

SUPPORTING STATEMENT
U.S. Department of Commerce
National Oceanic & Atmospheric Administration
Fisheries Finance Program Requirements
OMB Control No. 0648-0012

Abstract

This request is for an extension of a currently approved information collection. The National Oceanic and Atmospheric Administration (NOAA) operates a direct loan program to assist in financing certain actions relating to commercial fishing vessels, shoreside fishery facilities, aquaculture operations, and individual fishing quotas. Application information is required to determine loan eligibility pursuant to 50 CFR Part 253 and to determine the type and amount of financial assistance available to the applicant. Applicants are required to submit NOAA FORM 88-1, and supporting financial documents. An annual financial statement is required from the recipients to monitor the financial status of the loan. Small stylistic changes have been made to the NOAA FORM 88-1 to make the form easier for the applicant to understand and to fill electronically.

Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Chapter 537 of the Shipping Act (formerly Title XI of the Merchant Marine Act), codified at 46 U.S.C. 53701, authorizes the Fisheries Financing Program (FFP) to assist business in financing or refinancing commercial fishing vessels, fisheries shoreside facilities, aquaculture operations, and individual fishing quotas (IFQ). All obligations involving any fishing vessel, fishery facility, aquaculture facility, or individual fishing quota issued subsequent to the Sustainable Fisheries Act are direct loan obligations. These financings contribute to the stability of the fishing industry, which continues to be viewed by the Congress as in the national interest. New regulations under the Shipping Act were enacted by Final Rule 0648-AY16, to allow crab IFQ loans (75 FR 78619), December 16, 2010. Relevant portions of the Shipping Act are codified at 50 CFR Part 253.

The Fisheries Financing Program (FFP) application form, NOAA Form 88-1, is used by commercial applicants to apply for financing under the FFP. Annual reporting is also required by all current borrowers.

The Fisheries Finance Program involves providing three types of loans.

a. Direct Loans for Vessels, Shoreside Facilities, and Aquaculture

The loans requested under the Fisheries Finance Program (FFP) will provide the financial assistance authorized under the 1996 Sustainable Fisheries Act (SFA) (Public Law 104-297), as amended, Chapter 537 of the Shipping Act, and the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) (16 U.S.C. 1801 et. seq).

Traditional FFP direct loans financing offers the fishing industry slightly better interest rates and longer term loans than are available elsewhere. The longer-term loans allow the industry to amortize their capital investment over the actual economic life of the fisheries asset. Lower debt service reduces economic pressure, thus allowing the borrower to more easily accommodate more restrictive fishery management initiatives. FFP regulations ensure that FFP traditional lending will not increase harvesting capacity in the fisheries but will simply permit the financing of the acquisition of existing vessels or the refinancing of existing debt for vessels already in the fishery.

Shoreside processing loans are capacity neutral. Aquaculture financing is an activity that National Oceanic and Atmospheric Administration (NOAA) is actively encouraging, because increases in aquacultural-grown fish remove pressure on wild stocks.

b. Mariculture Fisheries Finance

NOAA encourages the development of mariculture (growing seafood in salt waters beyond low tide) projects. This technology is not as mature as traditional aquaculture activities and consequently has been assigned a higher risk.

c. FFP Halibut/Sablefish and Crab IFQ loans

The Sustainable Fisheries Act (SFA) amended Section 1104A (a)(7) of the Shipping Act and section 303(d)(4) of the Magnuson-Stevens Fishery Conservation and Management Act to authorize financing and refinancing the cost of entry-level fishermen and fishermen who fish from small boats purchasing individual fishing quota (IFQ). SFA amendments to section 303(d)(4) and section 304(d)(2) of the Magnuson-Stevens Act authorize the Federal Credit Reform Act cost of IFQ lending to be funded by up to 25% of the IFQ and Community Development Quota (CDQ) fee revenue from the IFQ fishery involved.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The application for FFP financing (NOAA Form 88-1) provides the information needed to determine whether the applicant is a good credit risk. All applicants for FFP financing are requested to provide information such as the applicant's identity and address, the amount of financing applied for, the purpose of loan, an appraisal of the vessel or facility involved, financial information including the last 3 tax returns, a list of creditors and buyers with relevant credit terms, identification of authorized representatives (accountant, attorney, insurance agent), and legal history (status regarding bankruptcy, litigation, delinquency on and Federal debt, etc.).

