

# Trawl Rationalization Program Cost Recovery Annual Report

Fee Calculation for 2021 and Fishing Year 2020  
Payments  
April 2021

## Overview

The Magnuson-Stevens Act requires the National Oceanic and Atmospheric Administration's (NOAA) National Marine Fisheries Service (NMFS) to collect fees to recover the costs directly related to the management, data collection and analysis, and enforcement of a limited access privilege program (LAPP) (16 U.S.C. 1854(d)(2)), also called "cost recovery." The Pacific Coast Groundfish Trawl Rationalization Program (Trawl Program) is a LAPP and consists of three sectors: the Shorebased Individual Fishing Quota (IFQ) Program, the Mothership (MS) Co-op Program, and the Catcher/Processor (C/P) Co-op Program.

In accordance with the Magnuson-Stevens Act, and based on a recommended structure and methodology developed in coordination with the Council, NMFS collects mandatory fees of up to three percent of the ex-vessel value of groundfish by sector (IFQ Program, MS Co-op Program, and C/P Co-op Program). NMFS collects the fees to cover the incremental costs of management, data collection and analysis, and enforcement of the Trawl Program.

Cost recovery for the Trawl Program was implemented in January 2014. The details of cost recovery for the Trawl Program are in regulation at 50 CFR 660.115.

## What is in this annual report

NMFS is committed to transparent cost accounting practices, including publishing this annual report detailing recoverable costs. This annual report includes information on the fee percentage calculation, program costs, ex-vessel value by sector, and total fees collected by NMFS from the previous year.

## Details on Cost Recovery Calculations

For cost recovery, NMFS must make two calculations during the last quarter of every calendar year, after each fiscal year ends, and announce those values in a *Federal Register* notice before they go into effect on January 1 of the following year. The 2021 fee percentages are calculated based on the 2020 fiscal year, which is October 1, 2019 through September 30, 2020. The data and calculations used in the fee calculation are detailed in this report. The two calculations are:

1. Fee Percentage Calculation by Sector
2. MS Pricing for the C/P Co-op Program

## Fee Percentage Calculation by Sector

For the Trawl Program, NMFS calculates the fee percentage by sector using the best available information, not to exceed three percent of the ex-vessel value of the fishery. To calculate the fee percentage by sector, NMFS uses the formula specified in regulation at § 660.115(b)(1), where the fee percentage by sector equals the lower of either three percent of ex-vessel value or direct program costs (DPC) for that sector divided by total ex-vessel value (V) for that sector multiplied by 100.

$$\text{Fee percentage} = \text{the lower of 3\% or } (DPC/V) \times 100$$

“V” or ex-vessel value, specified in regulation at §660.115(b)(1)(ii), is the total ex-vessel value for each sector from the previous calendar year. The ex-vessel value for each sector is defined at §660.111 and includes the total ex-vessel value for all groundfish species.

“DPC” or direct program costs, defined in regulation at §660.115(b)(1)(i), are the actual incremental costs for the previous fiscal year directly related to the management, data collection and analysis, and enforcement of each sector. Actual incremental costs means those costs that would not have been incurred but for the implementation of the Trawl Program. NMFS does not recover costs for agency activities that were required for the management of the trawl fishery prior to rationalization, so DPCs represent a fraction of the total costs of managing the trawl fishery. The 2021 fee percentages, accounting for adjustments, were published in the [Federal Register \(85 FR 79474, December 10, 2020\)](#) and are as follows:

- Shorebased IFQ Program - 2.5%
- C/P Co-op Program - 0.2%
- MS Co-op Program - 1.3%

## Cost of Management, Data Collection, and Enforcement

As described earlier, DPC in the calculation are the actual incremental costs for the previous fiscal year directly related to the management, data collection and analysis, and enforcement of each sector. Consistent with the [Cost Recovery Committee’s final recommendation in September 2011](#), they are costs that would not have been incurred but for the implementation of the Trawl Rationalization Program.

Since 2014, the first year of cost recovery, NMFS has only recovered the costs of employees’ time (salary and benefits) spent working on the program in the calculation of DPC rather than all incremental costs of management, data collection and analysis, and enforcement. NMFS has not included other categories of incremental costs, such travel, rent, and equipment in the fee calculation. Thus, the DPC for 2021 fee percentage calculations is an underestimate of costs compared to all incremental costs. NMFS also has not included any federal costs resulting from duties performed by the states of Washington, Oregon, or California in the calculation of DPC.

The recoverable costs of employee and contractor time spent working on the Trawl Program are the incremental costs of their time. In other words, it is the cost of staff's<sup>1</sup> time that would not have been incurred but for the implementation of the Trawl Program. NMFS staff have tracked their time spent on the Trawl Program by sector (IFQ, MS, C/P) since 2011.

NMFS determines which tasks are incremental before staff attribute their time spent on these tasks to the cost recovery program. Staff and their supervisors discuss the task and consult with the cost recovery coordinator, supervisors, and/or general counsel, if necessary. If they determine that the task would not have occurred if the Trawl Program were not in place, then NMFS staff record their actual time spent on the task with the appropriate cost recovery code.

NMFS seeks to make this determination early in the process. For example, when the Council begins consideration of a new groundfish action, NMFS discusses whether the action would be considered incremental before any NMFS work begins.

When evaluating the incremental status of tasks, NMFS may determine that some tasks are partially incremental. If NMFS makes such a determination, NMFS staff would be instructed to allocate their time into incremental and non-incremental hours. These same methods would be used if it is determined that a task, such as Cost Recovery Annual Report, is relevant to more than one sector. For example:

1. Ratio Based: NMFS could determine that a ratio of a task is recoverable and staff members will split their time spent on the project by the ratio.
2. Hours Based: NMFS could instruct staff members to allocate their time based on the specific time spent on each task. Time spent on the recoverable tasks would be recorded separately from the time spent on the non-recoverable tasks.

