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C1 Economic Data Reporting Program

Regulatory Impact Review for
Final Action

Regulatory Impact Review with small entity information, NEPA Categorical Exclusion

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Introduction: History of the Action

- April 2018 discussion paper requested
- April 2019, discussion paper presented with short term and longer term recommendations
- April 2019 adapted P&N and Alternative, tasked SSPT with EDR Program review, tasked NMFS with Initial Review Draft RIR
- January/February 2020, Initial Review Draft RIR presented, P&N amended, alternatives amended, SSPT report received, SSPT outreach tasking
- April 2021, SSPT outreach report, AFSC presentation, further amended alternatives, scheduled final action for February of 2022



Purpose and Need excerpts , as amended January 2020 (Section 1.2, page 14-15)

...the Council intends to review whether some revisions are needed to improve the **usability, efficiency, and consistency of the data collection** programs in its responsibility and to **minimize cost to industry and the Federal government.** ...

...revisions ...on the use of **third-party audits and “blind-data” protocols** that **could reduce the cost of the data collection program** to the industry and government while still maintaining the integrity and confidentiality of the data collection program.

...**confidentiality** ...**provisions have proven to reduce the usability of the data** for analysis and increase the cost of the data collection programs without providing additional practical protections.

...confidentiality requirements that apply to all data collections may provide sufficient protections for the EDR data.



Purpose and Need excerpts, as amended January 2020

The GOA Trawl EDR program ...was designed to collect baseline information **to assess the impacts of a future catch share program.**

The Council should re-evaluate the purpose and need for the GOA Trawl EDR, and **make adjustments as necessary in either the purpose and need for the program or in the data collection program itself.**



Alternatives, as amended April 2021

Alternative 1: Status Quo

Alternative 2: Make revisions, where needed, in the EDR sections of the crab or groundfish FMPs and in the EDR regulations (Options are not mutually exclusive).

- Option 1: Remove any requirements for third party data verification audits under the existing programs and reduce burdens associated with this process.
- Option 2: Revise requirements for aggregation of data across submitters and blind formatting in the crab data collection program to make those data aggregation and confidentiality protections comparable to the requirements under other data collection programs.
- **Option 3: Revise EDR collection period to every (options: 2 years; 3 years; 5 years)**



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Alternatives, as amended April 2021

(Note: Errata provided)

Alternative 3: Remove EDR requirements for (options not mutually exclusive)

- **Option 1. GOA Trawl**
- **Option 2. Crab**
- **Option 3. BSAI Amendment 80**
- **Option 4. BSAI Amendment 91**



Table 1 Comparison of the Alternatives

	Alternative 1	Alternative 2 Option 1	Alternative 2 Option 2	Alternative 2 Option 2	Alternative 2 Option 3	Alternative 3 Options 1-4
Action	Status quo. No action.	Remove independent third party audit authorizations	Eliminate blind formatting of EDR data	Apply existing data handling standards to EDR data	Change frequency of EDR collection	Remove EDR Requirements
Crab FMP		✓	✓		✓	✓
BSAI Groundfish FMP						✓
GOA Groundfish FMP						
Crab regulations (part 680)		✓	✓		✓	✓
Groundfish regulations (part 679)		✓	✓		✓	✓
Forms and instructions		✓			✓	✓
Operational procedures	Audits now only in cases of noncompliance	No audits, data verification continues/suspension of audit reports	DCA retains identifiers in EDR data provided to NMFS	Change in Council guidelines	Changes in reporting and analysis	End data collection/PRA process/PSMFC process



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Status Quo Conditions

Effects of Alternative 1: Status Quo

- Automated third party data verification audits have been procedurally suspended under the status quo, **eliminating associated costs.**
- Third party data verification audits will now be done **only in cases of noncompliance.**
- Authorization for third party data verification audits would remain in place under the status quo **providing an incentive for accurate and timely reporting.**



Table 1 Estimated Number of Respondents, Burden Cost, Implementation Cost and Respondent Total Cost Per Year Associated with Preparation and Implementation of Alaska Economic Data Reports.

