

COST RECOVERY REPORT

Each year (usually at its April meeting) the Council receives a report from National Marine Fisheries Service (NMFS) on cost recovery for the trawl catch share program. The report covers costs and fee collections from the previous year along with fee rates for the current year. This agenda provides the Council an opportunity to review the cost recovery levels established by NMFS.

In response to the NMFS cost recovery reports in the past, constituents have generally expressed a desire for greater detail (e.g. the [April 2017 Agenda Item F.4.b, GAP Report](#)). After the April 2017 presentation, the Council asked its staff to meet with NMFS staff and discuss ways to address transparency concerns such as those raised by the Groundfish Advisory Subpanel (GAP). This meeting occurred in the fall of 2017, and over the winter of 2017/2018 NMFS met with industry to further explore ways to increase transparency. To provide time to incorporate ideas from these discussions into the annual NMFS cost recovery report, it was delayed from April 2018. NMFS had an additional cost recovery meeting with industry in September 2018 and provided its annual report at the November 2018 Council meeting. At that meeting, the Council expressed its appreciation for the substantial effort and improvements, and it encouraged NMFS and members of the public to continue to work together to address concerns about criteria for determining whether a cost is recoverable, while taking into account cost savings. The NMFS report under this agenda item (Agenda Item G.8.a, NMFS Report 1) covers results from the 2018 collections and the 2019 cost recovery fee calculation.

Background

As authorized under Magnuson-Stevens Fishery Conservation and Management Act (MSA) Sections 303A(e) and 304(d)(2), Amendment 20 included a Council recommendation that fees be charged for cost recovery. This was followed, in September 2011, with a Council recommendation on the methodology for identifying and assessing “management, data collection and analysis, and enforcement programs that are directly related to and in support of the program” (MSA303A(e)(1)). The [Council’s final recommendation](#) on cost recovery is available on the [trawl trailing action webpage](#) and includes an ongoing, periodic review role for the Council. Cost recovery fees were first charged starting in 2014, and National Marine Fisheries Service (NMFS) provided its first report on cost recovery at the April 2014 Council meeting.

Council Action:

Review and provide comment.

Reference Materials:

1. Agenda Item G.8.a, NMFS Report 1: Trawl Rationalization Program Cost Recovery Annual Report Fee Calculation for 2019 and Fishing Year 2018 Payments.
2. If Received, Public Comments are Electronic Only ([see e-portal](#)).

Agenda Order:

G.8 Cost Recovery Report

- a. NMFS Cost Recovery Report
- b. Reports and Comments of Management Entities and Advisory Bodies
- c. Public Comment
- d. **Council Action:** Discuss Cost Recovery Report and Provide Guidance, As Needed

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PFMC
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