Amendment 80 Groundfish Cost Recovery Report

Fishing Year 2022

NOAA FISHERIES
Alaska Region
January 2023

Contact information:

For more information about cost recovery and the Amendment 80 Program please visit the AKR Cost Recovery Page.

For general questions contact Sustainable Fisheries Division at 907-586-7228.

For cost recovery billing questions contact the Fee Coordinator at (907) 586-7231.

Cost recovery

Section 304(d) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) authorizes and requires the collection of cost recovery fees for limited access privilege programs (LAPP) and the Community Development Quota Program. Cost recovery fees recover the actual costs directly related to the management, data collection, and enforcement of the programs. Section 304(d) of the Magnuson-Stevens Act mandates that cost recovery fees not exceed three percent of the annual ex-vessel value of fish harvested by a program subject to a cost recovery fee, and that the fee be collected either at the time of landing, filing of a landing report, or sale of such fish during a fishing season, or in the last quarter of the calendar year in which the fish is harvested.

NMFS manages the Amendment 80 Program as a LAPP. Amendment 80 allocates a portion of the total allowable catches of specific Bering Sea and Aleutian Islands (BSAI) non-pollock groundfish species to cooperatives of trawl catcher/processors. On January 5, 2016, NMFS published a final rule to implement cost recovery payments for the Amendment 80 program (81 FR 150). The Amendment 80 cooperatives are responsible for paying the annual fee for groundfish landed under the Amendment 80 Program. The total dollar amount of the fee liability is determined by multiplying the NMFS published fee percentage by the ex-vessel value of all landings made under the program made during the fishing year. NMFS calculates the fee percentage each year according to the factors and methods described at 50 CFR 679.95(c)(2).

NMFS published the 2022 fee percentage notice for the Amendment 80 program in the **Federal Register** on November 30, 2022 (87 FR 73540). Payments are due on December 31 of the year in which the landings were made.

Amendment 80 Program cost recovery fee

Calculating the ex-vessel value of the Amendment 80 Program fisheries

For purposes of calculating the fishery value, NMFS calculates a standard ex-vessel price (standard price) for the six species allocated under Amendment 80: BSAI rock sole, BSAI yellowfin sole, BSAI Pacific cod, BSAI flathead sole, AI Pacific ocean perch, and BSAI Atka mackerel.

NMFS calculates an annual standard price for BSAI yellowfin sole, BSAI flathead sole, AI Pacific ocean perch, and BSAI Atka mackerel based on volume and value information reported in the First Wholesale Volume and Value Report, which for 2022 included data from January 1 through October 31. For rock sole, NMFS calculates a standard price for two time periods—January 1 through March 31 and April 1 through October 31—also based on volume and value information reported in the First Wholesale Volume and Value Report.

For fisheries that are primarily harvested by catcher/processors, there is no reliable ex-vessel price generated from the sale of fish from a harvester to a processor. Therefore, NMFS estimates the ex-vessel price for those fishery species by using reported information on the first wholesale price from catcher/processors that harvest Amendment 80 species. The first wholesale price is

the market price of the primary processed fishery product. The estimated standard ex-vessel price is the value of processed products from catcher/processors divided by the retained round-weight (unprocessed weight) of catch and multiplied by a factor of 0.4 to correct for the value added to the fish product by processing.

NMFS calculates an annual standard price for Amendment 80 Pacific cod using volume and value data reported in the Pacific Cod Ex-Vessel Volume and Value Report, which includes data from January 1 through October 31.

Each landing made under the program is multiplied by the appropriate standard price to arrive at an ex-vessel value for each landing. These values are summed together to arrive at the total ex-vessel value of the Amendment 80 program fisheries (fishery value).

Calculating the costs of management and enforcement

Direct program costs are calculated by determining the incremental management costs of the Amendment 80 Program; that is, costs that would not have been incurred but for the Amendment 80 Program. These costs cover the management, data collection, and enforcement of the Amendment 80 Program by NMFS and ADF&G. The NMFS management units that incur direct program costs are: the Sustainable Fisheries Division (SFD), the Restricted Access Management Division (RAM), the Operations and Management Division (OMD), the Alaska Fisheries Science Center (AFSC), the Office of Law Enforcement (OLE), and the Information Systems Division (ISD). For the purposes of this report, OLE and AFSC costs are broken out separately and all other NMFS Alaska Region (AKR) management unit costs are aggregated.

Throughout the year, each management unit calculates their Amendment 80 Program incremental costs through an established, systematic accounting system that allows staff to track labor, travel, contracts, rent, procurement, and other costs. These costs are tracked for the Federal fiscal year (October 1 through September 30) and are broken out by distinct cost categories, including personnel/overhead, travel, transportation, printing, contracts/training, supplies, equipment, and rent/utilities. Table 2 displays the Amendment 80 direct program costs for 2022.

Cost recovery fees do not increase agency budgets or expenditures. They simply offset funds that would otherwise have been appropriated, except the ADF&G expenditures for which there is no direct appropriation. No budgetary advantage is gained by inflating direct program costs.

Examples of the types of tasks that are included under the 2022 Amendment 80 direct program costs are:

- Patrols, investigations, outreach, education, and compliance assistance (OLE),
- Inseason operations, observer sampling station inspections, and data quality control (AFSC),
- Economic Data Reports (EDRs) (AFSC, PSMFC),
- Inseason management of sideboards and non-sideboards (NMFS AKR),
- Reallocation of incidental catch allowance to directed fisheries (NMFS AKR),
- At-sea scale and video equipment inspections (NMFS AKR),
- Operation of the cost recovery program (NMFS AKR),
- Application development and maintenance (NMFS AKR), and
- Maintenance of eLandings and the catch accounting system (NMFS AKR, ADF&G).

Calculating the annual fee percentage

NMFS computes the annual fee percentage by multiplying the direct program costs (DPC) by 100 and dividing the result by the total ex-vessel value (V) of Amendment 80 landings for each year. The annual fee percentage expressed as a formula is:

[100 x (DPC)/V]

The annual fee percentage is published in the **Federal Register** by December 1 and is applied to all landings of Amendment 80 species that occurred that year. NMFS provides a summary of fee liabilities to all Amendment 80 cooperatives by December 1. The summary explains the cost recovery fee determination for each cooperative, including the current fee percentage, details of pounds debited from Amendment 80 species allocations by permit and date, and the standard prices for the landings.

Calculating the 2022 fee

The 2022 fee percentage for the Amendment 80 Program is **0.87 percent**. Table 1 shows the fee percentage computation.

Table 1. Detail of formula for calculating the 2022 fee percentage.

Factor	Value	Activity
Direct Program Cost (DPC)	$ 992,935	divided by
Total Fishery Value (V)	$ 113,604,377	multiply by 100
=	0.87	yields
Fee percentage for 2022 Amendment 80 Program = 0.87 percent		

Payment of cost recovery fees

NMFS sends fee statements to cooperatives based on their reported landings for the most recent fishing year for all Amendment 80 Program species and value, as computed for fee collection purposes. The cooperative is responsible for submitting payment to NMFS on or before December 31 of the year in which landings are made. Fees must be paid electronically.

If a cooperative fails to pay on time, OMD will issue an Initial Administrative Determination to which the cooperative must respond within 30 days. If an account is unpaid for 30 days after the due date, administrative fees, interest, and penalties start to accrue. NMFS may take action against the Amendment 80 cooperative's quota allocations and assess additional monetary charges, fines, or permit sanctions. If after 120 days the fee remains unpaid, the unpaid balance is forwarded to the U.S. Department of the Treasury for collection.

Details on Cost Categories

Direct program costs decreased 9.3 percent in FY 2022 compared to FY 2021 for the Amendment 80 Program. Table 2 displays costs attributed to each management unit. Table 3 compares direct costs from FY 2020 through FY 2022. Costs were slightly lower and the fishery value was significantly higher in FY 2022 compared to FY 2021. These two factors resulted in the fee percentage decreasing from 1.43 to 0.87 percent.

OLE costs decreased between FY 2021 and FY 2022. 'Personnel' is the largest cost category for this division, and although costs decreased, they are still substantial due to the number of program participants, the diversity of fishery species for this program, and compliance risk for prohibited species bycatch sampling. Additionally, enforcement officers engage in enforcing fines, investigations, and outreach. Rent and utilities additionally decreased with a reduced footprint of office and warehouse facilities.

AFSC costs decreased slightly between FY 2021 and FY 2022. Costs were primarily attributed to personnel and for fisheries management of the program. Personnel costs account for monitoring, inseason operations, debriefing and quality control, gear inventory and deployment, and training and curriculum development for the observer program. Costs were also attributed to the EDR program, although less than in FY 2021. In FY 2022, costs for PSMFC Data Management Specialists were shifted from grants (historically recorded as 'Other') to a contract with PSMFC.

NMFS AKR costs increased between FY 2021 and FY 2022. Personnel and contract costs increased due to workloads, the ongoing development and improvement of applications, and data flow specific to this program. Costs were also attributed to eLandings and eLogbook support, maintenance of the Catch Accounting System, and scale and video inspections. Costs for eLandings maintenance tasks were apportioned based on a formula that includes weighting factors for the degree of complexity, amount of integration, time sensitivity, and workload. These are then used to calculate the proportion of eLandings tasks that can be attributed to each program sector. Additionally, there are NMFS personnel costs for at-sea scale inspections and general program administration.

PSMFC costs also increased between FY 2021 and FY 2022. Staff time was increased due to hiring additional staff, more time spent on EDRs, updates for a web form, and continued maintenance of the database. ADF&G costs decreased in FY 2022 due to staff vacancies. Similar to previous years, costs were attributed to eLandings program management and information technology.

Table 2. Fiscal Year 2021 direct program costs for the Amendment 80 Program.

Cost Category	NMFS AKR	ADF&G	PSMFC	AKFSC	OLE	Total
Personnel Costs[a]	$ 142,381	$ 7,985	$ 55,701	$ 290,686	$ 229,487	$ 726,241
Travel[b]				$ 1,086		$ 1,086
Transportation[c]						
Printing				$ 9,900		$ 9,900
Contracts/Training	$ 91,463		$ 779	$ 66,035	$ 29,363	$ 187,640
Supplies	$ 530		$ 37	$ 1,575		$ 2,141
Equipment				$ 4,400		$ 4,400
Rent/Utilities[d]	$ 15,387		$ 614		$ 45,196	$ 61,197
Other[e]			$ 329			$ 329
Total	$ 249,761	$ 7,985	$ 57,461	$ 373,682	$ 304,046	$ 992,935

[a] *Personnel costs* includes locality pay, benefits, and overhead.
[b] *Travel* includes per diem payments.
[c] *Transportation* includes shipment of items.
[d] *Rent/Utilities* includes costs of space and utilities and shared common space and services.
[e] *Other* includes costs for grants & other/misc category costs.

Table 3. Comparison of Direct Costs for the Amendment 80 Program

Cost Category	FY 2019	FY 2021	FY 2022
Personnel/Overhead	$ 777,789	$ 840,785	$ 726,241
Travel	$ 11,453	$ 1,460	$ 1,086
Transportation			
Printing			$ 9,900
Contracts/Training	$ 95,499	$ 117,322	$ 187,640
Supplies	$ 24	$ 113	$ 2,141
Equipment		$ 350	$ 4,400
Rent/Utilities	$ 74,484	$ 61,545	$ 61,197
Other	$ 99,412	$ 72,569	$ 329
Total Direct Costs	**$ 1,058,661**	**$ 1,094,144**	**$ 992,935**
Fishery Value	**$ 89,235,457**	**$ 76,254,313**	**$ 113,604,377**
Fee Percentage	**1.19**	**1.43**	**0.87**

American Fisheries Act Program Cost Recovery Report

Fishing Year 2022

NOAA FISHERIES
Alaska Region
January 2023

Contact information:

For more information about cost recovery and the American Fisheries Act Program please visit the AKR Cost Recovery Page.

