

Council Motion  
C4 Cost Recovery Report  
June 6, 2026

The Council appreciates the efforts to date to improve transparency and accountability of incremental costs billed to LAPP and CDQ programs in Cost Recovery Reports.

Although many NMFS offices and partner agencies appear to adhere to the MSA statutory requirements and NOAA policy regarding cost recovery, the Council is concerned that the NOAA Office of Law Enforcement has not clearly established the statutorily required link between the fees being levied on LAPP and CDQ Program participants and the actual incremental cost directly related to those programs. The Council, under its authority under Sections 303A(e) and 303A(i) and consistent with Section 304(d)(2)(A) of the MSA, implores NMFS to unambiguously clarify the actual costs that are directly related to and recoverable from each LAPP and the CDQ program to ensure accountability and transparency to each Cost Recovery Program, as required by Federal law. Ensuring appropriate and transparent cost recovery consistent with Executive Order 14276 Restoring American Seafood Competitiveness.

To achieve that goal, the Council requests the following changes to current procedures be implemented starting with the current billing cycle:

- Regional Administrator establishment of recoverable cost categories requires Council consultation.
- Specific to NOAA OLE recoverable costs: Enforcement activities are not recoverable except for specific enforcement activities directly attributable to the LAPP or CDQ program, number of investigations and boardings per program and total hours billed and must demonstrate how the cost satisfies NOAA incremental cost policy guidance to justify the incremental nature of the cost.
- For recoverable costs that apply to more than one LAPP or CDQ, the billing division or partner must demonstrate how cost proportioning was determined (describe the apportioning formula used for that individual project or investigation).
- Provide, at the time of billing, an accounting of the recoverable costs accrued to the LAPP or CDQ for that billing cycle by division of NOAA or partner agency (i.e. actual costs used in the calculation of the fee).