Since 2020 all information is collected electronically.

This information is generally required by any commercial lending institution and provides a basis for evaluating credit-worthiness and repayment prospects. The requirement is to ensure that the loan is for purposes authorized for this program. Applicants with a history of credit problems, litigation or bankruptcy, lack of capital, etc. generally cannot meet the FFP's stringent credit standards.

Applications are approved only for those loans with excellent repayment prospects.

Annual financial statements are required of all borrowers. These statements update the financial statement information presented with the original application and consist of a copy of their tax return along with a current balance sheet and income statement. The financial statements are used to monitor the borrower's financial condition and to trigger servicing actions if indicated.

NOAA Fisheries 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 the Supporting Statement for more information on confidentiality and privacy. The information collection is designed to yield data that meet all applicable information quality guidelines. There is no plan to disseminate this information, but if dissemination is warranted, 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 collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

Since 2020 all information is collected electronically.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Question 2

Because NOAA is the sole Federal provider of FFP financing, there is no duplication of other information requests.

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

This collection does not involve small businesses or other small entities.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Statutorily-mandated financial assistance could not be delivered without this information collection.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with OMB guidelines.

This collection will be conducted in a manner that is consistent with OMB guidelines.

8. If applicable, provide a copy and identify the date and page number of publications in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

A Federal Register Notice, published January 19, 2023 (88 FR 3387) solicited comments on this

collection. No applicable comments were received.

Additionally, NMFS reached out to several stakeholders in an effort 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. No responses were received.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts are provided under this program at this time.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If the collection requires a systems of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.

The information collected is confidential under [NOAA Administrative Order 216-100](#), which sets, which “prescribes policies and procedures for protecting the confidentiality of data submitted to and collected by the National Oceanic and Atmospheric Administration (NOAA)/National Marine Fisheries Service (NMFS) as authorized or required by law.”

This information is also included in a Privacy Act System of Records, [COMMERCE/NOAA-21](#), Financial Services Division. There is a Privacy Act Statement on the application form.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

No sensitive questions are asked.

12. Provide estimates of the hour burden of the collection of information.

Information Collection	Type of Respondent (e.g., Profession)	# of Respondents	Annual # of Responses / Respondent	Total # of Annual Responses	Burden Hrs / Response	Total Annual Burden Hrs	Hourly Wage Rate (for Type of Respondent)	Total Annual Wage Burden Costs
NOAA Form 88-1	Fisherman (45-000)	64	1	64	10	640	16.70	\$10,688
Guarantor Consent (Company)	Fisherman (45-000)	64	1	64	5 min	5	16.70	\$83.50
Guarantor Consent (Individual)	Fisherman (45-000)	64	1	64	5 min	5	16.70	\$83.50
Annual Financial Statement	Fisherman (45-000)	272	1	272	2	544	16.70	\$9,084.80

NOAA Form 88-1	64	60	64	60	640	600	Adjustment –number of respondents
Guarantor Consent (Company)	64	60	64	60	5	5	Adjustment –number of respondents
Guarantor Consent (Individual)	64	60	64	60	5	5	Adjustment –number of respondents
Annual Financial Statement	272	251	272	251	544	502	Adjustment –number of respondents
Total for Collection	336*	311*	464	431	1194	1112	
Difference	25		33		82		

Information Collection	Labor Costs		Miscellaneous Costs		Reason for change or adjustment
	Current	Previous	Current	Previous	
NOAA Form 88-1	\$10,688	\$14,652.00	0	\$540	Adjustment – elimination of copy/postage costs with electronic submission and a change to estimated respondent labor category
Guarantor Consent (Company)	\$83.50	\$122.10	0	0	
Guarantor Consent (Individual)	\$83.50	\$122.10	0	0	
Annual Financial Statement	\$9,084.80	\$12,258.84	0	\$2,259	
Total for Collection	\$ 19,939.80	\$ 27,155.04	0	\$2,799	
Difference	-7,215.44		-2,799		

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Results will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The expiration date will be displayed.

18. Explain each exception to the certification statement identified in “Certification for Paperwork Reduction Act Submissions.”

The agency certifies compliance with [5 CFR 1320.9](#) and the related provisions of [5 CFR 1320.8\(b\)\(3\)](#).