For general questions contact Sustainable Fisheries Division at 907-586-7228.

For cost recovery billing questions contact the Fee Coordinator at (907) 586-7231.

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Cost recovery

Section 304(d) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) authorizes and requires the collection of cost recovery fees for limited access privilege programs (LAPP) and the Western Alaska Community Development Quota Program. Cost recovery fees recover the actual costs directly related to the management, data collection, and enforcement of the programs. Section 304(d) of the Magnuson-Stevens Act mandates that cost recovery fees not exceed three percent of the annual ex-vessel value of fish harvested by a program subject to a cost recovery fee, and that the fee be collected either at the time of landing, filing of a landing report, or sale of such fish during a fishing season or in the last quarter of the calendar year in which the fish is harvested.

The National Marine Fisheries Service (NMFS) manages the American Fisheries Act (AFA) Program as a LAPP. On January 5, 2016, NMFS published a final rule to implement cost recovery for the AFA program (81 FR 150, January 5, 2016). The AFA allocates the Bering Sea directed pollock fishery Total Allowable Catch (TAC) to three sectors: inshore, catcher/processor, and mothership. Each sector has established cooperatives to harvest their pollock allocation. Only the inshore cooperative is responsible for paying a fee for that sector's Bering Sea pollock landed under the AFA, which is due on December 31 of the year in which the landings were made. Cost recovery requirements for the AFA sectors are at 50 CFR 679.66. The total dollar amount of the annual fee is determined by multiplying the NMFS published fee percentage by the ex-vessel value of all landings under the program made during the fishing year. NMFS calculates the fee percentage each year according to the factors and methods described in this report and at 50 CFR 679.66(c)(2). The 2022 notice of the fee percentages for the AFA program was published in the **Federal Register** on November 30, 2022 (87 FR 73540).

AFA Program cost recovery fee

Calculating the ex-vessel value of the AFA Program fisheries

For purposes of calculating the fishery value, NMFS calculates a standard ex-vessel price (standard price) for Bering Sea pollock using the most recent annual value information reported to the Alaska Department of Fish & Game (ADF&G) in the Commercial Operator's Annual Report, which is compiled in the Gross Earnings database of the Alaska Commercial Fisheries Entry Commission. Due to filing deadlines and the time required to compile the data, there is a one-year delay between the most recent gross earnings data and the fishing year to which it is applied. For example, NMFS used 2021 gross earnings data to calculate the standard price for 2022 pollock landings. Each pollock landing made under the AFA Program is multiplied by the appropriate standard price to arrive at an ex-vessel value for each landing. These values are added together to arrive at the ex-vessel value for the AFA Program (fishery value).

Calculating the costs of management and enforcement

Direct program costs are calculated by determining the incremental management costs of the AFA Program; that is, incremental costs are those that would not have been incurred but for the AFA Program. These costs cover the management, data collection, and enforcement of the AFA

Program by NMFS, ADF&G, and the Pacific States Marine Fisheries Commission (PSFMC). The NMFS Alaska Region (NMFS AKR) divisions that incur direct program costs are: the Sustainable Fisheries Division (SFD), the Restricted Access Management Division (RAM), the Operations and Management Division (OMD), the Information Systems Division (ISD), the Alaska Fisheries Science Center (AFSC), and the Office of Law Enforcement Alaska Division (OLE). For the purposes of this report, NMFS AKR management unit costs are aggregated and OLE and AFSC costs are broken out into separate cost categories.

On an annual basis, each management unit calculates direct program costs through an established and systematic accounting system that allows staff to track labor, travel, contracts, rent, procurement, and other costs. These costs are tracked for the Federal fiscal year (October 1 through September 30) and are broken out by cost categories, which includes personnel/overhead, travel, transportation, printing, contracts/training, supplies, equipment, and rent/utilities. Table 2 displays the 2022 direct program costs by category for the AFA inshore sector. Table 3 compares costs across years, starting in 2019. **Only AFA direct program costs incurred by the inshore sector are included for the fee percentage calculation. AFA direct program costs that are attributable to the catcher/processor and mothership sectors are excluded.**

Cost recovery fees do not increase agency budgets or expenditures. They offset funds that would otherwise have been appropriated, except the ADF&G expenditures for which there is no direct appropriation. No budgetary advantage is gained by inflating AFA Program management and enforcement costs.

Examples of the specific tasks that were included under the 2022 AFA direct program costs are:

- Observer sampling station inspections, data quality assurance (AFSC),
- Chinook Salmon Bycatch Economic Data Reports (AFSC),
- Patrols, outreach and education, investigations, and compliance assistance (OLE),
- Publication of BS pollock allocations and sideboards in other fisheries (NMFS AKR),
- Management of AFA sideboards (NMFS AKR),
- Review of weekly inshore catch reports (NMFS AKR),
- Review of annual AFA cooperative reports (NMFS AKR),
- Maintenance of eLandings and the catch accounting system (NMFS, ADF&G),
- Programming and web design for online applications (NMFS AKR),
- Responding to questions about AFA permits (NMFS AKR),
- Fee determination and collection process (NMFS AKR), and
- At-sea scale and video equipment inspections (NMFS AKR).

Calculating the annual fee percentage

NMFS calculates a fee percentage for the AFA CV sector by multiplying the AFA direct program costs (DPC) by 100, then dividing the total ex-vessel fishery value (V) of Bering Sea pollock. Expressed as a formula, the fee percentage calculation is:

$$[100 \times (DPC)/V]$$

The annual fee percentage is published in the **Federal Register** by December 1 and is applied to AFA CV pollock landings that occurred in that year. A summary of the resulting fee liabilities

are provided to AFA cooperatives by NMFS on or before December 1. The summary explains the cost recovery fee determination for each cooperative, including the current fee percentage, details of pounds debited from allocations by permit, port or port-group, date, and prices.

Calculating the 2022 fee

The 2022 fee percentage for the AFA inshore cooperatives is 0.32 percent. Table 1 shows the 2022 values and fee percentage computation.

Table 1. Detail of formula for calculating the 2022 fee percentage for the AFA inshore sector.

Factor	Value	Activity
Direct Program Cost (DPC)	$ 528,134	divided by
Total Fishery Value (V)	$ 164,631,479	multiply by 100
=	0.32	yields
Fee percentage for 2022 AFA Program inshore sector = 0.32 percent		

Payment of cost recovery fees

NMFS sends fee statements to cooperatives based on reported landings for the most recent fishing year for all AFA Program Pollock volume and value. Cooperatives are responsible for submitting payment to NMFS on or before the due date of December 31 of the year in which landings are made. Fees must be paid electronically.

If a cooperative fails to pay on time, NMFS OMD may issue an Initial Administrative Determination to which the cooperative must respond within 30 days. If an account is unpaid for 30 days after the due date, administrative fees, interest, and penalties may accrue. NMFS may take action against the cooperative's AFA pollock allocation and assess additional monetary charges, fines, or permit sanctions. If after 120 days the fee remains unpaid, the unpaid balance is forwarded to the U.S. Department of the Treasury for collection.

Details on Cost Categories

Overall, direct program costs increased between FY 2021 and FY 2022. Table 2 displays the AFA inshore sector direct program costs for FY 2022. Table 3 compares direct program costs between FY 2020, FY 2021, and FY 2022. Higher overall direct program costs, combined with an overall decreased value, increased the fee percentage from 0.25 to 0.32% between FY 2021 and FY 2022.

The highest direct program costs were attributed to OLE. Costs accrue to support personnel engaged in enforcing fines, investigation, and outreach efforts. OLE officers and agents have dynamic and unpredicted work schedules so labor costs associated with OLE will vary from one fiscal year to the next. Increased costs were attributed to personnel and benefits of filled vacancies, in addition to increased rent and security costs.

The second highest direct program costs were attributed to the AFSC. Overall costs between FY 2021 and FY 2022 were similar, with a slight 1% decrease in FY 2022. Costs were used to

support the Fisheries Monitoring and Analysis (FMA) and Resource Ecology and Fisheries Management (REFM) Divisions. The FMA division operates the North Pacific Observer Program, which deploys observers onboard fishing vessels to collect catch data. The Observer Program also provides quality control and quality assurance on data provided by the observers. The REFM division operates the Economic and Social Sciences Research Program which administers the Chinook Salmon Economic Data Report (EDR) Program, providing NMFS AKR with data to assess the effectiveness of the Amendment 91 Chinook salmon bycatch management measures.

NMFS AKR, the third highest contributor incurred higher costs in FY 2022 than in FY 2021, largely due to changes in contract costs. Contract costs are related to development, support, and maintenance of data flow for the trawl electronic monitoring (EM) and cost recovery programs. In FY 2022, a previous grant with the PSMFC to fund data management personnel was moved to a contract. Personnel category costs support eLandings and maintenance of the Catch Accounting System. These costs were apportioned based on a formula that includes weighting factors for the degree of complexity, amount of integration, time sensitivity, and workload for eLandings maintenance tasks. These are then used to calculate the proportion of eLandings tasks that can be attributed to each program sector. Additionally, there are NMFS personnel costs for at-sea scale inspections and general program administration.

PSMFC costs are for personnel that support data collection, analysis, the administration of AFA EDRs and time spent on updates to the website. No ADF&G costs were incurred in FY 2022.

Table 2. Fiscal Year 2022 Direct Program Costs for the AFA Program Inshore Sector.

Cost Category	AKR NMFS	ADF&G	PSMFC	AFSC	OLE	Total ($)
Personnel Costs[a]	$18,949	-	$33,421	$121,789	$135,383	$309,541
Travel[b]	-	-	-	$494	-	$494
Transportation[c]	-	-	-	-	-	-
Printing	-	-	-	$4,500	-	$4,500
Contracts/Training	$125,417	-	$468	$30,016	$11,745	$167,646
Supplies	-	-	$22	$716	-	$738
Equipment	-	-	-	$2,000	-	$2,000
Rent/Utilities[d]	-	-	$369	-	$17,500	$17,868
Other[e]	-	-	$198	-	-	$198
Total	**$144,366**	**$0.00**	**$34,476**	**$159,514**	**$164,627**	**$502,984**

[a] *Personnel Costs* includes locality pay, benefits, and overhead
[b] *Travel* includes per diem payments.
[c] *Transportation* includes shipment of items.
[d] *Rent/Utilities* includes costs of space and utilities and shared common space and services
[e] *Other* includes costs allocated for grants & other/misc. category costs

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Table 3. Comparison of Direct Costs for Fiscal Years 2020, 2021, and 2022 for the AFA Program Inshore Sector

Cost Category	Inshore Sector		
	FY 2020	**FY 2021**	**FY 2022**
Personnel/Overhead	$ 233,484	$ 287,518	$309,541
Travel	$ 322	$ 644	$494
Transportation	-	-	-
Printing	-	-	$4,500
Contracts/Training	$ 29,152	$ 118,691	$167,646
Supplies	$ 2,177	-	$738
Equipment	$ 26,028	$ 210	$2,000
Rent/Utilities	$ 42,200	$ 11,208	$17,868
Other	$ 45,187	$ 62,830	$198
Total Direct Costs	$ 378,550	$ 481,120	$502,984
Fishery Value	$ 176,889,942	$ 190,527,567	$ 164,631,479
Fee Percentage	0.21	0.25	0.32

CDQ Program Cost Recovery Report

Fishing Year 2022

NOAA FISHERIES
Alaska Region

Contact information:

For more information about cost recovery and the CR Program please visit the AKR Cost Recovery Page.

For general questions contact Sustainable Fisheries Division at 907-586-7228.

