process and may be published in peer-reviewed journals.

For What Purposes Will Survey Information Be Used?

Data will be collected to monitor the economic impact of implementing a catch share program as well as

to answer other economic questions that require knowledge of the costs, revenues, physical characteristics, and compensation methods used by catcher vessels, catcher-processors, motherships, and first receivers/shorebased processors in the West Coast groundfish trawl fishery. Monitoring requirements enumerated in section 303A(c)(1)(G) of the MSA requires NWFSC economists to determine the efficiency of operations, whether operations are exhibiting economies or diseconomies of scale, expenditures on inputs including labor and (for harvesting vessels) fuel, quasi-rents (the difference between revenue and variable costs), and economic impacts on fishing communities. Data collected under this collection were used in the report on catch share management impacts, which is legally mandated after 5 years of catch share management by the MSA. Another comprehensive review of the program is scheduled for 2022 and will again rely heavily on the economic data and analyses. Analysis based on these data will not only meet legal requirements, but will also provide information to guide the PFMC in making decisions regarding revisions to the structure of the catch share system used to manage the West Coast groundfish fishery.

NOAA 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 data 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.

Survey participants will have the option to complete either a paper survey or a web form for the catcher vessel, mothership, catcher-processor, and first receiver processors survey. Surveys will be mailed to the participants; enclosed in the survey packet will be information about how to submit their data through the web form. All Quota Share permit owners will be required to submit their information electronically through the Permit Office online Quota Share application and renewal system.

The five EDC survey forms (catcher vessels, motherships, catcher-processors, first receivers/shorebased processors, and quota share permit owners) will be posted on the NWFSC website. Summaries of survey results presenting cost, revenue, physical characteristics, and input compensation methods as well as an interactive data explorer will also be posted annually on the NWFSC website once the data are available: www.nwfsc.noaa.gov/edc.

4. Describe efforts to identify duplication.

To the best of our knowledge and based on extensive interactions with the survey population and fishery managers regarding this data collection, this is the only source for these data. Extensive review of the survey forms with owners of catcher vessels, catcher-processors, motherships, first receivers/shorebased processors, and quota share permit owners has not revealed any questions on the forms that could be answered through the use of existing data sources.

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

Based on available information, the NMFS believes that all of the catcher vessels in the survey population qualify as small businesses. Two methods have been used to minimize survey burden on all members of the survey population. First, survey design has sought to avoid duplication of data collection (discussed in the response to question 4). Second, NMFS economists have met with industry participants to discuss all five forms. These discussions have focused on making questions easily understandable and consistent with the record keeping practices of survey respondents. These meetings with industry participants have resulted in numerous improvements in survey content and clarity. The program staff regularly review the forms to ensure that all information requested is being used directly for management or policy analysis.

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

Failure to conduct this survey would limit NMFS economists to using currently available data in order to monitor the impact of catch share management. While it would still be possible to monitor changes in revenue earned by catcher vessels, there would be no information available on production costs, the processing sector, motherships, or catcher-processors. No evaluation of the economic benefits, distributional impacts, or efficiency effects of catch share management could be made. It would not be possible to evaluate if catch share management was achieving many of the goals identified by the PFMC. As a result, MSA monitoring requirements as stated in section 303(c)(1)(G) could not be met.

In addition, NMFS economists would not be able to produce analysis evaluating the need for modifications to the catch share program design and regulations. For example, evaluating the potential need to revise caps on quota share or quota pound accumulation limits requires knowledge of how much fish vessels of different sizes must harvest in order to minimize cost-per-pound of fish harvested. In order to determine the level of catch at which a vessel minimizes cost-per-pound, it is necessary to have the cost data collected by this survey. Data from this collection are also necessary to evaluate the distributional consequences of catch share management, and the effects on regional economies. These are issues that fishery managers may wish to address by adjusting the catch share program.

