

Developing the Trawl Rationalization Cost Recovery Program (TRat CRP)



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Cost Recovery in the Magnuson-Stevens Fishery Conservation and Management Act (MSA)

- **16 U.S.C. 1853a MSA § 303A**

(e) **COST RECOVERY.** – In establishing a limited access privilege program, a Council shall—

Develop a methodology and the means to identify and assess the management, data collection and analysis, and enforcement programs that are directly related to and in support of the program; and
provide, under section 304(d)(2), for a program of fees paid by limited access privilege holders that will cover the costs of management, data collection and analysis, and enforcement activities:

- **304(d)(2):**

- **Secretary of Commerce is authorized to collect a fee to recover the actual costs directly related to the management, data collection, and enforcement of any limited access privilege program (LAPP).**
- **Such fees may not exceed 3% of the ex-vessel value of the fish harvested under the LAPP.**
- **Shall be collected:**
 - **At time of landing**
 - **Filing of landing report**
 - **Sale of fish during the fishing season; or**
 - **In the last quarter of the calendar year in which the fish is harvested**
- **Fees collected are**
 - **in addition to any other fees charged under the MSA; and**
 - **deposited in the Limited Access System Administration Fund (LASAF)**
 - **Available, without appropriation or fiscal year limitation, only to the Secretary for the purpose of administering and implementing the MSA in the fishery in which the fees were collected**

The MSA provides a framework for developing the CRP, and we have identified several key questions that must be discussed:

- 1. Could one CRP applicable to both the trawl and sablefish fisheries be created for implementation in 2012?**
- 2. How should fee collection be structured? For each sector:**
 - a. Who is responsible for paying the fee?**
 - b. Who is responsible for collecting the fee?**
 - c. How often is the fee assessed and collected?**
 - d. How is the fee assessed?**
 - e. How is fee collection enforced?**
- 3. How are costs associated with running the catch share program identified and calculated?**
- 4. How is the value of the fishery calculated?**
- 5. Where do the collected fees go, how are they reallocated, and to whom are they reallocated?**
- 6. Can collection/ reallocation of fees be done in coordination with the states?**

Other regions' CRPs provide us with examples or options for how we may proceed.

1) Could one CRP applicable to both the trawl and sablefish fisheries be created for implementation in 2012?

AKRO's CRP	SERO's CRP	NWRO Initial Thoughts
N/A: Each CRP was created for a specific fishery.	N/A: Each CRP was created for a specific fishery.	NO, focus on creating TRat CRP. Keeping the two programs separate makes sense because the two programs are quite different. In addition, combining the two could create a notice and comment issue because the CRP is an agenda item under trailing amendments. Plan sablefish CRP for 2013.

2.1) How should fee collection be structured for the Shorebased IFQ sector?

- a. Who is responsible for paying the fee?
 b. Who is responsible for collecting the fee?
 c. How often is the fee assessed and collected?
 d. How is the fee assessed?
 e. How is fee collection enforced?

AKRO's CRP	SERO's CRP	NWRO Initial Thoughts
<p>a/b. Halibut and sablefish: harvesters are responsible for paying and submitting fees directly to NMFS. Harvesters (crab and rockfish) pay fees to the processors, who are then responsible for submission to NMFS.</p> <p>c. Annually, at end of year.</p> <p>c/d. Crab: Registered Crab Receiver (RCR) permit holder collects fee from allocation holder who lands the crab, and all who deliver crab to RCR permit holder. RCR permit holder submits payment to NMFS by July 31 in year following crab fishing in which landings were made.</p> <p>e. If fee is not paid, quota for coming year are not issued.</p>	<p>a/b. IFQ account holder is responsible for paying the fees to the dealer/processor and the dealer is responsible for submitting fees to NMFS.</p> <p>c. Quarterly.</p> <p>d. Fees are calculated at time of sale to registered IFQ dealer/ processor.</p> <p>e. 30 days after failure to pay, IFQ account is suspended, and after 90 days, RA sends account to collections.</p>	<p>a/b. To charge 1st receivers on behalf of QS holders.</p> <p>c. Annually, (bill at end of year, the MSA requires collecting the fee in the last quarter of the calendar year in which the fish is harvested. There is also an option to collect at the time of landing, filing of a report, or sale.)</p> <p>d. option 1: Collect fees based on vessel landings associated with QS, based on initial transfers of QP to vessel accounts (QS holders should be held responsible for QS fee even if unused, to incentivize use of QS). At end of year, collect fee from dealers. Ex-vessel value is the value of landings as reported on fish tickets, record what % of total ex-vessel value is sable, canary, etc.</p> <p>*d. option 2: Vessel account holder is responsible for paying the fees to the dealer/processor and the dealer is responsible for submitting fees to NMFS.</p> <p>e. Link fee collection to permitting/ online vessel/ QS accounts, embed permit fees in the CRP.</p> <p>Is freezing accounts an option, withholding quota issuance for upcoming year? Do we need to address suspension of accounts in regs?</p>