For cost recovery billing questions contact the Fee Coordinator at (907) 586-7231.

Cost recovery

Section 304(d) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) authorizes and requires the collection of cost recovery fees for limited access privilege programs (LAPP) and the Western Alaska Community Development Quota (CDQ) Program. Cost recovery fees recover the actual costs directly related to the management, data collection, and enforcement of the programs. Section 304(d) of the Magnuson-Stevens Act mandates that cost recovery fees not exceed 3 percent of the annual ex-vessel value of fish harvested by a program subject to a cost recovery fee, and that the fee be collected either at the time of landing, filing of a landing report, or sale of such fish during a fishing season or in the last quarter of the calendar year in which the fish is harvested.

On January 5, 2016, the National Marine Fisheries Service (NMFS) published a final rule to implement cost recovery for the CDQ Program (81 FR 150). The CDQ Program allocates a portion of the total allowable catches of Bering Sea and Aleutian Islands (BSAI) groundfish species and halibut to CDQ groups. The CDQ groups are responsible for paying the fee for fish landed under the CDQ Program, due on December 31 of the year in which the landings were made. Cost recovery requirements for the CDQ groups are at 50 CFR 679.33. The total dollar amount of the fee due is determined by multiplying the NMFS published fee percentage by the ex-vessel value of all landings under the program made during the fishing year. NMFS published a notice of the fee percentages for the CDQ Program in the **Federal Register** on November 30, 2022 (87 FR 73540). NMFS calculates the fee percentage each year according to the factors and methods described at 50 CFR 679.33(c)(2). NMFS determines the fee percentage that applies to landings made during the year by dividing the total costs directly related to the management, data collection, and enforcement of each program (direct program costs) during the year by the fishery value.

CDQ Program cost recovery fee

Calculating the ex-vessel value of the CDQ Program fisheries

For purposes of calculating the fishery value, NMFS calculates a standard ex-vessel price (standard price) for all CDQ species: BSAI arrowtooth flounder, BSAI Greenland turbot, BSAI rock sole, BSAI yellowfin sole, BSAI Pacific cod, BSAI flathead sole, AI Pacific ocean perch, BSAI sablefish, BSAI halibut, and BSAI Atka mackerel.

NMFS uses volume and value information reported in the First Wholesale Volume and Value Report from January 1 through October 31 to calculate an annual standard price for BSAI arrowtooth flounder, BSAI Greenland turbot, BSAI yellowfin sole, BSAI flathead sole, AI Pacific ocean perch, trawl-caught BSAI sablefish, and BSAI Atka mackerel. For BSAI rock sole, NMFS calculates a standard price for two time periods—January 1 through March 31 and April 1 through October 31—also based on volume and value information reported in the First Wholesale Volume and Value Report.

For fisheries that are primarily harvested by catcher/processors, there is no reliable ex-vessel price generated from the sale of fish from a harvester to a processor. Therefore, NMFS estimates

the ex-vessel price for those fishery species by using reported information on the first wholesale price from trawl catcher/processors that harvest CDQ species. The first wholesale price is the market price of the primary processed fishery product. The estimated standard ex-vessel price is the value of processed products from catcher/processors divided by the retained round-weight (unprocessed weight) of catch and multiplied by a factor of 0.4 to correct for the value added to the fish product by processing.

NMFS calculates an annual standard price for CDQ Program trawl and fixed gear Pacific cod using volume and value data reported in the Pacific Cod Ex-Vessel Volume and Value Report by shoreside processors that receive BSAI Pacific cod landings. For 2022, the Pacific Cod Ex-Vessel Volume and Value Report includes data from January 1 through October 31, 2022.

NMFS calculates an annual standard price for CDQ fixed gear halibut and for CDQ fixed gear sablefish. The standard prices are the same as the Bering Sea port group prices calculated under the Observer Fee Program, which uses volume and value information reported annually on the IFQ Registered Buyer Ex-Vessel Volume and Value Report. For 2022, the IFQ Registered Buyer Report includes data from October 1, 2021 through September 30, 2022.

Each landing made under the program is multiplied by the appropriate standard price to arrive at an ex-vessel value for each landing. These values are summed together to arrive at the ex-vessel value of the CDQ Program fisheries used to calculate the fee percentage.

Calculating the costs of management and enforcement

Direct program costs are calculated by determining the incremental management costs of the CDQ Program; that is, costs that would not have been incurred but for the CDQ Program. These costs cover the management, data collection, and enforcement of the CDQ Program by NMFS and ADF&G. The NMFS management units that incur direct program costs are: the Sustainable Fisheries Division (SFD), the Restricted Access Management Division (RAM), the Operations and Management Division (OMD), the Information Systems Division (ISD), the Alaska Fisheries Science Center (AFSC), and the Office of Law Enforcement Alaska Division (OLE). For the purposes of this report, OLE and AFSC costs are broken out into separate cost categories and all other NMFS Alaska Region (AKR) management unit costs are aggregated.

Throughout the year, each management unit calculates their CDQ Program incremental costs through an established accounting system that allows staff to track labor, travel, contracts, rent, and procurement. These costs are tracked for the Federal fiscal year (October 1 through September 30) and broken out by cost categories including personnel/overhead, travel, transportation, printing, contracts/training, supplies, equipment, and rent/utilities. Table 2 displays the direct program costs for the CDQ Program for 2022.

Cost recovery fees do not increase agency budgets or expenditures. They offset funds that would otherwise have been appropriated, except the ADF&G expenditures for which there is no direct appropriation. No budgetary advantage is gained by inflating direct program costs.

Examples of the types of tasks that were included under the 2022 CDQ direct program costs were:

- Patrols, investigations, outreach and education, and compliance assistance (OLE)

- Analysis and rulemaking activities (NMFS AKR),
- At-sea scale inspections and video equipment inspections (NMFS AKR),
- Cost recovery fee determination and collection process (NMFS AKR),
- Responding to questions about permits (NMFS AKR),
- Maintenance of the catch accounting system and eLandings (NMFS AKR, ADF&G), and
- Inseason operations, sampling, and quality control (AFSC).

Calculating the annual fee percentage

NMFS computes the annual fee percentage by dividing the direct program costs by the total fishery value of CDQ landings. The annual fee percentage is calculated using the following formula:

[100 x (DPC)/V]

The formula shows that the direct program costs (DPC), multiplied by 100, and is then divided by the fishery value (V). The result is the *fee percentage*.

The annual fee percentage is published in the **Federal Register** by December 1st and is applied to all landings of CDQ species that occurred that year. NMFS provides a summary of fee liabilities to all CDQ groups by December 1st. The summary explains the cost recovery fee determination for each group including the current fee percentage, details of CDQ Program pounds debited from allocations by permit and date, and the standard prices for the landings.

Calculating the 2022 fee

The fee percentage for the CDQ Program is 0.85 percent. Table 1 shows the fee percentage computation.

Table 1. Detail of formula for calculating the 2022 fee percentage for the CDQ Program.

Factor	Value	Activity
Direct Program Cost (DPC)	$ 567,984	divided by
Total Fishery Value (V)	$ 67,080,329	multiply by 100
=	0.85	yields
Fee percentage for 2022 CDQ Program = 0.85 percent		

Payment of cost recovery fees

NMFS sends fee statements to CDQ groups based on the group's reported landings for the most recent fishing year for all CDQ Program species and value as computed for fee collection purposes. The CDQ group is responsible for submitting payment to NMFS on or before December 31 of the year in which landings are made. Fees must be paid electronically.

If a CDQ group fails to pay on time, OMD will issue an Initial Administrative Determination to which the group must respond within 30 days. If an account is unpaid for 30 days after the due date, administrative fees, interest, and penalties start to accrue. NMFS may take action against the CDQ group's groundfish and halibut allocations and assess additional monetary charges,

fines, or permit sanctions. If after 120 days the fee remains unpaid, the unpaid balance is forwarded to the U.S. Department of the Treasury for collection.

Details on Cost Categories

Total CDQ Program costs increased 0.02 percent in FY 2022 relative to FY 2021. Table 2 displays costs attributed to each management unit. Direct program costs for FY 2020, FY 2021, and FY 2022 are compared in Table 3. Between FY 2021 and FY 2022, both costs and fishery value decreased. The fee percentage increased marginally from 0.83 to 0.85 percent.

Although CDQ Program costs decreased overall, the largest category of costs was attributed to OLE which increased approximately 1 percent from the previous fiscal year. CDQ Program costs were also attributed to patrols, investigations, outreach and educations, and compliance assistance.

The second largest category of direct program costs was from NMFS AKR. The majority of costs were attributed to personnel and contracts which support eLandings and maintenance of the Catch Accounting System. NMFS AKR costs decreased overall between FY 2021 and FY 2022.

AFSC costs decreased 2 percent in FY 2022 relative to FY 2021. Costs support the FMA division which operates the North Pacific Observer Program. Personnel work on inseason operations, debriefing, quality control, gear inventory, deployment, and training specific to the CDQ program. Contract costs increased marginally for the AFSC. The ‘other’ cost category for the AFSC accounts for a grant with the PSMFC for Data Management Specialists.

ADF&G costs cover eLandings program management. There was a 33 percent decrease in costs between FY 2021 and FY 2022 due to multiple vacancies.

Table 2. Fiscal Year 2022 Direct Program Costs for the CDQ Program.

Cost Category	NMFS	ADF&G	AFSC	OLE	Total
Personnel Costs[a]	$85,454	$37,521	$93,568	$111,363	$327,906
Travel[b]			$395		$395
Transportation[c]					
Printing			$3,600		$3,600
Contracts/Training	$91,090		$24,013	$110,046	$225,149
Supplies			$1,600		$1,600
Equipment			$573		$573
Rent/Utilities[d]	$8,761				$8,761
Other[e]					
Total	**$185,305**	**$37,521**	**$123,748**	**$221,409**	**$567,984**

[a] *Personnel costs* includes locality pay, benefits, and overhead.
[b] T*ravel* includes per diem payments.
[c] *Transportation* includes shipment of items.
[d] *Rent/Utilities* includes costs of space and utilities, shared common space, and services
[e] *Other* includes costs for grants & other/misc category costs

Table 3. Comparison of Direct Program Costs for the CDQ Program.

Cost Category	FY 2020	FY 2021	FY 2022
Personnel/Overhead	$289,909	$321,299	$327,906
Travel	$1,112	$531	$395
Transportation	-	-	-
Printing	-	-	$3,600
Contracts/Training	$211,012	$181,128	$225,149
Supplies	$53	-	$1,600
Equipment	-	-	$573
Rent/Utilities	$21,182	$20,257	$8,761
Other	$36,150	$26,386	-
Total Direct Costs	$559,418	$549,601	$567,984
Fishery Value	$66,902,630	$66,402,272	$67,080,329
Fee Percentage	0.84	0.83	0.85

Rockfish Program Cost Recovery Report

Fishing Year 2022

NOAA FISHERIES

Alaska Region

Contact information:

For more information about cost recovery and the CR Program please visit the AKR Cost Recovery Page.

For general questions contact Sustainable Fisheries Division at 907-586-7228.

For cost recovery billing questions contact the Fee Coordinator at (907) 586-7231.

Cost Recovery

Under section 303A(e) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA), costs for management and enforcement of individual fishing quota and other limited access privilege programs (LAPPs) are recoverable from participants. The Central Gulf of Alaska Rockfish Program (Rockfish Program) is a LAPP established under the provisions of section 303A of the MSA; therefore, the National Marine Fisheries Service (NMFS) is required to collect fees for the Rockfish Program. The MSA also limits the cost recovery fee so that it may not exceed three percent of the ex-vessel value of the fish harvested under the Rockfish Program.

This report reviews the cost recovery requirements and responsibilities of fishery participants and NMFS. It also provides details on how the cost recovery fee is determined, along with specific information on Rockfish Program management and enforcement component costs.