Conducting data collection less frequently would slow the delivery of results from the economic monitoring process. Even with annual data collection, the evaluation results of regulatory changes made at the beginning of 2018 will not be available until the end of 2019. Collection of data for 2019 will not occur until mid-2020 (discussions with industry participants emphasized the importance of collecting economic data after industry participants have prepared data for tax filings), and the data verification and matching (with other data sources which provide data used in conjunction with the cost earnings data collected by this survey) process will take additional time. Another consideration is that the fisheries within the catch share program are very volatile, responding to changes in total allowable catch off the West Coast of the U.S. as well as in Alaska, swings in productivity of state-managed fisheries such as crab and shrimp, and to changes in market conditions. As a result of the many outside forces affecting the fisheries, the past year of data are rarely representative of the following year of data. If economic analysis of the cost earnings data indicates unanticipated consequences of the regulatory change, additional time is needed in the PFMC process to discuss and recommend regulatory changes. The consequence of collecting cost earnings data on a less than annual basis is to allow unanticipated consequences of regulatory changes to persist for needlessly extended periods of time.

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

The collection will be conducted 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 Federal Register Notice for the proposed rule to implement PCGF FMP Amendment: 21-4 published on October 10, 2019 (84 FR 54561) solicited public comment. No public comments were received during the comment period relevant to the proposed revision of information collection requirements. As such, no changes were made to the proposed revision to this collection of information.

As stated in Question 5, NMFS economists met with industry participants to discuss all five forms prior to the implementation of the EDC program. Since then, NMFS economists have continued to work with industry participants on the phone, in-person, and at Council meetings to improve the design of the forms.

Changes to the EDC forms often result from communication with participants regarding the types of information collected and how it is collected. Other changes are the result of changes in fishery operations or from requests from fishery managers and stakeholders for specific analyses and types of information.

EDC program staff work extensively with participants during each data collection year. It is common for participants to contact the EDC program (usually by telephone) to ask about questions that arise while filling out the form, or for more information about the purpose of the data collection. During the initial years of the data collection program, there was a large volume of communications with participants. The frequency of phone calls has decreased over time as the participants have learned how to properly complete the forms, and the forms have improved, both in terms of the clarity of instructions and the questions themselves.

There have been two changes since the last PRA clearance. First, the category for observer and electronic monitoring costs on the catcher vessel form is now split into two categories to more accurately collect information about the two types of monitoring. The second change is more substantial. In response to a request from the PFMC and as part of the proposed rule for PCGF FMP Amendment 21-4, a new form has been added to the EDC Program. The new form will collect detailed data from Quota Share permit owners on the nature of quota transactions and characteristics of participation in the west coast trawl fishery. This collection was recommended by the Council at the request of industry and with extensive industry feedback. At the June 2019 Council meeting, NWFSC staff presented proposed aspects of the survey design and solicited feedback from members of industry on the Groundfish Advisory Panel.

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

No payments or gifts will be provided to survey respondents.

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

Responses to this information request are confidential under 402(b) of the Magnuson-Stevens Act (16 U.S.C. 1801, et seq.). They are also confidential under NOAA Administrative Order 216-100, which sets forth procedures to protect the confidentiality of fishery statistics. The NMFS will not publish any information based on fewer than three survey responses in papers, reports, presentations, or other public documents. Nor will a summary statistic be reported if one observation makes up more than 90% of the total value in a given category. Only NWFSC employees will have access to the survey data with information that can be used to identify individual respondents (vessel ID number, owner name, owner address, etc.). Consultants hired by the NMFS may have access to individual observations in the survey data. In the case of a Freedom of Information Act (FOIA) request for the data, the NMFS will seek to protect the data from release through Exemption 4 by noting the data are confidential and highly sensitive business data.

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.

The survey population for 2019 data (to be collected in 2020) consists of 143 catcher vessels, 9 catcher-processors, 6 motherships, 48 first receivers/shorebased processors, and 178 QS Permit Owners. The 158 participants across the three vessel groups (catcher vessels, catcher-processors and motherships) will each need 8 hours to complete the EDC forms, for a total of 1,264 hours, and 20 hours is estimated for the 48 first receiver/shorebased processor form, for a total of 960 hours. 178 hours is estimated for the 178 QS permit owners who will each need 1 hour to complete the QS Permit Owner forms. As a result, one year of data collection will require a total of 2,402 hours to complete the forms each year.