* There is not an easy or obvious way of assessing the fee such that the privilege holder is held directly accountable for paying the fee without creating excessive administrative costs. There is a tradeoff between ease of use for industry and cost for NMFS, although increased NMFS costs could result in an increased fee for industry. (i.e. It is potentially less work for NMFS to collect annually from the 1st receiver because it streamlines payment, and improves ease of collection of fees. This method may not be easier for 1st receivers.)*

2.2) How should fee collection be structured for catcher-processor and mothership sectors?

- a. Who is responsible for paying the fee?
 b. Who is responsible for collecting the fee?
 c. How often is the fee assessed and collected?
 d. How is the fee assessed?
 e. How is fee collection enforced?

AKRO's CRP	SERO's CRP	NWRO Initial Thoughts
<p>a/b. Halibut and sablefish: harvesters are responsible for paying and submitting fees directly to NMFS. Harvesters (crab and rockfish) pay fees to the processors, who are then responsible for submission to NMFS.</p> <p>c. Annually, at end of year.</p> <p>c/d. Crab: Registered Crab Receiver (RCR) permit holder collects fee from allocation holder who lands the crab, and all who deliver crab to RCR permit holder. RCR permit holder submits payment to NMFS by July 31 in year following crab fishing in which landings were made.</p> <p>e. If fee is not paid, quota for coming year are not issued.</p>	<p>a/b. IFQ account holder is responsible for paying the fees to the dealer/processor and the dealer is responsible for submitting fees to NMFS.</p> <p>c. Quarterly.</p> <p>d. Fees are calculated at time of sale to registered IFQ dealer/ processor.</p> <p>e. 30 days after failure to pay, IFQ account is suspended, and after 90 days, RA sends account to collections.</p>	<p>a/b. For both sectors the Coop is responsible for paying the fee directly to NMFS.</p> <p>c. Annually.</p> <p>d. For the whiting coop, exvessel landings for harvest by coop would be based on shorebased IFQ whiting value.</p> <p>e. Link fee collection to permitting.</p>

3) How are costs associated with running the catch share program identified and calculated?

AKRO's CRP	SERO's CRP	NWRO Initial Thoughts
<p>All employee time sheets are coded (in not less than 15 minute increments) to identify any time spent on halibut/sablefish IFQ program or Bering Sea/Aleutian Islands (BSAI) crab rationalization program management. Alaska Region OMI uses this data to determine recoverable management costs for the Alaska region.</p>	<p>SE uses a similar (but less complicated) invoice system of "task codes" for tracking time spent on IFQ-related work.</p>	<p>The council is responsible for working with NMFS to identify costs directly related to the management and enforcement associated with the program.</p> <p>The main recoverable costs associated with the program are due to changes in staffing.</p> <p>The FEIS states that changes in staffing related to the program will result in a cost of \$8 million annually, during the early years of the program.</p> <p>NMFS will brief the council on updated numbers.</p> <p>We must address how we treat the 3 sectors (Shorebased IFQ, MS coop, and CP coop) when calculating the fee- Is this 1, 2, or 3 LAPPs?</p>

4) How is the value of the fishery calculated?

AKRO's CRP	SERO's CRP	NWRO Initial Thoughts
Based on value of ex-vessel landings	Based on value of ex-vessel landings SERO moved away from standardized pricing because of different local markets in the gulf.	Ex-vessel landings or standardized pricing? Base on efish tickets, make associated field for posting price at time of sale mandatory.

5) Where do the collected fees go, how are they reallocated, and to whom are they reallocated?

AKRO's CRP

SERO's CRP

NWRO Initial Thoughts

The MSA [section 304(d)(2)(A)(i)] is clear in how it addresses these questions and leaves no flexibility:

a. Fees are deposited in the Limited Access System Administration Fund (LASAF)

b/c. Fees are available, without appropriation or fiscal year limitation, only to the Secretary for the purpose of administering and implementing the MSA in the fishery in which the fees were collected

6) Can collection/ reallocation of fees be done in coordination with the states?

AKRO's CRP	SERO's CRP	NWRO Initial Thoughts
<p>Yes, currently a portion of cost recovery fees from the BSAI crab rationalization program are collected and reallocated to the State of Alaska to account for the states' actual costs directly related to the program.</p>	<p>No, currently no cost recovery funds are reallocated to the states in the Southeast region.</p>	<p>NMFS is still evaluating the appropriate mechanism(s) for addressing state costs.</p>