Requirements and Responsibilities

NMFS issues cooperatives an annual cooperative quota (CQ) permit to fish under the Rockfish Program. Therefore, Rockfish Program cooperatives are responsible for paying cost recovery fees. Cost recovery fees are assessed on the ex-vessel value of primary (northern rockfish, Pacific ocean perch, and dusky rockfish) and secondary species (Pacific cod, rougheye rockfish, shortraker rockfish, sablefish, and thornyhead rockfish) harvested under CQ in the Central Gulf of Alaska and adjacent waters when rockfish primary species caught by vessels in the cooperative are deducted from the Federal total allowable catch. The cost recovery fees do not apply to halibut prohibited species catch CQ since that halibut cannot be retained for sale and, therefore, does not have an ex-vessel value. The cost recovery fees do not apply to the Rockfish Program entry level longline fishery and opt-out vessels because those participants do not receive rockfish CQ.

For CQ Permit Holders

CQ permit holders are responsible for fees owed for all Rockfish Program CQ landings on their permit. A CQ permit holder must submit any Rockfish Program cost recovery fee liability payment(s) to NMFS no later than February 15 of the year following the calendar year in which the CQ landings were made. Payment must be made electronically in U.S. dollars by automated clearing house, credit card, or electronic check drawn on a U.S. bank account.

Penalties: Failure to pay on time may result in NMFS action against the permit holder's Rockfish Program CQ holdings and could result in additional monetary charges, fines, and/or permit sanctions. If a permit holder fails to pay by the February 15 due date, the permit holder's CQ automatically becomes nontransferable until the fee liability is satisfied. In addition, the permit holder may not receive CQ by transfer. Before penalties are issued, NMFS Operations and Management Division (OMD) delivers an Initial Administrative Determination (IAD), to which the permit holder must respond within 30 days. If an account is unpaid for 30 days after the due date, administrative fees, interest, and penalties start to accrue.

If the account is not paid within the 30 days provided by the IAD, in addition to fees, interest, and penalties, the permit holder's CQ permit account will be sanctioned and the permit holder will be

unable to fish until the fee liability is satisfied. Additionally, no Rockfish Program CQ may be issued based on the Rockfish Program QS held by the members of that cooperative to any other CQ permit for that calendar year. Additional fines may also apply.

For Rockfish Processors

A rockfish processor that receives and purchases landings of Rockfish Program CQ must annually submit to NMFS a complete Rockfish Ex-vessel Volume and Value Report for each reporting period for which the processor receives Rockfish Program CQ species. The reporting period of the Rockfish Ex-vessel Volume and Value Report extends from May 1 through November 15 of each year. A complete Rockfish Ex-vessel Volume and Value Report must be received by the NMFS not later than December 1 of the year in which the rockfish processor received the Rockfish Program CQ species.

For NMFS

At the end of each Rockfish Program fishing season, NMFS is responsible for these actions:

- compiling a list of all Rockfish Program landings by species and month;
- using Rockfish Program Ex-vessel Volume and Value Report data to calculate a set of standard ex-vessel prices for fish landed;
- applying the appropriate standard ex-vessel price to each landing, creating a standard ex-vessel value for each landing;
- summing the total standard ex-vessel values of all landings to derive the fishery value of the year's Rockfish Program fisheries;
- compiling all direct management, data collection, and enforcement costs (direct program costs) attributable to the Rockfish Program;
- using direct program costs and fishery value to calculate the annual fee percentage;
- applying the fee percentage to determine the fee owed for each landing;
- summing the fees owed for all landings on the Rockfish Program CQ permits held by each permit holder. This final figure is the *annual fee* each permit holder owes; and
- mailing Rockfish Program CQ permit holders an itemized invoice.

The 2022 Rockfish Program Cost Recovery Fee Percentage

NMFS announced that the 2022 Rockfish Program fee percentage was set at 2.53 percent (87 FR 3509, January 24, 2022). Under cost recovery regulations, CQ permit holders who used their permits to make landings of Rockfish Program primary and secondary species during the 2022 Rockfish Program fishery are obligated to pay 2.53 percent of the total ex-vessel value from the sale of their Rockfish Program fish. The fee percentage derives from two sources:

- The fishery value of the Rockfish Program fisheries for 2021; and
- The direct program costs for the Rockfish Program as measured by actual expenditures during Federal fiscal year 2021.

These two components of the fee percentage are discussed below.

Fishery Value of the Rockfish Program Fisheries

Fishery value is determined from ex-vessel prices for each Rockfish Program primary and secondary species throughout the fishing season. NMFS used the 2022 data submitted by rockfish processors on the *Rockfish Ex-vessel Volume and Value Report* to calculate the standard ex-vessel prices. To account for price variability, standard ex-vessel prices are calculated as weighted averages for each species and month. NMFS multiplied the amount of Rockfish Program species landed by month by the standard prices to calculate the standard ex-vessel values. The fishery value of the Rockfish Program fisheries is the sum of standard ex-vessel values for each Rockfish Program species and month.

Direct Program Costs for the Rockfish Program

Direct program costs are the costs incurred to manage, collect data from, and conduct enforcement for the Rockfish Program fisheries by NMFS Alaska Region (AKR), the Alaska Department of Fish and Game (ADF&G), and the Pacific States Marine Fisheries Commission (PSFMC). The NFMS management units that incur direct program costs are: the Sustainable Fisheries Division (SFD), the Restricted Access Management Division (RAM), the Operations and Management Division (OMD), the Information Systems Division (ISD), and the Alaska Fisheries Science Center (AFSC). For the purposes of this report, AFSC costs are broken out into separate cost categories and all other NMFS AKR management unit costs are aggregated. Note that direct program costs are incremental: the costs would not have been incurred except for the Rockfish Program. Cost recovery fees do not increase agency budgets or expenditures. The fee offsets funds that would otherwise have been appropriated for management of the Rockfish Program. No budgetary advantage is gained by inflating costs.

NMFS calculates Rockfish Program direct program costs through an established, systematic accounting system for the Federal fiscal year (FY), which is October 1 through September 30. NMFS tracks internal program costs as well as program costs from the AFSC and ADF&G.

Examples of tasks included under the Rockfish Program direct program costs are:

- maintenance of electronic reporting systems, including the catch accounting system (NMFS AKR, ADF&G),
- programming and web design for online applications (NMFS AKR),
- determination of annual cooperative allocations of CQ and PSC (NMFS AKR),
- issuance and transfers of CQ, responding to questions about CQ (NMFS AKR),
- observer debriefing (AFSC),
- catch monitoring control plan specialist (NMFS AKR),
- monitoring cooperative fisheries CQ and PSC, answer questions on cooperative activities, respond to data requests (NMFS AKR),
- determination of standard ex-vessel prices using value and volume reports submitted by rockfish processors (NMFS AKR),
- fee determination, collection, and reporting (NMFS AKR), and
- analysis and rulemaking activities (NMFS AKR).

Calculation of the 2022 Fee Percentage

The annual fee percentage is calculated using the following formula:

[100 x (DPC/V)]

NMFS divides the direct program cost (DPC) by the fishery value (V) of the Rockfish Program fisheries, and then multiplies by 100 to calculate a percentage. The result is the *fee percentage*. The component details to calculate the 2022 fee percentage are as follows:

Table 1. Detail of formula for calculating the 2021 fee percentage

Factor	Value	Activity
Direct Program Cost (DPC)	$ 308,955	DPC divide by V
Total Fishery Value (V)	$ 12,187,846	multiply by 100
=	2.53	yields
Fee percentage for 2022Rockfish Program = 2.53 percent		

Summary of Direct Program Costs for 2022

Table 2 shows details of the program costs for FY 2022. Table 3 provides a time series summary of Rockfish Program annual harvest pounds, ex-vessel value, total program costs, and fee percentages for each year since the inception of the Rockfish cost recovery fee program.

Overall, direct program costs for FY 2022 ($308,955) were slightly higher than in FY 2021 ($285,252). However, the FY 2022 fee percentage of 2.53 is less than the fee percentage for FY 2021 due to an increase in fishery value.

Costs in FY 2022 are primarily attributed to NMFS AKR personnel for catch accounting, inspections, permit issuance, and fisheries management. Additional personnel were cross-trained to speed permit issuance. The effort was captured under personnel costs for the agency. There was also an increase in contract cost due to necessary upgrades to eFish and supporting systems. Although NMFS AKR costs were slightly higher in FY 2022 than in FY 2021 costs for FY 2022 are in alignment with historical costs for NMFS AKR.

The AFSC had slightly higher costs while ADF&G had slightly lower costs for FY 2022 compared to FY 2021. However, both the AFSC and ADF&G make up a small percentage of the total direct program costs for rockfish cost recovery.

Calculation of the annual fee percentage relies on accurate reporting of price per pound of Rockfish Program landings by processors. For 2022, processors and cooperatives filed timely and accurate reports and satisfied cost recovery fee program requirements.

Table 2. Fiscal year 2021 Rockfish Program direct program costs

Cost Recovery Component	NMFS AKR	NMFS AFSC	ADF&G	Total
Personnel Costs[a]	$ 201,745	$ 3,674	$ 5,551	$ 210,970
Travel[b]	$ 598	$ 49	-	$ 647
Transportation[c]	$ 6,134	-	-	$ 6,134
Printing	-	$ 450	-	$ 450
Contracts/Training	$ 77,878	$ 3,002	-	$ 80,880
Supplies	-	$ 200	-	$ 200
Equipment	$ 700	$ 72	-	$ 772
Rent/Utilities[d]	$8,902	-	-	$ 8,902
Other[e]	-	-	-	-
Total	**$ 295,957**	**$7,447**	**$ 5,551**	**$ 308,955**

[a] Personnel includes costs of locality pay, benefits, and overhead.
[b] Travel includes per diem payments.
[c] Transportation includes shipment of items.
[d] Rent/Utilities includes costs of space and utilities and shared common space and services.
[e] Other includes costs for grant staff supporting Rockfish Program cost recovery

Table 3. Rockfish Program cost recovery summary from 2012 through 2021.

Year	Pounds landed	Fishery Value	Total Program Costs	Calculated Fee Percentage	Actual Fee Percentage
2022	61,695,411	$12,187,846	$308,955	2.53%	2.53%
2021	65,301,975	$ 10,308,123	$285,252	2.77%	2.77%
2020	53,839,320	$ 7,658,264	$ 280,222	3.66%	3.00% [a]
2019	46,685,583	$ 10,383,136	$ 319,324	3.08%	3.00% [a]
2018	47,261,765	$ 11,231,239	$ 321,411	2.86%	2.86%
2017[b]	40,587,961	$ 10,248,424	$ 208,666	2.04%	2.04%
2016	49,777,303	$ 12,009,975	$ 304,684	2.54%	2.54%
2015	45,152,020	$ 11,117,262	$ 361,790	3.3%	3.0% [a]
corrected 2014[c]	44,016,252	$ 10,505,776	$ 345,948	3.3%	3.0% [a]
2014[c]	25,618,470	$ 6,265,656	$ 345,948	5.5%	3.0% [a]
2013	36,222,525	$ 8,716,340	$ 224,059	2.5%	2.5%
2012	40,963,090	$ 14,340,362	$ 194,562	1.4%	1.4%

[a] These billed percentages were limited by the Magnuson-Stevens Act statutory 3 percent cap
[b] The lower costs and fee percentage for the 2017 fishing year are due in part to an accounting error which resulted in underreporting of NMFS's Rockfish Program costs in FY 2017.

[c] The pounds landed and fishery value for 2014 as reported in the **Federal Register** notice (80 FR 6053; February 4, 2015), however, NMFS subsequently determined that the landings and value from the catcher/processor sector were incorrectly excluded for 2014. However, the fee percentage remained at the 3 percent cap.