Table 1 provides a summary of the total incremental costs from fiscal year 2020 (FY2020) from each Financial Management Center (FMC). These costs were used to determine the DPC for each sector for the calculation of the 2020 fee percentages. Information including labor hours, number of staff, and FTE equivalent calculations for the FY20 DPCs can be found in Appendix 1. Details on new or ad-hoc incremental tasks that contributed to the FY2020 DPC are included below and Appendix 2 provides the recurring incremental tasks by office and program.

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<sup>1</sup> Hereinafter staff refers to full time NMFS employees and contractors.

Table 1. DPC associated with management, data collection and analysis, and enforcement of all sectors of the Trawl Program, FY 2020 (October 1, 2019 to September 30, 2020).

FMC Office	Branch/ Program	IFQ	C/P	MS
<b>West Coast Region (WCR)<sup>2</sup></b>	Groundfish	\$69,826.20	\$23,539.25	\$17,426.40
	Operations, Policy, & Budget	\$21,765.99	\$18,949.66	\$19,063.11
	Permits & Monitoring	\$64,837.51	\$847.90	\$24,115.27
	Scientific Data Management grant (SDM)	\$228,951.34	\$2,888.50	\$21,509.11
	Pacific States Marine Fisheries Commission grant	\$269,994.00	-	-
	<i>Total</i>		<i>\$655,375.04</i>	<i>\$46,225.31</i>
<b>Northwest Fisheries Science Center (NWFSC)<sup>3</sup></b>	Fisheries Observation Science	\$511,945.05	\$152.40	\$43,017.27
	Economics & Social Science Research	\$332,758.29	\$16,413.89	\$19,989.19
	<i>Total</i>	<i>\$844,703.34</i>	<i>\$16,566.29</i>	<i>\$63,006.46</i>
<b>Office of Law Enforcement (OLE)<sup>4</sup></b>		\$25,026.10	\$589.09	\$257.77
<b>Total</b>		<b><i>\$1,525,104.48</i></b>	<b><i>\$63,380.69</i></b>	<b><i>\$145,378.12</i></b>

<sup>2</sup> Includes FTE and contractors

<sup>3</sup> Includes FTE and contractors

<sup>4</sup> Includes FTE costs only

## Summary of Major Changes in DPC for FY20

- Credits from *Glacier Fish Co. LLC v. Pritzker*, 832 F.3d 1113 (9th Cir. 2016) were fully utilized in FY19.
- IFQ sector had a credit from fee percentage calculation change effective in June 2020 (from 3% to 2.88%) that was applied to the FY20 DPC.
- OLE costs were down substantially for the IFQ sector in particular due to COVID-19 related reduction in time spent on inspections and investigations.

## Major New or Ad-Hoc Tasks for FY20

### Groundfish Branch:

- Amendment 21-4 final rule (published December 17, 2019) and implementation (ALL). Amendment 21-4 allowed the at-sea whiting sector to more fully and efficiently harvest its allocation through flexible set-aside management of constraining bycatch species; improved utilization of IFQ and overall economic efficiency for the shorebased IFQ trawl sector; ensured fair and equitable access to resources in the event of failure or voluntary dissolution of the at-sea Pacific whiting C/P cooperative agreement; and modified the economic data collection for the program.
- Shorebased IFQ Trawl Gear EFP: Removal of the selective flatfish trawl requirement between 40°10' and 42° N. lat, coastwide year round midwater fishery (IFQ).
- Sablefish Management and Trawl Allocation Committee (SaMTAAC): Alternatives development and implementation considerations (IFQ).
- Emergency rule to allow C/Ps to act as MS (C/P, MS).

### Permits and Monitoring Branch:

- Paperwork Reduction Act renewals for: trawl electronic fish tickets (IFQ), first receiver site license, C/P and MS co-op permits (IFQ, C/P, MS).
- Electronic monitoring (EM).
  - Implementation of EM program for the whiting and fixed gear fisheries
    - Participation in and preparation of analysis for the Groundfish EM Policy Advisory Committee (GEMPAC) and Council meetings (IFQ, MS).
    - Development of policies and procedures, and database architecture (IFQ, MS).
  - Development of EM regulations for the bottom trawl and non-whiting midwater trawl fisheries (IFQ).
  - Development of EM “clean-up” regulatory amendment.
    - Participation in and preparation of analysis for the Groundfish EM Policy Advisory Committee (GEMPAC) and Council meetings (IFQ, MS).
  - Development of EM delay rulemaking (IFQ, MS).
- Responding to data requests and providing information for development and analysis of SaMTAAC, including providing implementation details for proposed measures (IFQ).
- Amendment 21-4:

- Development of post-season trading process and review of regulations, modifications to vessel account system (IFQ).
- Implementation of QS owner survey, including development of database modifications to incorporate into annual online permit renewal process (IFQ).

**NWFSC Scientific Data Management (SDM)**

- Implementation of Council actions, including development of use cases, development, testing, and deployment of database modifications:
  - Post-season trading of quota pounds (IFQ)
  - EM drive report database (IFQ, MS)
  - Cowcod EFP shared vessel limit (IFQ)
  - QS owner survey (IFQ)
  - Online ownership interest form submission and auto-reminders for IFQ renewals (IFQ)
  - EM service provider permit online application (IFQ, MS)

**Economics and Social Science Research**

- Amendment 21-4: expansion of the economic data collection program to QS owners (IFQ)
- Support development of analyses related to SaMTAAC (IFQ)

**OLE**

- Participate in designing programming updates for the online IFQ system to improve monitoring and investigative capabilities (IFQ)
- Evaluate related enforcement implications in regards to new actions, rulemaking; reviewed proposed and final rules.
  - Amendment 21-4 (ALL)
  - SaMTAAC (IFQ)

**Adjusted DPCs**

Cost recovery regulations at § 660.115(b)(1)(i) specify that, if the amount of fees collected by NMFS are greater or less than the actual net incremental costs incurred, the DPC will be adjusted accordingly for calculation of the fee percentage in the following year. Adjustments to the fiscal year (FY) 2019 DPC include sector re-apportionment of WCR contracts and SDM overhead and IFQ credits for an incorrect fee percentage in place at the start of 2020. The adjustments to the FY20 DPC are as follows:

- Shorebased IFQ Program:     -\$42,999.79
- C/P Program                   -\$19,124.83
- MS Program:                   -\$7,835.41

The resulting adjusted FY20 DPC values are below:

- Shorebased IFQ Program: \$1,482,104.69
- C/P Program \$44,255.85
- MS Program: \$137,542.72

### **Determining the Value of the Fishery (V)**

The cost recovery program regulations define ex-vessel value for each sector (IFQ, MS, and C/P). To determine the ex-vessel value for the Shorebased IFQ Program, NMFS used the ex-vessel value for calendar year 2019 as reported in the Pacific Fisheries Information Network (PacFIN) from Shorebased IFQ electronic fish tickets as this was the most recent complete set of data. To determine the ex-vessel value for the MS Co-op Program and the C/P Co-op Program, NMFS used the retained catch estimates (weight) for each sector as reported in the North Pacific Observer Program database multiplied by the average price of Pacific whiting as reported in PacFIN from the Shorebased IFQ sector in 2019 (\$0.09). NMFS does not collect pricing data for these two sectors so it uses the Shorebased IFQ sector price data as a proxy.

To determine “V” by sector for calendar year 2019, NMFS queried the PacFIN database. Shorebased IFQ landings and revenue estimates (including all groundfish species) were taken from the PacFIN Comprehensive FT table where nominal ticket species categories are distributed to individual rockfish species at the daily level, using area and species composition proportions supplied by the state sampling programs (Table 2). For the MS and C/P fisheries, retained catch estimates and corresponding whiting values were taken from the NORPAC Comprehensive table within PacFIN (Table 3). While all groundfish species are included in the Shorebased IFQ ex-vessel value, values for non-whiting species are not calculated for the MS and C/P fisheries, since the vast majority of them do not result in revenue.



*Table 2. Retained catch estimates and value, for all groundfish species, by month for Shorebased IFQ Program in 2019. IFQ estimates were queried from the PacFIN Comprehensive FT table.*

<b>2019</b>	<b>IFQ lbs</b>	<b>IFQ value</b>
Jan	3,192,699	\$1,825,736
Feb	3,457,597	\$1,623,909
Mar	7,378,779	\$3,496,674
Apr	6,176,049	\$2,581,356
May	32,949,994	\$5,178,933
Jun	51,000,878	\$5,980,938
Jul	78,188,031	\$8,906,969
Aug	77,735,605	\$9,593,159
Sep	60,070,218	\$7,291,185
Oct	46,138,859	\$7,352,002
Nov	11,080,700	\$4,060,085
Dec	5,072,365	\$2,497,370
<b>Sum</b>	<b>382,441,774</b>	<b>\$60,388,316</b>

Table 3. Retained catch estimates by month and sector (NORPAC) in 2019. Whiting price estimates for at-sea sectors were derived from the Shorebased IFQ fishery (PacFIN).

2019	C/P Retained catch (lb.)	MS Retained catch (lb.)
May	83,826,344	56,002,719
Jun	70,098,032	49,050,755
Aug	*	-
Sep	24,453,635	-
Oct	*	*
Nov	32,142,343	4,215,192
<b>SUM</b>	<b>256,001,960</b>	<b>114,760,305</b>
Price	\$0.09	\$0.09
<b>Value</b>	<b>\$23,703,577.63</b>	<b>\$10,625,816.30</b>

\*confidential

### Calculating the Fee as a Percentage of Total Fishery Value

Using the formula described above in “Fee Percentage Calculation by Sector” and the values for V and adjusted DPC, the fee percentage by sector is as follows:

$$\text{Fee percentage} = \text{the lower of 3\% or } (DPC/V) \times 100$$

- IFQ Program:  $\underline{2.5\%} = \text{the lower of 3\% or } (\$1,482,104.69/\$60,388,316.00) \times 100$
- C/P Program:  $\underline{0.2\%} = \text{the lower of 3\% or } (\$44,255.85/\$23,703,577.63) \times 100$
- MS Program:  $\underline{1.3\%} = \text{the lower of 3\% or } (\$137,542.72/\$10,625,816.30) \times 100$

Table 4. 2021 cost recovery fee percentage calculation.

	<b>IFQ Program</b>	<b>C/P Program</b>	<b>MS Program</b>
WCR	\$655,375.04	\$46,225.31	\$82,113.89
NWFSC	\$844,703.34	\$16,566.29	\$63,006.46
OLE	\$25,026.10	\$589.09	\$257.77
Total FY20 DPC by Sector	\$1,525,104.48	\$63,380.69	\$145,378.12
2020 Fee Adjustment	-\$42,999.79	-\$19,124.83	-\$7,835.41
Final FY20 DPC Totals	\$1,482,104.69	\$44,255.85	\$137,542.72
Ex-vessel Value 2019	\$60,388,316.00	\$23,703,577.63	\$10,625,816.30
Fee Percentage by Sector for 2021	2.5%	0.2%	1.3%

### Fees Collected during Fishing Year 2020

The fees collected in 2020 can be found in Table 5.

Table 5. Cost recovery fees collected through pay.gov for 2020 catch.

	<b>2019 Fees Collected</b>
<b>Shorebased IFQ Program</b>	\$1,152,988.32
<b>C/P Program</b>	\$3,370.60
<b>MS Program</b>	\$21,460.32
<b>Total</b>	\$1,177,819.24

### Use of funds

Payments received by NMFS as a result of cost recovery are deposited in the Limited Access System Administrative Fund as required by the Magnuson-Stevens Act. Funds deposited in this account are available only to the Secretary of Commerce and may only be used to administer and implement the Magnuson-Stevens Act in the fishery in which the fees were collected. All cost recovery fees will be used for current and future management, data collection and analysis, and enforcement of the Trawl Program.