Program	Total annual respondents	Annual burden hours	Annual burden cost	Average annual implementation cost (2019-21)	Total burden and cost per respondent per year
Crab Rationalization	95	1,893	\$312,245	\$114,924	\$4,497
GOA Trawl CV/SS	117	1,755	\$64,935	\$79,395*	\$1,234/\$555***
A80 /GOA Trawl CP	30	660	\$24,420	\$81,915	\$3,544
A91 Chinook bycatch	150	644	\$23,717	\$52,640	\$509

* AFSC and NMFS Office of Science and Technology cover these costs

** Industry burden and cost per respondent per year

*** Industry portion of costs without cost recovery

Note: 2019-2021 average annual implementation costs represent the most recent three year average used in PRA renewal analyses and also represents average annual costs since suspension of automated audits.



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Effects of Alternative 2, Option 1, Audit Authorization.

Effects of Alternative 2: Option 1

- Removes from regulations **any authorizations** to conduct third party data verification audits.
- Eliminates agency and DCA costs associated with processing audits; however, these costs have been procedurally eliminated under the status quo, **meaning this option does not provide cost savings.**
- **Eliminates any incentive the audit provides for timely and accurate reporting of EDR data.**
- May create a management and enforcement issue if blind formatting (component 2) is not removed.





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Effects of Alternative 2, Option 2, Blind Data Formatting

Alternative 2: Option 2, Blind Data

- Eliminates requirements for blind data formatting in the crab EDR but not the GOA Trawl EDR.
- AFSC staff responsible for oversight of data verification and validation processes would have access to identifying information. **Removes anonymization of the data.**
- Eliminates significant administrative challenges for AFSC's oversight and management of the EDR program in collaboration with PSMFC.
- Eliminates impediments to timely completion of verification procedures and production of economic SAFE reports on some occasions.



Alternative 2: Option 2, Confidentiality

Allows application of standard data confidentiality protocols consistent with all other commercial fisheries data collections.

Eliminates confidentiality impediments that prevent regular use by Council and NMFS analysts.

Reduces confidential data suppression in several cases;

- Crab custom processing, which is a substantial fraction of the data reported in the crab processing EDR.
- Cost and employment data in smaller crab fisheries that would otherwise be publishable under a three record standard
- GOA Trawl processor data, as AFSC has subsequently applied this standard (rule of 5) to all public release of statistical summaries using any EDR program data.





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Effects of Alternative 2, Option 3, Frequency

Alternative 2: Option 3

Reducing the frequency of EDR reporting **would reduce the industry reporting cost burden for the EDRs.**

- Changing the frequency of reporting to every two years would reduce the total reporting cost (see table 8) by 50%, assuming no other changes in numbers of respondents or burden hour cost rate applied to the collection (*ceteris paribus*).
- Similarly, changing the frequency of collection to once every three years would reduce costs over a period of time by 66%,
- Changing the frequency of collection to every five years would reduce costs by 80%.



Alternative 2: Option 3

Reducing the frequency of EDR reporting **would reduce some agency costs thereby reducing some cost recovery fees charged to industry**, However,

- EDR data collections, verification processes, database infrastructure, and web-based electronic forms would still need to be maintained in order to monitor and manage the EDR information collections.
- Staff and/or contractors would have to be retained but may be available for other agency tasking in years when EDR data is not submitted.
- The loss of cost recovery in years when EDRs are not required to be submitted would mean that **agency operating costs would increase but cost recovery fees borne by industry would be reduced.**



Alternative 2: Option 3

Reducing the frequency of EDR reporting would affect agency implementation costs

- How costs change may change with changing frequency depends on whether all EDRs are changed to the same frequency versus certain individual EDRs having differing frequency of collection.
- In a staggered approach, implementation costs would also be somewhat spread out but the need to maintain EDR processing capabilities would remain.