Crab Rationalization Program Cost Recovery Report

Fishing Year 2021/2022

NOAA FISHERIES

Alaska Region

January 2023

Contact information:

For more information about cost recovery and the Crab Rationalization Program please visit the AKR Cost Recovery Page.

For general questions contact Sustainable Fisheries Division at 907-586-7228.

For cost recovery billing questions contact the Fee Coordinator at (907) 586-7231.

Cost recovery

Section 304(d) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) authorizes and requires the collection of cost recovery fees for limited access privilege programs (LAPPs) and the Community Development Quota Program. The North Pacific Fishery Management Council developed a LAPP for Bering Sea and Aleutian Islands (BSAI) crab fisheries that allocates a percentage of the total allowable catch to participants in the Crab Rationalization Program (CR Program). The National Marine Fishery Service (NMFS) published final regulations implementing the CR Program in 2005 (70 FR 0174, March 2, 2005).

NMFS implemented a cost recovery program for the CR Program in 2005 (70 FR 10174, March 2, 2005). CR Program cost recovery authorizes the collection of actual management and enforcement costs for up to three percent of ex-vessel gross revenues. Under the regulations implementing the CR cost recovery program, cost recovery fees must be paid in equal shares by the harvesting and processing sectors. The processing sector, specifically registered crab receivers (RCRs), are responsible for collecting the fee from the harvesters and submitting this and their own self-collected fee amount to NMFS. Catcher/processors, i.e., (vessels that harvest and process crab) pay the full fee.

Use of funds

Receipts from the cost recovery fee collection are deposited into two accounts. Up to twenty-five percent of the collections are deposited into the U.S. Treasury and are available to Congress for annual appropriations to support the BSAI Crab Quota Share Loan Program described below. The other remaining funds are deposited into the Limited Access System Administrative Fund. Funds in this account are available only to the Secretary and must be spent on CR Program management and enforcement.

BSAI Crab Quota Share Loan program

The BSAI Crab Quota Share Loan Program was implemented in 2011 (75 FR 78619, December 16, 2010). The program provides low interest loans to assist captains and crew in the purchase of quota shares (QS) for the CR Program. The loan program is accessible only to active fishery participants and can be used to purchase either CR Program QS or Crew QS. The NMFS Financial Services Branch administers the BSAI Crab Quota Share Loan Program and additional information is available by calling 206-526-6122.

CR Program cost recovery fee

NMFS computes the annual fee percentage that applies for each crab fishing year; July 1 through June 30. Fees are based on the total value of crab landings in money, goods, or services. For crab delivered raw for processing, each RCR's fee is estimated by multiplying the annual fee percentage needed to recover costs (up to three percent) by the ex-vessel value of CR Program crab. Catcher/processors participate in both the harvesting and processing sectors and are responsible for paying the entire fee liability, based on standard prices derived from information reported for raw crab deliveries.

Prior to the start of the crab fishing year, NMFS publishes the annual fee percentage in the *Federal Register* (87 FR 41282, July 12, 2022). The fee percentage is used by RCRs to collect fee liabilities from harvesters, and then self-collect, throughout the fishing year. The fee percentage is projected forward before management costs are finalized, therefore, any overpayment or underpayment is accounted for in the next year's fee percentage. The sections below describe the methodology for calculating the fee percentage.

Calculating the ex-vessel value of the CR Program fisheries

NMFS calculates the ex-vessel value of the CR Program fisheries using information from the Ex-vessel Volume and Value Report that is submitted annually by RCRs (due May 31). This report includes the pounds of CR Program crab purchased and the ex-vessel value paid. The overall ex-vessel value of the CR Program fisheries is calculated by summing the value of all pounds purchased of CR Program crab. Additionally, the Ex-vessel Volume and Value Report is used to calculate standard prices by month and by crab species. These standard prices are multiplied by the landings of catcher/processors to determine the ex-vessel value for that sector.

Calculating the costs of management and enforcement

Direct program costs are calculated by determining the incremental costs of managing the CR Program, that is, costs that would not have been incurred but for the CR Program. These costs cover the management, data collection, and enforcement of the CR Program by NMFS, the Alaska Department of Fish and Game (ADF&G), and the Pacific States Marine Fisheries Commission (PSMFC). The NMFS Alaska Region operating units that incur direct program costs include the Restricted Access Management Program (RAM), the Information Services Division (ISD), the Office of Law Enforcement Alaska Division (OLE), and the Sustainable Fisheries Division (SFD), the Regional Administrator/Appeals Office (RA/OAA), the Alaska Fisheries Science Center (AFSC), and the Financial Service Division (FSD). To arrive at these costs, every operating unit calculates CR Program direct program costs, broken out by cost categories including personnel/overhead, travel, transportation, printing, contracts/training, supplies, equipment and rent/utilities. The ADF&G and PSMFC track and report direct program costs in similar categories. Direct program costs are tracked from mid-April to mid-April of each calendar year.

Calculating the annual fee percentage

NMFS computes the annual fee percentage by dividing the direct program costs by the total ex-vessel value of crab landings in money, goods, or services. The annual fee percentage is calculated using the following formula:

$$[100 \times (DPC)/V]$$

The formula shows that the direct program costs of management and enforcement (DPC), multiplied by 100, and is then divided by the fisheries value (V). The result, rounded to the nearest 0.01 percent, is the fee percentage. The direct program costs also reflect any adjustments due to underpayment or overpayment from previous year's projection of management costs.

The annual fee percentage is published in the *Federal Register* at the start of the crab fishing year (July 1 through June 30) and is applied to all landings of CR Program crab. RCRs collect cost recovery fees as landings occur throughout the season. NMFS provides a summary of fees due to all RCR permit holders during the last quarter of the crab fishing year. The summary

explains the cost recovery fee determination for each individual RCR, including the current fee percentage, details of raw crab pounds debited from CR allocations by permit, port or port-group, species, date, and prices. Funds collected under the CR Program vary yearly because annual ex-vessel value and direct program costs fluctuate.

Calculating the 2021/2022 fee

The fee percentage for the 2021/2022 CR Program fishing year was set at 2.23 percent. This figure derives from these sources:

- The total ex-vessel value of the CR Program fisheries; and
- The direct program costs for the CR Program (by actual expenditures during the Federal fiscal year).

The total standard ex-vessel value of the 2021/2022 CR Program fisheries was $116,366,089, which was 46.8 percent lower than the total standard ex-vessel value of the 2020/2021 fisheries of $218,768,971. This value is derived from price information submitted by the RCRs.

Using the fee percentage formula, the estimated percentage of costs to value for the 2021/2022 crab fishery was 2.23 percent. Therefore, NMFS applied the fee percentage of 2.23 percent to the 2021/2022 crab fishing year. Table 1 shows the fee percentage computation.

Table 1. Formula for calculating the 2021/2022 fee percentage

Factor	Value	Activity
Direct Program Cost (DPC)	$ 2,594,226	divided by
Total Fishery Value (V)	$ 116,366,089	multiply by 100
=	2.23 percent	yields
Fee percentage for 2021/2022 CR Program = 2.23 percent		

During 2021/2022 (FY2021), direct program costs ($2,594,226) increased by approximately nine percent compared with FY2020 program costs ($2,387,593). Additionally, the value of crab harvested under the CR Program decreased by $102.4 million, or approximately 47 percent, primarily due to the large decreases in the total allowable catch (TAC) of Bering Sea snow crab and Bristol Bay red king crab fisheries. Overall, increases in direct program costs and decreased fishery value contributed to an increased fee percentage in FY2021 relative to FY2020.

Payment of cost recovery fees

NMFS sends fee statements to RCRs based on the RCRs' reported landings for the previous crab fishing year for all CR Program crab and value as computed for fee collection purposes. The RCR permit holder is responsible for submitting payment to NMFS on or before the due date of July 31, of the crab fishing year in which payment for the crab is made.

If an RCR fails to pay on time, OMD will issue an Initial Administrative Determination to which the permit holder must respond within 30 days. If an account is unpaid for 30 days after the due date, administrative fees, interest, and penalties start to accrue. NMFS may take action against the permit holder's QS holdings and assess additional monetary charges, fines, or permit

sanctions. Additionally, the Regional Administrator may disapprove any transfer of IFQ, individual processing quota, QS, or processor quota shares to or from the RCR permit holder. The RCR may not be issued IFQ or individual processing quota for that crab fishing year if they fail to submit payment. If after 180 days the fee remains unpaid, the unpaid balance is forwarded to the U.S. Department of the Treasury for collection.

Details on Cost Categories

Figure 1 is a comparison of program costs from FY2014 to FY2021 while Table 2 shows the FY2021 program costs by agency and operating unit. The two highest cost components are ADF&G and OLE, respectively. Between fiscal years management and enforcement costs fluctuate due to changes within the agency and operating units such as new contracts, required trainings, personnel changes, and equipment purchases.

Management of CR fisheries is delegated to the State of Alaska. As a result, ADF&G incurs the highest costs of all management units involved in the program. ADF&G's largest cost component is personnel to support the added duration and complexity of management, stock assessment, and monitoring programs implemented through rationalization. Personnel, and the associated administrative overhead costs increased between FY2020 and FY2021. Contract and training expenses, which support crab observer deployment and training, decreased.

OLE is tasked with inspections, boardings, investigations and enforcement activities. The two largest cost categories are for personnel and contracting. Costs are reflective of the number of participants (75-80 boats), complexity of the program, and duration of CR fisheries. Costs decreased between FY2020 and FY2021, primarily due to reduced personnel costs.

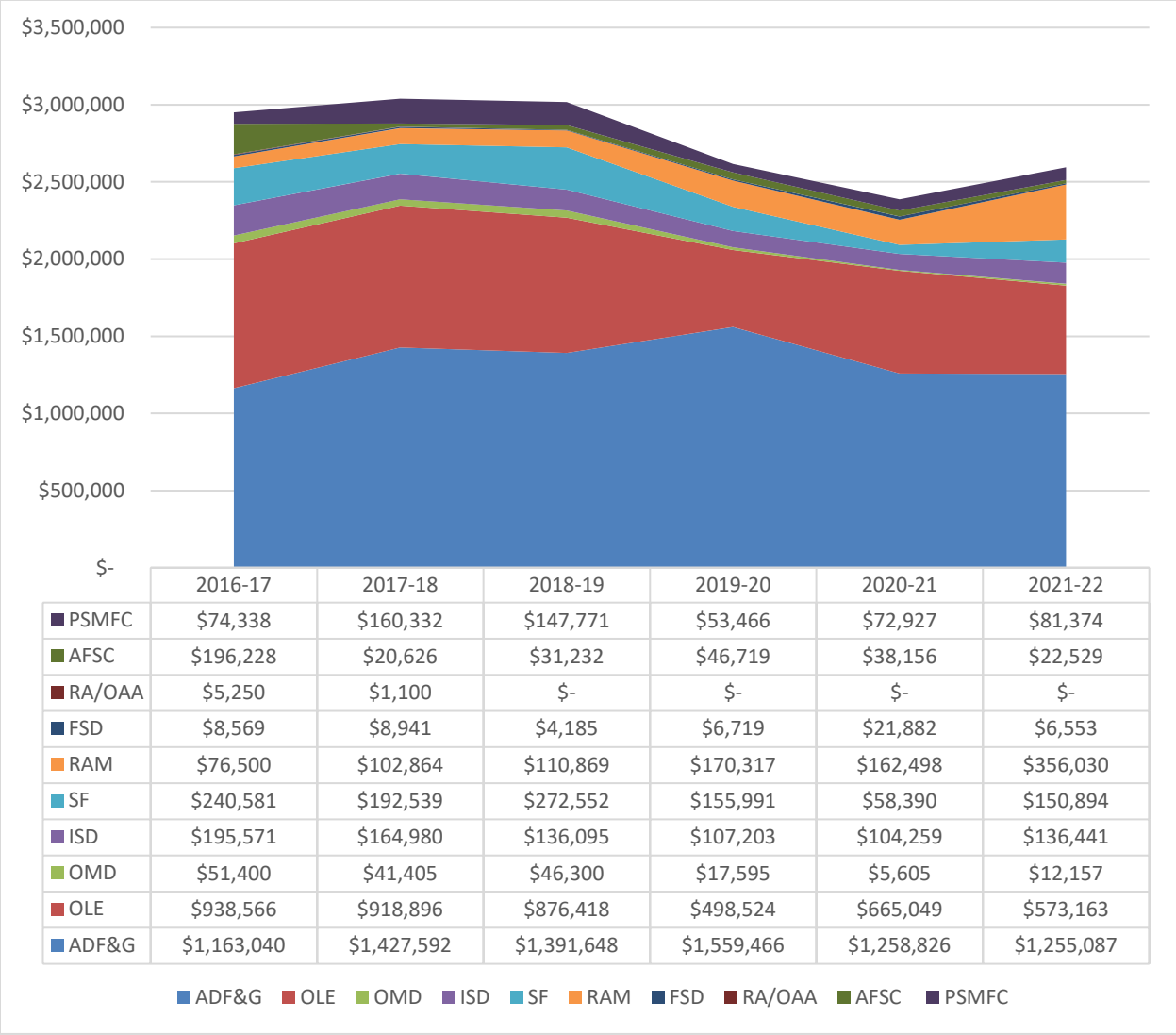
OMD, ISD, and SF support eLandings, provide maintenance of the catch accounting system, develop and implement regulatory actions, determine fees and collection processes, and provide training and outreach for electronic reporting of crab harvest. Costs increased for these operating units between FY2020 and FY2021, primarily due to contract renewals.