# Appendices

## Appendix 1

Table 1-1. FY20 DPC, Staff Hours, and FTE Equivalent for the IFQ Sector.

Office	Branch/ Program	IFQ			
		Costs	Hours	Staff	FTE equivalent
<b>West Coast Region (WCR)</b>	Groundfish (FTEs and contractors)	\$69,826.20	1,427.45	5	0.69
	Operations, Policy, & Budget	\$21,765.99	428.00	3	0.21
	Permits & Monitoring	\$64,837.51	1,146.00	4	0.55
	Scientific Data Management contract (SDM)	\$228,951.34	1,558.68	3	0.75
	Pacific States Marine Fisheries Commission grant	\$269,994.00	-	-	-
	<i>Total</i>	<i>\$655,375.04</i>			-
<b>Northwest Fisheries Science Center (NWFSC)</b>	Fisheries Observation Science (FTE)	\$229,822.63	4,174.50	9	2.01
	Fisheries Observation Science (Contract)	\$282,122.42	-	11	-
	Economics & Social Science Research (FTE)	\$78,725.58	1,147.03	3	0.55
	Economics & Social Science Research (contract)	\$254,032.71	-	3	-
	<i>Total</i>	<i>\$844,703.34</i>			

<b>Office of Law Enforcement (OLE)</b>		\$25,026.10	352.25	9	0.17
<b>Total</b>		\$1,525,104.48			

Table 1-2. FY20 DPC, Staff Hours, and FTE Equivalent for C/P sector.

FMC Office	Branch/ Program	C/P			
		Costs	Hours	Staff	FTE equivalent
<b>West Coast Region (WCR)</b>	Groundfish (FTEs and contractors)	\$23,539.25	489.8	2	0.24
	Operations, Policy, & Budget	\$18,949.66	389.5	3	0.19
	Permits & Monitoring	\$847.90	13.0	3	0.01
	Scientific Data Management grant (SDM)	\$2,888.50	20.9	3	0.01
	Pacific States Marine Fisheries Commission grant	-	-	-	-
	<i>Total</i>	\$46,225.31			
<b>Northwest Fisheries Science Center (NWFS)</b>	Fisheries Observation Science (FTE)	\$152.40	1.5	1	0.00
	Fisheries Observation Science (Contract)	-	-	-	-
	Economics & Social Science Research (FTE)	\$2,793.46	37.8	2	0.02

	Economics & Social Science Research (contract)	\$13,620.43	-	1	-
	<i>Total</i>	\$16,566.29			
<b>Office of Law Enforcement (OLE)</b>		\$589.09	7.0	4	0.00
<b>Total</b>		\$63,380.69			

Table 1-3. FY20 DPC, Staff Hours, and FTE Equivalent for MS sector.

FMC Office	Branch/ Program	MS			
		Costs	Hours	Staff	FTE equivalent
<b>West Coast Region (WCR)</b>	Groundfish (FTEs and contractors)	\$17,426.40	340.5	2	0.16
	Operations, Policy, & Budget	\$19,063.11	392.0	3	0.19
	Permits & Monitoring	\$24,115.27	423.5	4	0.20
	Scientific Data Management (SDM)	\$21,509.11	133.2	3	0.06
	Pacific States Marine Fisheries Commission grant	-	-	-	-
	<i>Total</i>	\$82,113.89	-	-	-
<b>Northwest Fisheries Science Center (NWFS)</b>	Fisheries Observation Science (FTE)	\$27,343.80	373.8	4	0.18
	Fisheries Observation Science (Contract)	\$15,673.47	-	11	-
	Economics & Social Science Research (FTE)	\$6,368.76	86.5	2	0.04

	Economics & Social Science Research (contract)	\$13,620.43	-		1	-
	<i>Total</i>	\$63,006.46	-	-	-	-
<b>Office of Law Enforcement (OLE)</b>		\$257.77	3.0		3	0.00
<b>Total</b>		\$145,378.12	-	-	-	-

## Appendix 2

Table 2-1. Nominal ex-vessel value (as defined at § 660.111) and direct program costs before adjustment by sector 2014-2021. The data in each column is what was used to determine the cost recovery fee percentage for that year.

	2014	2015	2016	2017	2018	2019	2020 <sup>5</sup>	2021
IFQ fishery value	\$48,182,167	\$51,557,998	\$52,052,455	\$41,605,012	\$46,206,889	\$60,624,195	\$54,795,365	\$60,388,316
IFQ DPC before adjustment	\$1,877,752	\$2,028,859	\$2,310,729	\$2,021,490	\$2,179,402	\$1,753,653	\$1,576,277	\$1,482,104
C/P fishery value	\$16,763,066	\$22,233,966	\$25,219,201	\$11,120,803	\$21,314,877	\$24,656,732	\$20,307,972	\$23,703,577
C/P DPC before adjustment	\$176,460	\$158,631	\$184,266	\$65,260	\$76,817	\$47,178	\$85,422	\$44,255
MS fishery value	\$11,453,663	\$14,759,147	\$15,189,237	\$4,373,922	\$12,214,290	\$11,350,915	\$11,562,542	\$10,625,816
MS DPC before adjustment	\$274,936	\$233,300	\$372,976	\$167,549	\$128,452	\$71,400	\$107,153	\$137,542

<sup>5</sup> The fee percentage for 2020 for the IFQ Sector reflects the corrected value published on June 16th, 2020 ([85 FR 36379](#))



*Table 2-2. MS pricing used in fee percentage calculations 2014-2021.*

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
MS pricing	\$0.14	\$0.13	\$0.11	\$0.08	\$0.09	\$0.07	\$0.08	\$0.09

Figure 2-1. Nominal ex-vessel value (as defined at § 660.111) and direct program costs before adjustment for the IFQ sector 2014-2021.