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SSPT Outreach Themes on Frequency Changes

Alternative 2: Option 3, SSPT Outreach

Theme One

There are ways to reduce burden associated with EDR submissions other than changing the frequency; reductions in burden may come about through the “small changes” the SSPT discussed, and include the following;

- Addressing inconsistencies between reporting ex-vessel value and lease costs versus gross revenues used in crew settlements and NMFS landings records and IFQ permit deductions,
- Pre-populating some data fields that do not change annually,
- Possibly eliminating days fishing and days processing from EDR forms,
- Revising the way capital expenditures are reported.



Alternative 2: Option 3, SSPT Outreach Theme Two

EDR reporting improves and burden is reduced over time.

- As respondents gain familiarity with the reporting forms burden is reduced and **data quality and consistency may improve over time.**
- Some data fields would continue to be tracked by industry on an annual basis as part of routine annual bookkeeping.
- **Changes in frequency would reduce burden** of submitting annually but standard bookkeeping practices would likely be maintained.



Alternative 2: Option 3, SSPT Outreach

Theme Three

Changing the frequency of the EDRs may not be consistent with the purpose and need, and objectives of, the EDR, and;

- Could **reduce the quality** of the data
- Some data may be best captured with averages and less frequent reporting would make averages less accurate and **less useful**.
- Changing the frequency of the EDRs **may also be inconsistent** with the intent of establishing a baseline to allow ongoing monitoring of the economic and social effects of establishing a rationalization program.



Alternative 2: Option 3, SSPT Outreach

Theme Four

- Changing the frequency of EDR reporting **raises substantial risk** of not collecting data that would describe year to year events such as Covid-19, or climate anomalies such as ocean acidification and temperature shifts, and
- Could **affect the utility** of EDR data for monitoring and interpreting trends over time.
- Could **diminish that value** of monitoring and understanding trends over time and in understanding the impacts of anomalies and fishery events
- Should not contribute to data quality issues
- **Less frequent reporting could lead to the loss of data to capture extreme events.**





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Effects of Alternative 3, Option 1, Eliminate GOA Trawl EDR Requirements

Alternative 3: Option 1, Eliminate GOA Trawl EDR Requirements

In the purpose and need statement for the GOA Trawl EDR within its February 2013 motion the Council identified a need to establish a **baseline information collection** that can be used to assess the impacts of a catch share program particularly on affected harvesters, processors, and communities in the GOA.

- Council action on GOA bycatch management was suspended in December of 2016.
- The original need for this data collection program has been indefinitely suspended **calling into question the efficacy of continuing the program given that it has demonstrated programmatic costs born ultimately by tax payers as well as industry compliance costs.**



Alternative 3: Option 1, Eliminate GOA Trawl EDR Requirements

Several recent Council action analyses have used GOA Trawl EDR data.

- The 2016 GOA trawl bycatch management analysis included an SIA that made extensive use of EDR data.
- EDR data was used in the recently completed analysis of potential crew and community Impacts for the BSAI Pacific Cod Limited Access Privilege Program.
- The recently completed GOA Rockfish Program Reauthorization also used GOA Trawl EDR data.



Alternative 3: Option 1, Eliminate GOA Trawl EDR Requirements

- Eliminates PSMFC administrative costs averaging \$79,395 per year
- Eliminates additional NMFS staff costs that are not directly documented to the GOA Trawl EDR program.
- Eliminates industry compliance costs of approximately \$64,935 per year for the GOA trawl catcher vessel and processors EDR; however audit costs (~\$2,500) has been procedurally eliminated under the status quo.



Alternative 3: Option 1, Eliminate GOA Trawl EDR Requirements

Elimination of the GOA Trawl EDR would result in:

- **Complete loss of unique EDR data** that has been used in analyses
- The **truncation of the time series of baseline economic data** that could be used to inform future Council requested analyses of the GOA trawl and other fisheries.
- **Cease the collection of unique crew level data not readily replaceable from other sources.**

Elimination of the GOA Trawl EDR eliminates the opportunities for this information to inform future Council analyses of the fishery.