NMFS RAM issues permits, handles transfers of QS and IFQ, and answers questions about permits and transfers. RAM incurs the largest share of costs of NMFS operating units. Costs increased between FY2020 and FY2021, primarily due to increased contract costs.

For other operating units, FSD costs decreased for FY2021 due to fewer servicing actions and processing of crab loans compared to the increase in loans seen in FY2020 due to the onset of COVID-19. NMFS RA/OAA did not report any appeals costs in FY2021. Overall for NMFS, costs increased between FY2020 and FY2021.

The AFSC and PSMFC support administration of the CR Program Economic Data Reports. AFSC costs decreased, while PSMFC costs increased between FY2020 and FY2021, primarily due to decreases and increases in personnel expenses, respectively.

Figure 1. Crab Rationalization Program expenses by agency and NMFS operating unit from FY2016 to FY2021.



	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
PSMFC	$74,338	$160,332	$147,771	$53,466	$72,927	$81,374
AFSC	$196,228	$20,626	$31,232	$46,719	$38,156	$22,529
RA/OAA	$5,250	$1,100	$-	$-	$-	$-
FSD	$8,569	$8,941	$4,185	$6,719	$21,882	$6,553
RAM	$76,500	$102,864	$110,869	$170,317	$162,498	$356,030
SF	$240,581	$192,539	$272,552	$155,991	$58,390	$150,894
ISD	$195,571	$164,980	$136,095	$107,203	$104,259	$136,441
OMD	$51,400	$41,405	$46,300	$17,595	$5,605	$12,157
OLE	$938,566	$918,896	$876,418	$498,524	$665,049	$573,163
ADF&G	$1,163,040	$1,427,592	$1,391,648	$1,559,466	$1,258,826	$1,255,087

Table 2. Fiscal Year 2021 direct program for the CR Program (Fishing Year 2021/2022).

	ADF&G (State)	OLE	OMD	ISD	SF	RAM	FSD	AFSC	PSMFC	Total
Personnel [a]	$827,026	$46,463.34	$10,465	$63,503	$23,022	$55,227	$6,553	$15,884	$49,042	$1,097,186
Benefits		$27,916.61						$6,645	$20,875	$55,436
Travel [b]	$12,549				$2,460					$15,010
Transportation [c]										
Printing										
Ace Contract				$64,651	$115,721	$286,802				$467,175
Contracts/Training	$209,532	$437,701.50							$526	$647,760
Training										
Contract fees		$8,630.55		$1,293	$2,314	$5,736				$17,974
Supplies	$2,422								$53	$2,475
Equipment										
Rent/Utilities [d]		$52,450.68	$1,692	$6,993	$7,376	$8,264			$1,900	$78,676
Overhead	$203,557								$8,471	$212,028
Other [e]									$506	$506
Total	$1,255,087	$573,163	$12,157	$136,441	$150,894	$356,030	$6,553	$22,529	$81,374	$2,594,226

[a] Personnel Costs/Overhead includes locality pay and all benefits.
[b] Travel includes per diem payments.
[c] Transportation includes shipment of items.
[d] Rent/Utilities includes costs of space and utilities and shared common space and services.
[e] Other includes administrative costs associated with eligible CR program management and observer activity.

Conclusion

Cost recovery fees do not increase agency budgets or expenditures. They offset funds that would otherwise have been appropriated, except the PSMFC and ADF&G expenditures for which there is no direct appropriation. No budgetary advantage is gained by inflating CR Program management and enforcement costs. Table 3 shows the management costs and ex-vessel value of the CR Program fisheries for the purposes of cost recovery since the CR Program was initiated.

Table 3. CR Program cost recovery since implementation

Crab Fishing Year	Fishery Value [a]	Total Program Costs	Annual Fee Percentage [b]	RCR Permit Holders w/ Billable Landings
2021/2022	$116,366,089	$2,594,226	2.23	16
2020/2021	$218,768,971	$2,387,593	1.09	19
2019/2020	$199,226,271	$2,616,001	1.31	18
2018/2019	$177,868,964	$3,017,069	1.70	17
2017/2018	$163,998,853	$3,038,830	1.85	17
2016/2017	$188,017,358	$2,950,043	1.57	18
2015/2016	$227,733,902	$3,650,178	1.60	16
2014/2015	$229,198,504	$3,392,286	1.48	19
2013/2014	$209,386,273	$3,095,352	0.69	20
2012/2013	$231,535,032	$3,516,592	0[c]	20
2011/2012	$286,752,062	$3,364,442	1.23	20
2010/2011	$261,747,837	$3,210,189	2.67	21
2009/2010	$147,188,073	$3,927,062	0[c]	18
2008/2009	$212,412,973	$3,195,760	1.05	22
2007/2008	$202,719,417	$2,133,758	3.0[d]	20
2006/2007	$119,652,929	$3,939,841	3.0[d]	22
2005/2006	$138,888,840	$4,270,881	3.0[d]	17

[a] Fishery Value is the projected ex-vessel value of the catch subject to the crab cost recovery fee liability for the current year. For this table, the value amount is rounded.
[b] Fee liability percentages are noted here for the crab fishing year from which they were derived. The fee percentage was applied to the following crab fishing year.
[c] For each fiscal year, the amount collected is rounded. Due to a revenue surplus, no billing/collection occurred in the 2009/10 and 2012/13 (Years 5 and 8, respectively) fishing year.
[d] These billed percentages were limited by the Magnuson-Stevens Act statutory three percent cap of the ex-vessel value of the fishery in any Program year.

Fees collected under the BSAI King and Tanner Crab Fishing Capacity Reduction Program

Under section 312(b) of the Magnuson-Stevens Act, NMFS has the authority to conduct a fishing capacity reduction program if funds are provided and such a program is necessary to prevent or end overfishing, rebuild stocks of fish, or achieve measurable or significant improvements in the conservation and management of a fishery. A capacity reduction program must be consistent with any state and Federal fishery management plans in place for a fishery. Funding for such programs is authorized under section 312(c) of the Magnuson-Stevens Act and allows NMFS to obtain funding through specific appropriations from industry fee systems and public, private, or nonprofit sources. Under this authority, regulations implementing the BSAI King and Tanner Crab Fishing Capacity Reduction Program was implemented in 2005 (68 FR 69331, January 12, 2004). Under administration of the FSD, NMFS bought back 25 BSAI crab fishing vessels, associated fishery histories, and 62 licenses to achieve the maximum sustained reduction in BSAI crab fishing capacity at the least cost and in minimum time. In the BSAI King and Tanner Crab Fishing Capacity Reduction Program, the FSD administers an industry-funded, 30-year loan of $97,399,357.00 at a fixed rate of 6.54 percent. Additional information is available on the NMFS BSAI King and Tanner Crab Fishing Capacity Reduction Program web page.

Fees for repayment of the loan are authorized under section 312(d)(2)(C) of the Magnuson-Stevens Act and are to be paid on harvests of the CR Program crab species. Harvesters are required to pay the fee and all parties making the first ex-vessel purchase of the crab ("fish buyers") are required to collect the fee based on the crab's full delivery value, and account for and forward the fee revenue to repay the loan. The current fee rates are shown in Table 4. By regulation, the fee rate may not exceed five percent of the delivery value.

Fee collection to repay the loan began on October 17, 2005. BSAI Crab Buyback Loan Fees are due by the 7th day of the month after the month in which landings occurred. Buyback fees received after that date are subject to a 1.5 percent per month (or portion thereof) late charge fee. NMFS may withhold annual crab permits if buyback fees are outstanding.

Table 4 shows the principal balance for each of the "subloans" allocated to each fishery by the BSAI King and Tanner Crab Fishing Capacity Reduction Program. Loan balances are current as of December 31, 2021. The Aleutian Islands Golden (Brown) King Crab subloan was repaid in 2016, therefore all buyback fees collected for Aleutian Island (Brown) King Crab landings ceased after October 31, 2016. The Western Aleutian Islands red king crab and Pribilof Islands king crab fisheries have remained closed since the start of the loans.

Table 4. Fishery loan status of the BSAI King and Tanner Crab Fishing Capacity Reduction Program, January 1, 2023.

Crab Fishery	Original Loan Amount	Current Principal Balance	Current Outstanding Interest	Total Loan Balance
Bering Sea Snow Crab and Tanner Crab	$66,410,767.20	$44,775,239.66	$1,736,245.48	$46,511,485.14
Bristol Bay Red King Crab	$17,129,957.23	$3,725,522.65	$438,370.45	$4,163,893.10
Aleutian Islands Golden (Brown) King Crab	$6,380,837.19	$0.00	$0.00	$0.00
St. Matthew Island Blue King Crab	$5,668,991.10	$5,668,991.10	$5,490,434.87	$11,159,425.97
Pribilof Islands Red and Blue King Crab	$1,571,216.35	$1,571,216.35	$1,848,213.15	$3,419,429.50
Aleutian Islands Red King Crab	$237,588.04	$237,588.04	$279,473.50	$517,061.54
Total	$97,399,357.11	$62,610,290.62	$7,935,440.00	$65,771,295.25

IFQ Halibut and Sablefish Cost Recovery Report

Fishing Year 2022

NOAA FISHERIES
Alaska Region

Contact information:

For more information about cost recovery and the CR Program please visit the AKR Cost Recovery Page.

For general questions contact Sustainable Fisheries Division at 907-586-7228.

For cost recovery billing questions contact the Fee Coordinator at (907) 586-7231.

Cost Recovery

Section 304(d)(2)(A) of the Magnuson–Stevens Fishery Conservation and Management Act (MSA), enacted in late 1996, obligates the National Marine Fisheries Service (NMFS) to recover the actual costs of management, data collection, and enforcement of the Individual Fisheries Quota (IFQ) Program for the fixed-gear commercial fisheries for Pacific halibut and sablefish in waters in and off Alaska. The law provides that the fee be paid by IFQ fishermen and that the fee shall be based on the ex-vessel value of fish landed under the IFQ Program. The MSA limits the fee liability for IFQ fishermen to 3.0 percent of the annual ex-vessel value in dollars, goods, and services.