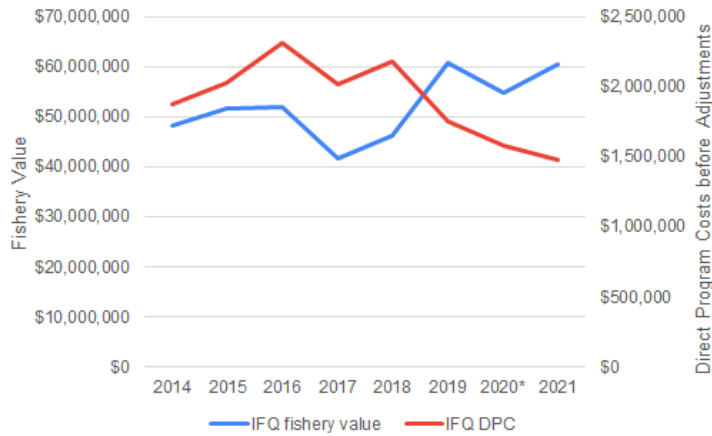


Figure 2-2. Nominal ex-vessel value (as defined at § 660.111) and direct program costs before adjustment for the C/P sector 2014-2021.

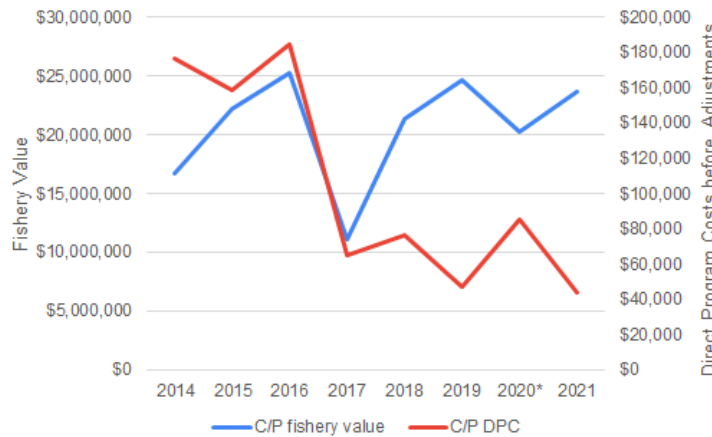
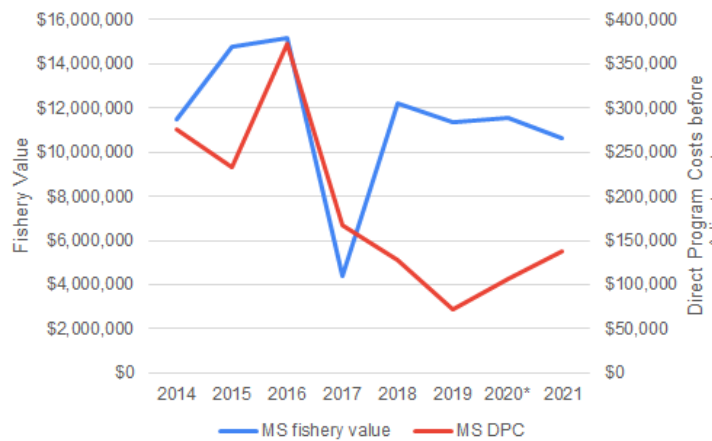


Figure 2-3. Nominal ex-vessel value (as defined at § 660.111) and direct program costs before adjustment for the MS sector 2014-2021.



*Table 2-3. Fee percentages by sector for 2014-2021 including all adjustments to direct program costs. Note any calculated fee percentage over three percent was capped at three percent.*

	IFQ fee %	C/P fee %	MS fee %
2014	3.9% <sup>6</sup>	1.1%	2.4%
2015	3.9% <sup>5</sup>	0.0%	1.6%
2016	4.4% <sup>5</sup>	0.7%	2.5%
2017	4.9% <sup>5</sup>	0.0%	0.0%
2018	4.7% <sup>5</sup>	0.0%	0.0%
2019	2.9%	0.0%	0.0%
2020 <sup>7</sup>	2.88%	0.08%	0.29%
2021	2.5%	0.2%	1.3%

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<sup>6</sup> Capped at 3 percent as required by the Magnuson-Stevens Act (16 U.S.C. 1854(d)(2)).

<sup>7</sup> The fee percentage for 2020 for the IFQ Sector reflects the corrected value published on June 16th, 2020 ([85 FR 36379](#)). Additionally, in 2020, we mistakenly published the fee percentage with two decimal places, however, the regulations at § 660.115(b)(1) require the fee percentage to be rounded to the nearest 0.1 percent.

## Appendix 3

### Determination of Recoverable Costs

NMFS uses a “but for” approach when determining the actual costs of managing the Trawl Program as specified in 50 CFR 660.115(b)(1)(i). This approach looks at incremental costs that would not have been incurred but for the implementation of the Trawl Program and is consistent with the “with and without” language in “[The Design and Use of Limited Access Privilege Programs](#)” tech memo (NOAA, 2007). This approach results in tasks being categorized as incremental, partially incremental, or non-incremental.

**Non-incremental** tasks may support the trawl fishery but are not directly related to the Trawl Program provisions (i.e., not part of Amendment 20 or other trailing Amendments). These tasks would have occurred without the implementation of the LAPP program. Examples include:

- Participation in the Pacific Whiting Treaty discussions and the rulemaking for annual specifications and management measures.
- Database work that is not specific to the Trawl Program such as maintenance and upgrades to limited entry permits-specific pages of the permits database.
- Reapportioning quota pounds as a result of the finalization of Pacific whiting quotas (“top-up”) or tribal re-apportionments.
- Observer coverage levels that were in place prior to rationalization.

**Incremental tasks** are those that would not have occurred but for the implementation of the Trawl Program. Partially incremental tasks are those for which a portion of the tasks is incremental and a portion is non-incremental.

Further details of the on-going tasks previously determined to be incremental costs for management, data collection and analysis, and enforcement of the Trawl Program by sector are described below. The details are grouped by FMC within NMFS: WCR, NWFSC, and OLE.

