

### **Updated Proposal for a Sablefish Permit Stacking Cost Recovery Program**

The National Marine Fisheries Service offers the following updated framework for a cost recovery program for the sablefish limited entry permit stacking fishery (“tier program”). This proposal reflects the preliminary preferred alternative adopted by the Pacific Fishery Management Council (Council) in March 2025, and is based on the framework previously presented in [Agenda Item H.4.a NMFS Report 2](#) in June 2023, with modifications responsive to recommendations from the Groundfish Advisory Subpanel (GAP) in [Agenda Item H.7.a Supplemental GAP Report 1](#), March 2025:

“The GAP supports collecting any future cost recovery fees at the harvester level and, specifically, suggests that it is collected per delivery similar to current cost recovery in the trawl individual fishing quota program. ... the general agreement in the GAP is that collecting any future cost recovery at the fish ticket level is the least impactful to the industry. The GAP also suggested that if the harvester is responsible for collecting and paying the fee, and doing so at the fish ticket level is not feasible, that instead of paying the fee annually, the fees could be paid monthly or quarterly. A monthly or quarterly responsibility would be easier to manage than an annual fee.”

Varying perspectives on whether the permit owner or vessel owner should be the party responsible for paying sablefish cost recovery fees have been considered during the course of Council and GAP deliberation on this item. The Council’s preliminary preferred alternative specified that the vessel owner (“at the harvester level” in the above GAP report excerpt) would be responsible; therefore, this proposal reflects that choice.

The GAP recommended that the cost recovery fee be collected per delivery similar to the trawl IFQ program. In the IFQ program, licensed first receivers collect the fee from the vessel at each landing and the first receivers are responsible for paying the fee. NMFS proposes not including sablefish buyers (who do not have a specific tier program first receiver site license, unlike the trawl IFQ program); instead, the harvester (vessel) making tier landings be responsible for paying the fee directly.

NMFS interpreted the GAP’s comments regarding timing of payment to represent interest in having an option to make more frequent, smaller payments rather than a single large annual payment. This updated proposal would allow payments to be made at any time during the year. NMFS intends to work with the Pacific States Marine Fisheries Commission to show the calculated cost recovery fee on the electronic fish ticket for each landing. This would not mean the dealer withholds and pays that amount, but it would provide the vessel owner with the information necessary to make payments via pay.gov whenever they wish (i.e., after each landing or at some other frequency of their choosing).

NMFS anticipates developing draft regulations to implement a sablefish tier cost recovery program with the following major provisions, reserving the flexibility to make minor adjustments to administrative implementation details (for example, method of notifying participants of the annual



fee percentage). All details would be fully specified and available for public comment in a proposed rule.

### **Structure**

The fishery (tier program) would be treated as a single sector whereby costs are calculated for the sector and the fee percentage would be calculated for the sector.

### **Who pays**

The owner(s) or authorized representative of the vessel that makes landings of sablefish in the tier program would be responsible for paying the fee.

### **Calculation of fishery value**

Fishery value would be calculated using the ex-vessel value of sablefish landed in the most recent complete primary season based on PacFIN electronic fish ticket information, including any post-landing value adjustments.

### **Calculation of direct program costs**

The direct program costs would be calculated using the actual incremental costs for the previous fiscal year directly related to the management, data collection and analysis, and enforcement of the tier program. Actual incremental costs are those costs that would not have been incurred but for the implementation of the tier program. Incremental costs may be accrued by the NMFS West Coast Region, the Northwest Fisheries Science Center, and/or the Office of Law Enforcement. Recoverable costs include staff time (both full time employees and contractors), travel, supplies, and equipment related to incremental tasks. An initial evaluation of potential incremental tasks was provided in [Agenda Item E.4.a., NMFS Report, March 2022](#).

### **How fee percentage is calculated**

The fee percentage would be calculated by taking the direct program costs from the most recent complete fiscal year and dividing that by the fishery value from the most recent complete fishery season; not to exceed three percent of the ex-vessel value of fish landed under the tier program.

### **When the fee percentage is announced**

NMFS would calculate an annual fee percentage and notify the public in the first quarter of the calendar year, prior to the start of the primary season on April 1.

### **How the fee amount is determined**

The fee amount would be calculated from the ex-vessel value of applicable landings (including post-season adjustments) multiplied by the annual fee percentage.

### **When fees are due**

NMFS would generate an annual bill and provide that electronically following the end of each primary season to each vessel owner that has applicable landings. Fees would be due 30 calendar days after the bill date. Payments may be made throughout the year if desired, but any remaining balance must be received no later than 30 calendar days after receipt of the annual bill. NMFS intends to work with PSMFC to explore adding the fee percentage and calculated fee amount for



each sablefish tier landing to electronic fish tickets to facilitate within-year payments by vessel owners if desired.

**How cost recovery fees are paid**

The vessel owner or authorized representative would remit fees electronically through pay.gov. Payment methods include credit card and automated clearing house (ACH) payments.

**Penalties**

Failure to pay on time may result in penalties for the vessel owner. Before penalties are issued, NMFS would deliver an Initial Administrative Determination (IAD), to which the vessel owner must respond within 30 days by either paying the amount due or appealing in writing. If an account is unpaid for 30 days after the due date, penalties (e.g. fines, interest, sanctions, etc.) may begin to accrue. If the account is not paid within 30 calendar days following a final decision on the IAD or appeal, such penalties may include the vessel not being able to fish in the sablefish tier fishery until the fee liability is satisfied.

**Reporting**

NMFS would generate a publicly available annual report. This annual report would include information on the fee percentage calculation, program costs, ex-vessel value for the fishery, and total fees collected by NMFS from the previous year.