The funds collected from cost recovery are deposited in the Limited Access System Administrative Fund (LASAF). Funds in this account are available only to the Secretary of Commerce and must be spent on IFQ Program management, data collection, and enforcement. This report reviews the cost recovery requirements and responsibilities of fishery participants and of NMFS. It describes how the fee is determined, what contributed to IFQ Program costs, and compares cost recovery fees over time.

Requirements and Responsibilities

For IFQ Permit Holders

IFQ permit holders are responsible for fees owed for all landings recorded on their permit(s). This includes IFQ pounds from their own quota share (QS) and from QS that was leased from another QS holder. It also includes landings made by hired skippers. IFQ permit holders are also responsible for fees associated with halibut that were landed using their IFQ in the guided angler fish (GAF) program by persons who hold a Charter Halibut Permit issued by NMFS.

IFQ permit holders must pay their fee no later than January 31 of the year after the calendar year of their landings. There are two options for calculating the fee liability: permit holders may make their payment based upon NMFS' calculations, which are based on standard ex-vessel prices and values; or they can pay an amount based in whole or in part upon their own records of actual ex-vessel value from the sale of their IFQ halibut or sablefish. If they choose the second option, permit holders must be prepared to demonstrate, with written documentation, the actual value they received from their IFQ landings.

Penalties: Failure to pay may result in NMFS action against the permit holder's QS holdings and monetary charges, fines, and/or permit sanctions. If a permit holder fails to pay by January 31, their QS/IFQ automatically becomes nontransferable until the fee liability is satisfied. In addition, the permit holder is prohibited from receiving QS or IFQ by transfer. Before penalties are issued, NMFS Operations and Management Division (OMD) delivers a letter of Initial Administrative Determination (IAD) outlining the permit holder's right to an appeal.

For IFQ Registered Buyers

Registered Buyers acting as shoreside processors must report the monetary value and amount of purchased pounds of IFQ halibut and sablefish by species, month, and port. This information is used to calculate standard ex-vessel prices, and to estimate the overall ex-vessel value of the

fisheries. Reports are due to NMFS by October 15 each year and can be submitted online or in paper form.

For NMFS

At the end of each IFQ Program fishing season, NMFS is responsible for these actions:

- ✓ compiling a list of all IFQ Program landings by species, month, and port or port group;
- ✓ using shoreside IFQ Registered Buyer data to calculate a set of standard ex-vessel prices for IFQ fish landed;
- ✓ applying the appropriate standard ex-vessel price to each landing, creating a standard ex-vessel value for the landing;
- ✓ summing the total standard ex-vessel values of all landings to derive the total ex-vessel value (total fishery value) of the year's IFQ fisheries;
- ✓ compiling all direct management, data collection, and enforcement costs (direct program costs) attributable to the IFQ Program;
- ✓ using direct program costs and total fishery value to calculate the annual fee percentage;
- ✓ applying the fee percentage to the standard ex-vessel value of a landing on an IFQ Program permit to determine the fee owed for each landing;
- ✓ summing the fees owed for all landings on all IFQ Program permits held by each permit holder. This final figure is the *annual fee* each permit holder owes; and
- ✓ mailing IFQ permit holders a summary that itemizes their landings and shows their calculated fee.

The 2022 IFQ Program Cost Recovery Fee Percentage

The 2022 IFQ fee percentage was 1.9 percent (87 FR 79869, December 28, 2022). Therefore, under cost recovery regulations, IFQ permit holders who used their permits to make landings of IFQ halibut or IFQ sablefish during the 2022 IFQ Program fishery, or who leased halibut IFQ that was landed as GAF during the 2022 charter halibut fishery, are obligated to pay 1.9 percent of the total ex-vessel value from the sale of their IFQ Program fish. The fee percentage is calculated from two sources:

- ➢ The total fishery value of the IFQ Program fisheries for 2022; and
- ➢ The direct program costs for the IFQ Program, as compiled from actual expenditures during Federal fiscal year (FY) 2022.

These sources are discussed below.

Total value of the IFQ Program fisheries

As noted above, the total fishery value is determined from ex-vessel prices that are applied to the pounds of IFQ fish landed. To account for price variability, standard ex-vessel prices are weighted averages, calculated for each species, port of landing, and month.

Direct Program Costs for the IFQ Program

Direct program costs are expenses necessary to manage, collect data from, and enforce the IFQ Program. The costs considered are incremental: they would not have been incurred but for the IFQ Program. Cost recovery fees do not increase agency budgets or expenditures. The fee offsets funds that would otherwise have been appropriated, except International Pacific Halibut Commission (IPHC) and Alaska Department of Fish and Game (ADF&G) expenditures, for which there is no direct appropriation. No budgetary advantage is gained by inflating costs.

To determine annual costs, each October NMFS, IPHC, and ADF&G each calculate their direct program costs for the IFQ Program. NMFS Alaska Region separates costs by operating units, including NMFS Restricted Access Management (RAM), NMFS Information Services Division (ISD), NMFS Office of Law Enforcement Alaska Division (OLE), NMFS Sustainable Fisheries (SFD), NMFS Financial Service Division (FSD), NMFS Operations and Management Division (OMD), and NMFS Regional Administrator Office/Office of Administrative Appeals (RAO/Appeals).

Examples of the types of tasks that were included under the 2022 IFQ direct program costs are:

- analysis and rulemaking activities; in particular, an amendment identifying several measures associated with IFQ pot gear and an exception to Adak residency requirements, and a temporary rule to remove limits on the maximum amount of halibut individual fishing quota (IFQ) that may be harvested by a vessel, commonly known as vessel use caps, in IFQ regulatory Areas 4A (Eastern Aleutian Islands), 4B (Central and Western Aleutian Islands), 4C (Central Bering Sea), and 4D (Eastern Bering Sea) (NMFS AKR).
- maintenance of the electronic reporting systems, including the catch accounting system (NMFS AKR, ADF&G)
- programming, web design, and maintenance of online applications (ISD)
- issuance of annual IFQ permits, registered buyer permits, hired master permits, and responding to questions about those permits (RAM)
- processing transfers of QS and/or IFQ. This includes medical transfers, transfers with right of survivorship, and Guided Angler Fish transfers. Processing transfers also includes responding to questions about the transfers (RAM)
- producing an annual transfer report (RAM)
- determining standard ex-vessel prices using value and volume reports submitted by IFQ Registered Buyers (RAM)
- fee determination and collection process (OMD)
- port sampling (IPHC), primarily personnel costs, but also includes travel and supplies
- processing North Pacific IFQ loan program applications (FSD)
- inspections, boardings, investigations, outreach and education, and compliance assistance is done by officers and agents. Additionally, a staff of data technicians are contracted annually for 7-day per week processing of required reports, such as Product Transfer, Prior Notice of Landing, IFQ Departure, IFQ Overage, and Vessel Activity Reports (OLE).

More details on particular cost components can be found on page 8.

Calculating the 2022 Fee Percentage

The annual fee percentage is calculated using the following formula:

[100 x (DPC/V)]

NMFS divides the direct program cost (DPC) by the total fishery value (V) of the IFQ Program fisheries, and then multiplies by 100 to calculate a percentage. The result is the *fee percentage*. The calculation of the 2022 fee percentage is as follows:

Table 1. Formula for calculating the 2022 fee percentage

Factor	Value	Activity
Direct Program Cost (DPC)	$4,223,487	DPC divide by V
Total Fishery Value (V)	$216,771,279	multiply by 100
=	1.9	yields
Fee percentage for 2022 IFQ Program = 1.9 percent		

Summary of the Fee Percentages Overtime and Component Costs

Time Series of the Fee Percentage

The 2022 fee percentage is 1.9 percent, a decrease from the 2021 fee percentage. The total fishery value increased by 26.8 percent ($45.8 million). Direct program costs decreased by 16.1 percent. The increase in fishery value was attributed to an increase in landings and the price per pound of both halibut and sablefish.

Table 2. IFQ Program cost recovery fee percentage 2000 through 2022

Year	Direct Program Costs	Combined IFQ Fisheries Value	Fee Percentage
2000	$ 3,474,111	$ 195,882,332	1.80%
2001	$ 3,430,357	$ 167,368,176	2.00%
2002	$ 3,513,827	$ 180,276,723	2.00%
2003	$ 3,407,118	$ 236,536,464	1.40%
2004	$ 3,326,607	$ 235,431,066	1.30%
2005	$ 3,743,630	$ 235,865,140	1.60%
2006	$ 2,789,047	$ 268,403,752	1.00%
2007	$ 2,739,602	$ 234,866,119	1.20%
2008	$ 3,468,590	$ 244,854,438	1.40%
2009	$ 4,302,026	$ 209,893,255	1.60%
2010	$ 5,203,411	$ 276,175,760	1.40%

Table 2. IFQ Program cost recovery fee percentage 2000 through 2022

Year	Direct Program Costs	Combined IFQ Fisheries Value	Fee Percentage
2011	$ 5,065,748	$ 318,077,388	1.60%
2012	$ 4,896,232	$ 246,067,580	2.10%
2013	$ 4,920,803	$ 177,746,256	2.80%
2014	$ 4,530,572	$ 176,983,090	2.60%
2015	$ 5,593,603	$ 183,896,787	3.04%*
2016	$ 5,902,497	$ 189,455,394	3.12%*
2017	$ 4,659,869	$ 208,013,345	2.20%
2018	$ 4,573,407	$ 161,400,657	2.80%
2019	$ 4,488,393	$ 150,034,178	3.00%
2020	$ 4,414,604	$ 103,127,774	4.28%*
2021	$ 3,978,894	$ 171,017,323	2.30%
2022	$ 4,223,487	$ 216,771,279	1.90%

*Actual fee liability percentage before the mandatory adjustment to the 3.0% maximum.

Components of Total Fishery Value

Figures 1 and 2 provide more detail on the individual components of values for the halibut and sablefish IFQ fisheries by illustrating harvests and ex-vessel prices since 2018. Standard ex-vessel prices that are indicated in the figures are weighted averages, taken across all ports over the entire season. Comparing 2021 to 2022, the increase in the combined IFQ fishery value was due to increased landings for both halibut and sablefish and rebounded prices for halibut.

For halibut (Figure 1), annual average ex-vessel price decreased between 2018 and 2020, however prices began to rebound again starting in 2021. Sablefish landings (Figure 2) have continued to increase since 2018, with 42.1 million pounds landed in 2022. Standard ex-vessel prices for sablefish have increased since 2020, but have remained lower in comparison to prices before 2019.

Figure 1. Total pounds landed of IFQ halibut and standard ex-vessel price per pound from 2018 to 2022.