#### West Coast Region (WCR)

The WCR manages the Trawl Program by working on policy issues, drafting and implementing regulations, tracking the fishery, and issuing permits. This includes work done by WCR Groundfish, Permits and Monitoring, and Operations and Policy Branches. It also includes WCR costs for work done by the NWFSC’s IT group on the online IFQ program web application, and for work done by the Pacific States Marine Fisheries Commission for the Catch Monitor Program and electronic fish tickets for Shorebased IFQ Program landings. The specific tasks identified to be recoverable are outlined in greater detail later in this document.

Examples of WCR, PSMFC, and NWFSC SDM incremental tasks in FY2020 and which sectors were charged are described below.

## **Groundfish Branch**

*Ongoing and Annual Tasks* – these activities are performed on an annual or ongoing basis to administer the program and for which staff time fluctuates minimally.

- Trawl Program Support & Compliance – Provide support to constituents to understand and comply with program requirements.
  - Coordinate with Permits Branch for annual issuance of quota pound (QP) and carryover (IFQ).
  - Respond to requests for clarification of Trawl Program regulations by phone, email, and in person (IFQ).
  - Assist the Permits Branch in the review of annual MS and C/P co-op applications (MS, C/P).
- Website Updates – Prepare and update information for the [West Coast Groundfish Trawl Catch Share Program website](#) (ALL).
- Assist Permits Branch, West Coast Groundfish Observer Program (WCGOP), and OLE in monitoring and investigation of compliance with Trawl Program regulations (ALL, mostly IFQ).
- Cost recovery policy, participation in the fee percentage calculation, and review of annual report (ALL).
- Groundfish Management Team (GMT) analysis on recoverable tasks, as appropriate (ALL). Time spent at GMT meetings working on incremental tasks is not charged but time spent analyzing tasks identified as incremental outside a Council meeting is charged.
- Cost recovery tracking, accounting, and reporting (ALL).

## **Operations and Policy Branch**

- Cost recovery policy, fee percentage calculation and notice, preparation of annual report and presentation to the Council, providing assistance to industry in paying cost recovery fees, coordinating the dispersal of cost recovery funds. Attending meetings and providing regional input to support nationwide cost recovery policy (ALL).

## **Permits and Monitoring Branch**

*Ongoing and Annual Tasks* – these activities are performed on an annual or ongoing basis to administer the Trawl Program and for which staff time fluctuates minimally.

- Permits and Licenses – Process and administer permit and license applications and programs.
  - Review new applications and renewals for QS permits/accounts (IFQ), vessel accounts (IFQ), observer-catch monitor provider permits (ALL), and co-op permits (MS, C/P).
  - Work with applicants to understand requirements, and complete and submit required forms (ALL, mostly IFQ).

- Enter data into the database, issue permits, and establish new accounts. Maintain paper and electronic files associated with permits, licenses, and accounts (ALL, mostly IFQ).
- Trawl Program Support & Compliance – Provide support to constituents to understand and comply with program requirements.
  - Respond to constituents’ requests for information and assistance by phone, email, and in person (IFQ).
    - Clarify Trawl Program regulations.
    - Reset passwords and provide support for vessel and quota share accounts.
    - Train new entrants on how to use the IFQ account system.
    - Complete administrative transfers for deceased QS permit owners and work with families to understand requirements.
  - Proactive outreach with constituents about deadlines and changes in regulation (IFQ).
    - Contact constituents with an upcoming renewal, application, or quota pound transfer deadline.
    - Post messages on the IFQ website.
  - Data entry and Quality Assurance/Quality Control (QA/QC):
    - Enter and QA/QC data.
    - Reconcile data discrepancies found in the IFQ account system (IFQ).
  - Update catch monitor plan guidelines and template for first receivers (IFQ).
  - Data Requests – Prepare Trawl Program data reports in response to various constituents (i.e., Council staff, industry, Non-governmental organizations, Congressional, members of the public) and internal NMFS requests (IFQ).
  - Freedom of Information Act (FOIA) Requests - Compile responsive documents in response to FOIA requests (ALL).
  - Database Maintenance/Troubleshoot Reported System Errors – Work with NWFSC IT to maintain and make enhancements to the online databases (ALL, mostly IFQ).
    - Prepare business rules and use cases for programming staff to code system enhancements/revisions, such as password reset functionality.
    - Work with programming staff to test new functionality of systems before release.
    - Carry out QA/QC of system.
  - Quota Pound Allocations – Calculate and allocate quota pounds to QS accounts and carryover quota pounds to vessel accounts (IFQ).
    - Prepare a preliminary carryover calculation with total issuance amounts for the GMT Council. Brief GMT staff on carryover calculation and preliminary issuance amounts.
    - Prepare memos documenting QP allocation and carryover actions.
  - Website Updates – Prepare and update information for the [West Coast Groundfish Trawl Catch Share Program website](#) (year-end notice, carryover notice, updated forms, etc.) (ALL).
- Cost recovery tracking, accounting, and reporting (ALL).

## PSMFC

*Ongoing and Annual Tasks* – these activities are performed on an annual or ongoing basis to administer the Trawl Program and for which staff time fluctuates minimally.

- Catch Monitor (CM) Program Management (IFQ).
  - Manage CM program, including training and overseeing CM certifications.
  - Debrief CM, manage, and QA/QC CM data.
  - Review catch monitor plans for FRSL applications, conduct site inspections, work with applicants to revise and resubmit final CM plans.
  - Respond to constituent requests for information about the CM program and requirements.
  - Participate in the development of policies and protocols for the CM program, including implementation of changes (e.g., as a result of regulatory actions).
- E-Tickets Support (IFQ)
  - Respond to constituent requests for assistance with e-tickets, train new users, manage and troubleshoot data entry and transmission.