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Effects of Alternative 3, Option 2, Eliminate BSAI Crab EDR Requirements

Alternative 3: Option 2, Eliminate Crab EDR Requirements

Eliminates \$114,924 in average annual agency costs, covered by cost recovery, and \$312,245 in industry compliance costs.

However, it would also result in:

- **Complete loss of unique data** that can be used for addressing the CR Program's underlying objectives, such as "promoting economic stability for harvesters, processors, and coastal communities" in a more comprehensive way than simply ex vessels values and landings data.
- **Significantly slow the AFSC economics research program**
- AFSC analysts would have to rely 100% on voluntary survey data collection, requiring extensive OMB review and approval, with consequent weaknesses of **low data accuracy and significant increases in the amount of time and expense required.**



Alternative 3: Option 2, Eliminate Crab EDR Requirements

Elimination of the Crab EDR would also result in:

- **Loss of the annual reporting** of economic performance parameters, and unique crew level data not readily replaceable from other sources
- Elimination of the opportunities for this information to **inform future Program Reviews, as required by the MSA,** and in stock rebuilding analyses
- **Elimination of use of these data in continued development and maintenance of the MRSAMM regional economic impact model for Alaska fisheries.**





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Effects of Alternative 3, Option 3, Eliminate BSAI Amendment 80 EDR Requirements

Alternative 3: Option 3, Eliminate Amendment 80 EDR Requirements

Elimination of the A80 EDR would eliminate \$81,915 in average annual agency costs, that are cost recoverable, and \$24,420 in industry compliance costs, However, it would also result in:

- **Loss of an annual summary report** (in the Economic Status of the Groundfish Fisheries off Alaska), that assesses the performance of the A80 fleet under the rationalization program and subsequent changes in fishery management.
- **Loss of the opportunity** for this information to **inform future Program Reviews, as required by the MSA**, and use in other impact analyses.
- **Significantly slow the AFSC economics research program.**
- **Elimination of use of these data in continued** development and maintenance of the MRSAMM regional economic impact model for Alaska fisheries.





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Effects of Alternative 3, Option 4, Eliminate BSAI Amendment 91EDR Requirements

Alternative 3: Option 4, Eliminate Amendment 91 EDR Requirements

Elimination of the A91 EDR would eliminate \$52,640 in average annual agency costs and \$23,717 in industry compliance costs, however it would also:

- Reduce analysts' insights and understanding of the diversity within the fleet and that **may affect analysis of future Bering Sea salmon bycatch issues.**
- Eliminate collection of fuel cost data, **which is presently the best scientific information available** on the operating costs of AFA pollock vessels.



Table 2 Summary of Effects of the Alternatives

	Alternative 1	Alternative 2 Option 1	Alternative 2 Option 2	Alternative 2 Option 2	Alternative 2 Option 3	Alternative 3 Options 1-4
Action	Status quo. No action.	Remove independent third party data audit authorizations	Eliminate blind formatting of EDR data)	Apply existing data handling standards to EDR data	Change Frequency of EDR data collection	Eliminate the individual EDRs
Impacts						
Industry cost-direct cost	Audits procedurally reduced to ease burden	Potential for audit related cost burden eliminated	No change	No change	Reduced depending on frequency chosen	Reduced
Industry costs-Cost recovery	Procedurally reduced/taxpayer burden remains	Reduced by elimination of programmatic costs	No change	No change	Potentially reduced	Reduced and Taxpayer burden possibly reduced
Programmatic cost (NMFS/PSMFC)	Procedurally reduced	Reduced	No change	No change	Potentially reduced	Reduced
Data use and availability	No change	No change	Improved	Improved	Data less complete	Data eliminated
Compliance incentive	Maintained	Eliminated	No change	No change	No Change	Compliance need eliminated
Enforceability	Procedurally reduced audits/enforceability inhibited by blind formatting	Potentially reduced	Improved, especially if audits are eliminated or amended	No change	No Change	Enforcement need eliminated