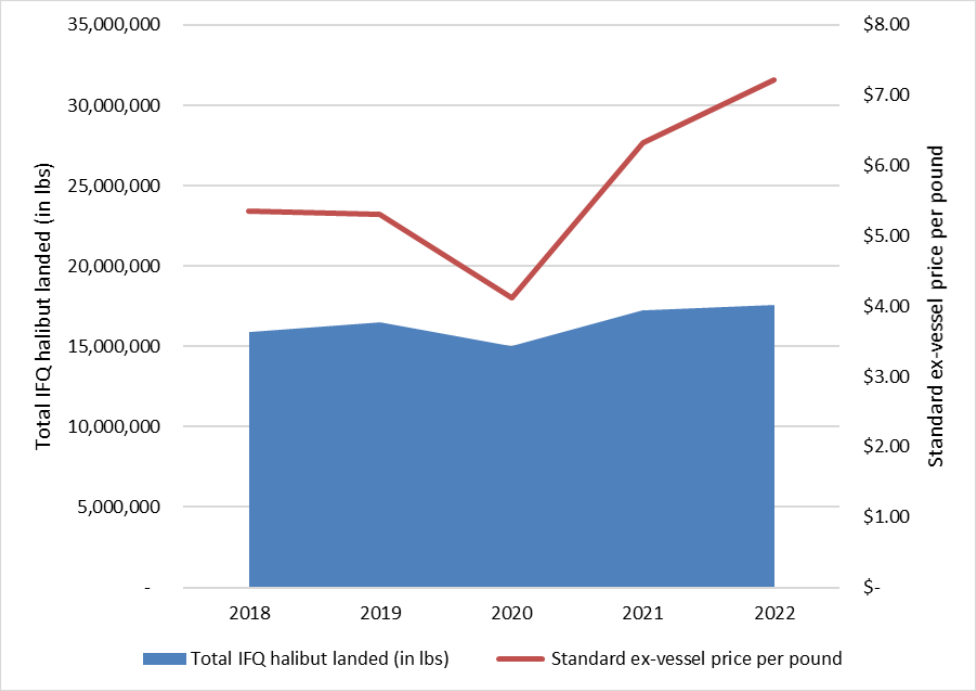
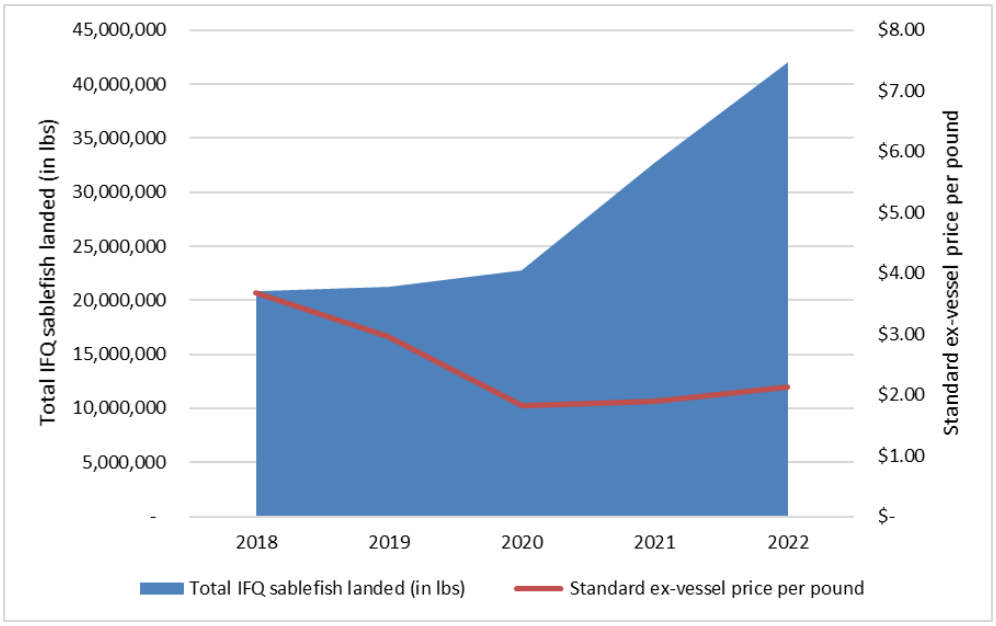


Figure 2. Total pounds landed of IFQ sablefish and standard ex-vessel price per pound from 2018 to 2022.



Details of Direct Program Costs

Table 3 provides detail on the 2022 direct program costs for NMFS operating units and external partners by breaking out individual cost categories. The sum of the cost categories 'Personnel' and 'Contracts' accounted for approximately 91 percent of the total direct program costs. Operating units are discussed in the following section in order of largest to smallest cost to the IFQ program. Figure 3 shows the cost components for all NMFS operating units and external partners from 2017 to 2022. Despite some increases within and outside operating units, overall the direct program costs decreased for FY 2022.

Table 3. Fiscal year 2022 IFQ direct program costs by cost recovery component for NMFS operating units, IPHC, and ADF&G.

Cost Recovery Component	NMFS OMD	NMFS RAM	NMFS SFD	NMFS ISD	NMFS FSD	NMFS OLE	IPHC	ADF&G	Total
Personnel/benefits [a]	$27,629	$292,461	$74,232	$163,972	$113,995	$1,278,708	$620,238	$100,779	$2,672,015
Overhead	-	-	-	-	-	-	$70,280	$25,481	$95,761
Travel [b]	-	-	$1,349	-	-	-	$40,318	-	$41,667
Transportation [c]	-	-	-	-	-	-	$24,912	-	$24,912
Printing	$1,170	-	-	-	-	-	$180	-	$1,350
Contracts/ Training[d]	-	$285,973	$167,076	$255,514	-	$461,936	$1,023	-	$1,171,522
Supplies	-	-	-	-	-	-	$1,522	-	$1,522
Equipment	-	-	-	-	-	-	$705	-	$705
Rent/Utilities [e]	$7,688	$55,865	$6,579	$23,000	-	$100,832	$15,289	-	$209,253
Other	-	-	-	-	-	-	$4,781	-	$4,781
Total	**$36,487**	**$634,299**	**$249,236**	**$442,486**	**$113,995**	**$1,841,476**	**$779,247**	**$126,259**	**$4,223,487**

[a] Personnel includes costs of locality pay, benefits, and overhead.
[b] Travel includes per diem payments. IPHC uses a scalar to determine costs so IPHC travel expenses reflect costs derived by a separate cost formula.
[c] Transportation includes shipment of items.
[d] Contracts/Training are an aggregate of contracts, contract fees, and training costs.
[e] Rent/Utilities includes costs of space and utilities and shared common space and services.

Among NMFS operating units, OLE expenses accounted for roughly half of the IFQ program costs. OLE has high direct costs for the IFQ Program due to the high number of participants and regulatory complexity. OLE's primary cost is personnel for enforcement monitoring and investigations of the IFQ program due to the high number of participants (1100+ vessels), landings (5000+), and offload ports (30+), as well as the duration of IFQ fisheries. Secondary cost is for the IFQ data clerk contract. Further, OLE is responsible for shoreside enforcement and provides after-hours surveillance.

The US Coast Guard (USCG) also refers labor costs to OLE for at-sea enforcement; when the USCG documents at sea violations, it refers the offence to OLE for final action. Additionally, the IFQ Program does not require the use of vessel monitoring systems when fishing for halibut, which contributes to higher enforcement costs. VMS would be a useful tool for OLE to assess fishing activity in IFQ regulatory areas.

OLE employs a multifaceted strategy to maximize compliance in the IFQ fisheries. This strategy includes educational outreach, partnerships, patrols, inspections, and investigations. OLE spends thousands of hours annually providing marine resource users with compliance assistance, including staffing booths at organized events, daily contacts in communities, ports, harbors, and at-sea to ensure that the most current and accurate regulatory information is widely distributed and understood. OLE also spends thousands of hours annually conducting patrols to provide a visible deterrence, monitor fishing, detect violations, conduct compliance inspections, and provide compliance assistance. OLE personnel investigate reports or complaints of IFQ violations as well as regularly analyze IFQ data that may lead to investigations of abnormal activity and missing or questionable information. Overall, OLE costs increased from FY 2021 to FY 2022.

Within NMFS operating units, RAM incurs significant personnel costs issuing the large number of IFQ permits and processing transfers of quota shares, including transfers related to medical leases and right of survivorship. Costs in the personnel category decreased to support the IFQ program, largely due to fluctuations in personnel changes and reduced COVID-related requests. Costs in the contract/training category decreased and are apportioned across programs based on payments made each year.

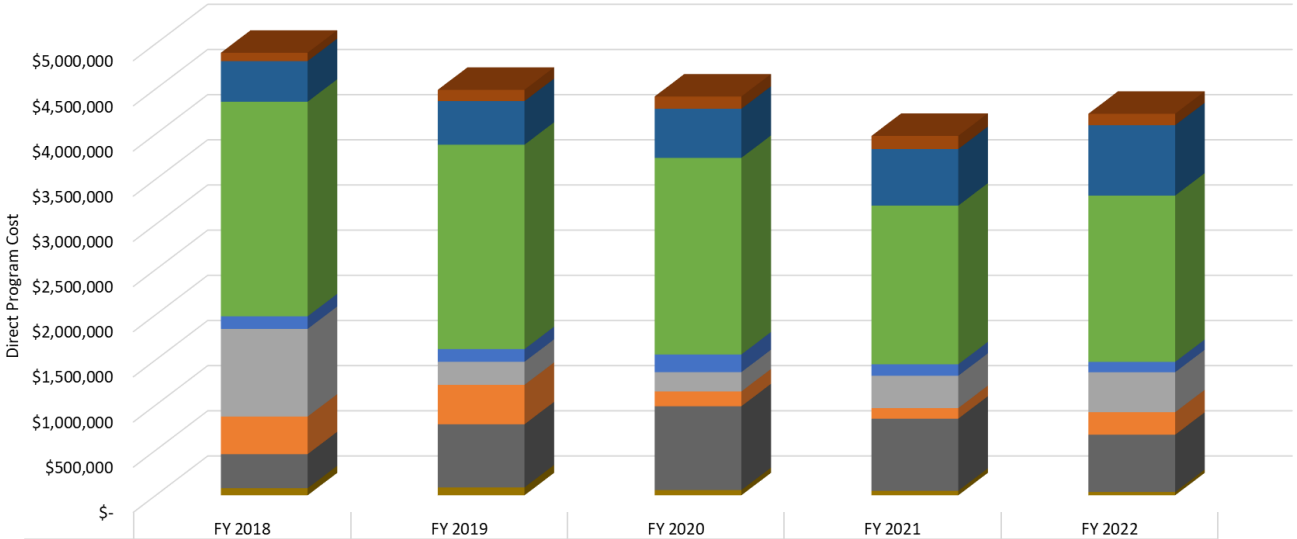
ISD costs maintain the electronic landings system (eLandings) for the IFQ program. Because eLandings is used for multiple fisheries, ISD has developed a formula for tracking the time spent by computer programmers to maintain the system. The formula includes weighting factors for the degree of complexity, amount of integration, time sensitivity, and workload for eLandings maintenance tasks, then it calculates the proportion of eLandings tasks that can be attributed to each fishery program. This formula is reevaluated every year. Costs for FY 2022 increased.

FSD costs support the loan program. For FY 2022, FSD costs decreased year over year due to a lower loan volume and fewer COVID-related servicing requests.

SFD and OMD incur administrative and regulatory development costs. For FY 2022, costs increased for SFD and decreased for OMD.

Outside of NMFS operating units, costs incurred by the IPHC are primarily attributed to personnel and benefits. Personnel supports the IFQ fishery and IPHC administrative duties. IPHC costs for FY 2022 increased from 2021, due to field office support. Nearly all ADF&G costs are related to maintaining the eLandings catch accounting program. FY 2022 costs decreased.

Figure 3. Comparison of IFQ direct program costs for NMFS, IPHC, and ADF&G 2018 - 2022.



	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ADF&G	$92,395	$124,218	$135,842	$145,896	$126,259
IPHC	$449,562	$483,096	$543,666	$626,316	$779,247
NMFS OLE	$2,375,297	$2,262,885	$2,176,061	$1,756,615	$1,841,476
NMFS FSD	$139,697	$140,052	$195,762	$126,897	$113,995
NMFS ISD	$970,156	$255,325	$213,196	$357,571	$442,486
NMFS SFD	$416,281	$436,598	$164,388	$117,144	$249,236
NMFS RAM	$377,300	$698,819	$927,894	$798,467	$634,299
NMFS OMD	$78,200	$87,400	$57,794	$49,989	$36,487