## SMD

The NWFSC SDM team provides the user interface and database architecture that allows IFQ QS and vessel account owners to manage QS and QP through transfers and balance reporting of fish landings and discards. NWFSC SDM has developed and maintained the IFQ Catch Share web application since the initial launch on January 11, 2011, and continues to provide enhancements as user needs and regulations have warranted. NWFSC SDM provides a data reporting interface available to key NMFS and state law enforcement agents, NMFS WCR Permits Office, NMFS economists, PSMFC staff, and Council staff.

*Ongoing and Annual Tasks* – these activities are performed on an annual or ongoing basis to administer the Trawl Program and for which staff time fluctuates minimally.

- Database Enhancements, Maintenance, Troubleshoot Reported System Errors – Design and develop enhancements for the online IFQ and permit systems; revise user interface; prepare use cases for programming staff to code system enhancements/revisions; test new functionality of systems before release; on an ongoing basis carry out QA/QC of system (ALL, mostly IFQ).
- Administrative quota actions in the vessel account system – e.g., top-ups, QP allocations, carryover, reapportionment (IFQ).
- Posting messages to the vessel account system (IFQ).
- Cost recovery tracking, accounting, and reporting (ALL).

## NWFSC

NWFSC collects and analyzes data on the Trawl Program through observers on vessels and through economic and social surveys. This includes work done by the NWFSC Fishery Resource Assessment and Monitoring Program (FRAM) and additional staff paid through a PSMFC contract.

For FRAM staff, timecards were coded with project and task codes by sector in a similar manner as those from the WCR. Only costs attributable to the implementation of the 2011 Trawl Program were included. Because the mothership processing vessels (i.e., not the mothership catcher vessels) and C/P vessels were fully observed with mandatory observers and debriefers from the At-Sea Hake Observer Program (A-SHOP) before the Trawl Program, these debriefer costs were not included. The A-SHOP manages observers for the at-sea whiting processors, which includes mothership processors (not the catcher vessels), and the C/Ps. The WCGOP administers the observer program for the shorebased catcher vessels (IFQ) and the catcher vessels fishing for and delivering to motherships. 25% of the costs attributed to the WCGOP for the Shorebased IFQ Program were deducted to account for observer coverage of the limited entry trawl fishery by the WCGOP prior to the implementation of the Trawl Program

The PSMFC observer costs are only for Trawl Program activities. Costs are only tracked at the Trawl Program and non- Trawl Program level; however, the bulk of these costs are for the Shorebased IFQ Program. The PSMFC observer costs include the salary, benefits, and overhead for PSMFC observer staff working on Trawl Program activities. These values only cover staff time for observer program activities, not Catch Monitor Program activities, or any other PSMFC activities. In addition to the Shorebased IFQ Program, some of the cost is also attributable to the MS fishery for debriefing and training observers deployed on MS/catcher vessels (CV) but not for activities onboard the vessels. To determine how much of these costs should be apportioned to the MS fishery, NMFS looked at the sea days spent as a percentage of MS/CVs vs Shorebased IFQ. In FY20, this was 4% to 96% respectively. As with the other NWFSC observer estimates, 25% of the hours and costs were deducted from the IFQ shorebased amounts to account for coverage of the limited entry trawl fishery prior to the implementation of the Trawl Program.

## **Fisheries Observation Science**

*Ongoing and Annual Tasks* – these activities are performed on an annual or ongoing basis to administer the Trawl Program and for which staff time fluctuates minimally. Time should be allocated directly to the sector in which work is being done when possible. For tasks that apply to all sectors, time should be split equally across applicable sectors as noted below.

- Trawl Program data review, reporting, and observer debriefings (WCGOP only, no A-SHOP costs reported) (IFQ, MS).
  - Debrief observers, error check observer data, and provide guidance to observers deployed in the Trawl Program.
  - QA/QC observer data to ensure it is of the highest quality.
  - Maintain nightly automated reporting of discard data to the vessel account system.
  - Prepare, package, file, and archive Trawl Program observer program data.
- Trawl Program observer trainings and briefings (WCGOP only, no A-SHOP costs reported) (IFQ, MS).
  - Conduct high-quality annual trainings and briefings (refresher training) to deploy observers in the Trawl Program. Develop and modify manuals and lesson plans to meet observer sampling needs in the Trawl Program.
  - Document and track observer certifications for Trawl Program deployments as established in regulation. Review observer candidate applications to ensure they meet minimum standards and maintain appropriate records.



- Support to constituents with their vessel accounts with regard to observer discards (IFQ)
  - Maintain phone and email service to constituents in order to address questions regarding observer discard debits from vessel accounts. Explain how discard is calculated in specific circumstances based on observer sampling. Provide data as requested to support debits.
  - Manually calculate discard estimates using best available data for unforeseen instances such as gear loss or improper catch handling.
- Develop EM program audit capabilities (IFQ, MS)
  - Design data systems to store and deliver EM data, and apply business rules
  - Collaborate with WCR, PSMFC, and EM 3rd party providers to help develop business rules, manuals, and other documents/guidance as needed
  - Build video review capabilities and feedback mechanisms for debriefing 3rd party generated data.
- Observer Program Data Systems and Database (ALL)
  - Conduct database maintenance and enhancements, and address issues for those systems and processes related to the Trawl Program.
- Manage and error check trawl catch data with PSMFC, WCGOP, and OLE (ALL)
  - Provide data and support as requested by OLE or EM program to support the Trawl Program.
- Cost recovery, data analysis and reporting (ALL).
  - Query, aggregate, modify, and provide recoverable cost data to cost-recovery coordinator.
  - Determine and provide annual guidance regarding cost recoverable activities and time-keeping.
- Cost recovery tracking, accounting, and reporting (ALL).

## **Economics and Social Science Research**

*Ongoing and Annual Tasks* – these activities are performed on an annual or ongoing basis to administer the Trawl Program and for which staff time fluctuates minimally. The costs for these ongoing tasks are apportioned based on the following criteria. For sector specific tasks, IFQ, MS, and C/P costs are apportioned to the particular sector. For non-sector specific tasks, such as database maintenance, costs are apportioned as 33.3% to each sector. For catcher-vessel related tasks, some cost is apportioned to the MS sector because catcher-vessels also participate. The apportionment is 88% to IFQ and 12% to MS based on the average percentage of active fishing vessels that participate in the MS sector.