Collection	Responsible Party*	Number of Respondents (a)	Frequency of Responses Per Year (b)	Total Number of Responses Per Year (c) = (a*b)	Average Time Per Response (In Minutes) (d)	Annual Burden (In Hours) (e) = (c)*(d/60)
1. West Coast Groundfish Limited Entry Trawl Catcher-Processor Vessel	All owners, lessees, and charterers of a vessel registered to a catcher processor endorsed limited entry trawl permit	9	1	9	8	72
2. West Coast Groundfish Limited Entry Trawl Catcher Vessel	All owners, lessees, and charterers of a catcher vessel registered to a limited entry trawl endorsed permit	143	1	143	8	1,144
3. West Coast Groundfish First Receiver and Shorebased Processor	All owners of a first receiver site license; or a shore-based processor that received IFQ species groundfish from a first receiver.	48	1	48	20	960
4. West Coast Groundfish Limited Entry Trawl Mothership	All owners, lessees, and charterers of a mothership vessel registered to an MS permit	6	1	6	8	48
5. West Coast Groundfish Quota Share Permit Owner	All owners of a quota share permit	178	1	178	1	178
Totals				384 Responses		2,402

*Some respondents may fall into more than one category and may be required to complete multiple EDC forms.

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 only costs not covered in Question 12 are those for making copies of EDC documents (survey respondents are requested to retain a copy of the completed EDC form) and mailing the surveys. The annual cost associated with these activities is assumed to \$20 per respondent, assuming that the form is sent via certified mail. The 178 Quota Share permit/account owners will complete the Quota Share Owner survey through online webform. Retaining a print out of the submission for their personal records has an annual cost of \$0.05 per-copy annually. Total annual costs for all respondents will be **\$4,156** [(206 x \$20)+(178 x \$0.20)].

Collection	Number of Respondents (a)	Frequency of Responses Per Year (b)	Total Number of Responses Per Year (c) = (a*b)	Mailing and Per Page Copy Costs to Respondent (d)	Total Annual Cost Burden to Respondents (h) = (c) * (d)
1. West Coast Groundfish Limited Entry Trawl Catcher-Processor Vessel	9	1	9	\$20	\$180
2. West Coast Groundfish Limited Entry Trawl Catcher Vessel	143	1	143	\$20	\$2,860
3. West Coast Groundfish First Receiver and Shorebased Processor	48	1	48	\$20	\$960
4. West Coast Groundfish Limited Entry Trawl Mothership	6	1	6	\$20	\$120
5. West Coast Groundfish Quota Share Permit Owner	178	1	178	\$0.20	\$35.6 (36)
TOTAL REPORTING AND RECORD KEEPING COSTS					\$4155.6 (4,156)

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

The NWFSC employs one FTE and two contractors to run the EDC program and partially supports a team of in-house programmers. There are also costs for printing and mailing related to the survey. The total annual cost incurred by the federal government as a result of implementing this survey is thus \$290,000.

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

Adjustments

The final rule for PCGF FMP Amendment 21-4, RIN 0648-BI35, will require any owner of a Quota Share Permit and associated quota share account to complete required EDC forms as of January 1, 2020. In 2019, there are an estimated 178 Quota Share permit/account owners. The current revision adds to the collection 73 new respondents who are Quota Share Permit owners that *do not* also own, charter, or lease a catcher vessel, catcher-processor, mothership, or first receiver/shorebased processing plant. Respondents that fall into one of the four aforementioned categories currently completing EDC forms in this collection will also be required to complete QS Permit owner forms. The form related to QS permit ownership will require approximately 1 hour, once per year to complete, and will be collected electronically. NMFS estimates an increase of 178 hours to the total for this collection. This program change results in an increase of 73 new respondents, 178 new individual responses, 178 additional public burden hours, and \$35.60 in public burden costs.

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

NMFS continues to require submission of the EDC forms for Catcher Vessels, Catcher Processors, Motherships, and First Receiver/ Shorebased Processors by September 1 of each year. Submission of Quota Share Permit Owner EDC forms is required by November 30th of each year to align with the QS

permit renewal process. Deadlines for submission of all complete EDC forms is dictated by regulations. Annual reports, including costs by category, earnings by category, vessel and plant physical characteristics, and compensation to labor inputs (crew on vessels and line workers in processing plants) are to be published in the spring of the following year. Summaries of EDC data will also be made available through a web-based interactive data explorer tool.

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.

The expiration date will be displayed on forms under this information collection.

18. Explain each exception to the certification statement.

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