- Economic Data Collection (EDC) form administration and mailings (IFQ, MS, C/P).
  - Update paper surveys to reflect general survey upkeep from year-to-year.
  - Design and implement survey updates and improvements based on feedback from participants and users of data and data products.
  - Acquire Paperwork Reduction Act (PRA) approval of surveys.
  - Order paper copies of surveys and other supplies needed for annual mailing of survey packets.
  - Identify entities that owe an EDC survey in a given year.
  - Update survey packets, which include cover letters and instructions as well as the current year's EDC survey.

- Compile and mail survey packets as well as creating new file folders for current year's incoming surveys.
- EDC development and maintenance of web-based forms (IFQ, MS, C/P)
  - Update web-based forms (via XML code) to reflect general survey upkeep from year-to-year.
  - Add any survey updates (including new questions) to web-based forms by updating XML code.
  - Test web-based forms each year to ensure forms are functioning properly and data is recorded.
  - General updates to web-based forms to increase usability (including identifying incorrect entries, and preventing submission of incomplete forms).
  - Generate new unique form IDs for each survey that is owed.
- EDC data QA/QC (IFQ, MS, C/P).
  - Double-key entry of any surveys submitted via paper forms.
  - Update and improve automated QA/QC business rules.
  - Data validation using external data sources, including the Pacific Fisheries Information Network (PacFIN), Alaska Fisheries Information Network (AKFIN), At-Sea Hake Observer Program, and the West Coast Regional Permit Office.
  - Data validation using internal data sources, including data submitted by participants in other years and data submitted by other participants.
  - Communicate QA/QC items to participants and work with them to clarify any items that have been flagged (via phone calls, emails, and letters).
  - Mail audit letters to participants that have not clarified existing items.
  - Record electronic and paper logs of communications with participants.
- EDC database maintenance (IFQ, MS, C/P).
  - Clean and transform raw data into data files for analyses.
  - Design and implement updates and improvements to data cleaning process, including cost disaggregation, fishery designations, categorizing entities, etc.
- Produce EDC reporting through EDC reports and web-site (IFQ, MS, C/P).
  - General upkeep of code to generate annual EDC reports and web-site, including updating language to reflect current year, additional formatting associated with including an additional year of data, etc.
  - Update report overviews to reflect current year's data. Report overviews focus on presenting the most recent year of data, so from year-to-year the language and discussions must be updated.
  - Design and implement updates and improvements to data presentation, including generating new figures and tables.
- Regularly coordinate and provide OLE information to determine actions pertaining to delinquent and inaccurate submissions, which include delinquency letters, audit letters, warnings, site visits, and fines (ALL).
- Cost recovery tracking, accounting, and reporting (ALL).

### **NOAA's Office of Law Enforcement (OLE)**

OLE enforces the requirements of the Trawl Program. OLE tracks labor costs by one project/task code, but sworn law enforcement officers and agents track their daily hours by

activity codes on their timecards (1 for each sector – IFQ, MS, C/P). Law enforcement officers and agents recorded recoverable activities in FY2020 associated with IFQ, C/P, and MS programs.

Trawl Program enforcement technicians also perform recoverable activities for all three categories (IFQ, MS, C/P). Enforcement technician activities apply to all categories and include, but are not limited to, tracking QS and vessel account balances, contacting vessel owners if an account is negative, assisting with fishery declarations, and tracking fishing status and activity through the vessel monitoring system.

Examples of OLE incremental tasks considered recoverable include:

*Ongoing and Annual Tasks* – these activities are performed on an annual or ongoing basis to administer the Trawl Program and for which staff time fluctuates minimally.

- Evaluate enforcement issues related to permit renewals and new applications (e.g., co-op permits, QS and vessel accounts, FRSL) (ALL, mostly IFQ).
- Monitor QS and vessel accounts for regulatory compliance (IFQ).
- Monitor trawl catch data on a daily basis to ensure compliance with regulations (IFQ).
- Take enforcement action where appropriate to include verbal communication, correction letters, summary settlements, and formal investigation leading to the issuance of written warnings and Notice of Violation Assessments (NOVA) by General Counsel Enforcement Section (GCES) (ALL).
- Analysis and evaluation of EDC report submittals for regulation compliance, inclusive of issuing compliance correction letters, and conducting investigations leading to the issuance of written warning and NOVAs by GCES (ALL).
- Ongoing monitoring and subsequent investigations of alleged violations of Trawl Program regulations by vessel owners, operators, processors, and First Receivers (FRs) (IFQ).
- Actively engaged in the evaluation of numerous regulation complexities specific to IFQ midwater and bottom trawl fishing activity that have emerged because of the implementation of the IFQ program (IFQ).
- Participate in the analysis, creation, and QA/QC of IFQ program outreach materials; i.e., compliance guides (IFQ).
- Data Requests/Reports – Prepare Trawl Program data reports in response to various constituents (e.g., Council staff, industry, NGOs, Congressional, members of the public) and internal NMFS requests (IFQ).
- Investigation of alleged observer and catch monitor violations (IFQ).
- Investigation of alleged violations of ownership interest for the IFQ trawl fleet across permits and vessels (IFQ).
- Develop procedures and processes of monitoring, analyzing, and investigating alleged excessive QS holdings (IFQ).
- Participate in designing programming updates for the online IFQ system to improve monitoring and investigative capabilities (IFQ).
- Cost recovery tracking, accounting, and reporting (ALL).

## **Northwest Section of General Council**

NMFS did not include the cost of staff from the Northwest Section of General Counsel in the cost recovery calculation. Of the other Regions around the country collecting cost recovery fees for LAPPs under the MSA, no other Region includes General Counsel in recoverable costs. The Alaska Region did recover their General Counsel costs in the past, but has stopped doing so.