



**NOAA**  
**FISHERIES**

# 2024 Cost Recovery Report for Alaska

Prepared for the Advisory Panel and  
North Pacific Fishery Management Council  
April 2025

Josh Keaton  
Alaska Regional Office

# Introduction - background on cost recovery

- Cost recovery is an essential component of fisheries management for Limited Access Privilege Programs (LAPPs) under MSA.
- LAPPs provide exclusive harvest privileges to qualified fishery participants.
- Section 304(d) of MSA:
  - **Requires** the collection of cost recovery fees
  - Enables NMFS to recover costs **directly related** to management, data collection, and enforcement of any LAPP and the CDQ Program
  - Limits the cost recovery fees to 3% of the annual ex-vessel value of the fishery
- Each year, NMFS determines the annual fee percentage for each program, ensuring that fee collections align with actual program costs while remaining within statutory limits.



**NOAA**  
FISHERIES

# Introduction - background on cost recovery

Programs with cost recovery regulatory component:

- Crab Rationalization (CR) Program
- Rockfish Program (RP)
- Amendment 80 (A80)
- American Fisheries Act (AFA)
- Pacific halibut and sablefish Individual Fishing Quota (IFQ)
- Pacific Cod Trawl Cooperative (PCTC) Program
- Aleutian island Pollock (AIP)
- Community Development Quota (CDQ) Program

MSA ensures that industry participants contribute to expenses incurred by regulatory agencies to administer these programs



**NOAA**  
FISHERIES

# Introduction - development of this report

- At February 2024 Council meeting, industry representatives of all catch share programs presented a letter requesting increased transparency from NMFS in the cost recovery reports
  - NMFS committed to an iterative process to engage industry and increase transparency in the cost recovery report
- Between March 2024 and January 2025, NMFS engaged with industry groups to explain cost recovery processes, answer questions and get input on information to include in this report.
- As a result, this years reports contains:
  - Single consolidated cost recovery report with data on all programs, while still providing program specific information
  - More detail on cost recovery process followed by all programs
  - A “but/for” analysis of various agency tasks related to cost recovery and justification why it is considered consistent with cost recovery policies.



# Chapter 2 - Defining incremental costs

Cost recovery fees recover the actual **incremental costs** that are directly related to the management, data collection, and enforcement of the programs.

## **What qualifies as an incremental (and therefore a recoverable) expense?**

1. Direct association with the LAPP or CDQ Program – The cost must be incurred specifically because the program exists and would not be necessary otherwise.

*In other words, costs that would not have been incurred except for the existence of a LAPP or CDQ Program*

1. Beyond general fisheries management – The cost must exceed standard fisheries management practices, which apply to all fisheries.
2. Essential for effective program oversight – The cost must contribute to the ongoing administration, monitoring, enforcement, or development of LAPP-specific policies.



**NOAA**  
**FISHERIES**

# Chapter 2 - Defining incremental costs

NMFS AKR identifies incremental costs in the following categories. These are reported at the agency level.

- Personnel and benefits
- Travel
- Transportation
- Printing
- Contracts / training
- Supplies
- Equipment
- Rent/utilities
- Other



**NOAA**  
**FISHERIES**

# Chapter 2 - Defining incremental costs

Details on the types of tasks associated with cost recovery and explanation about how these tasks meet NOAA's cost recovery policy requirement. Also known as a “but/for” analysis.

Types of tasks:

- Quota Share Administration
- Catch Monitoring
- Dockside Monitoring
- Inseason Quota Management
- Development and Maintenance of IT systems
- Regulations and Rulemaking
- Compliance Monitoring
- Economic Data Collection
- Cost Recovery Processes



**NOAA**  
**FISHERIES**

# Chapter 2 - Defining incremental costs

Excerpt from Table 2-1 pg. 15

Activity type	Examples of specific tasks appropriate for cost recovery	Relevant Cost categories	Billing entities that could have recoverable costs
<b>Quota Share Administration</b>	<ul style="list-style-type: none"> <li>- Processing cooperative and individual applications</li> <li>- Processing transactions and lease agreements for quota shares</li> <li>- Reviewing ownership transfers, ensuring compliance with ownership caps</li> <li>- Conducting audits to verify ownership structures</li> <li>- Processing vessel replacement applications</li> <li>- Providing customer support for quota holders; responding to inquiries and data requests; and providing outreach for fishery participants</li> <li>- Developing and maintaining IT systems for issuing permits related to quota shares, tracking quota allocations, and conducting transfers</li> </ul>	Personnel & benefits; Contracts	AKR
<b>Catch Monitoring</b>	<ul style="list-style-type: none"> <li>- Support monitoring tools used to weigh catch and the video systems implemented to prevent tampering</li> <li>- Inspection and approval of at-sea scales and observer sampling stations</li> <li>- Inspection and approval of compliance monitoring video equipment</li> </ul>	Personnel & benefits; Contracts	AKR, AFSC
	<ul style="list-style-type: none"> <li>- Travel for staff to conduct at-sea scale inspections</li> <li>- Deploying Observer Program staff to the field to support deployment of observers to fulfill increased observer coverage under LAPP programs</li> <li>- Travel for enforcement personnel to complete dockside monitoring at key landing sites, patrols and boardings</li> </ul>	Travel	AKR, AFSC, OLE
	<ul style="list-style-type: none"> <li>- Equipment necessary for at-sea scale inspections (e.g. sand bags, certified weights, etc); Maintenance of observer gear</li> </ul>	Supplies; Equipment	AKR, AFSC



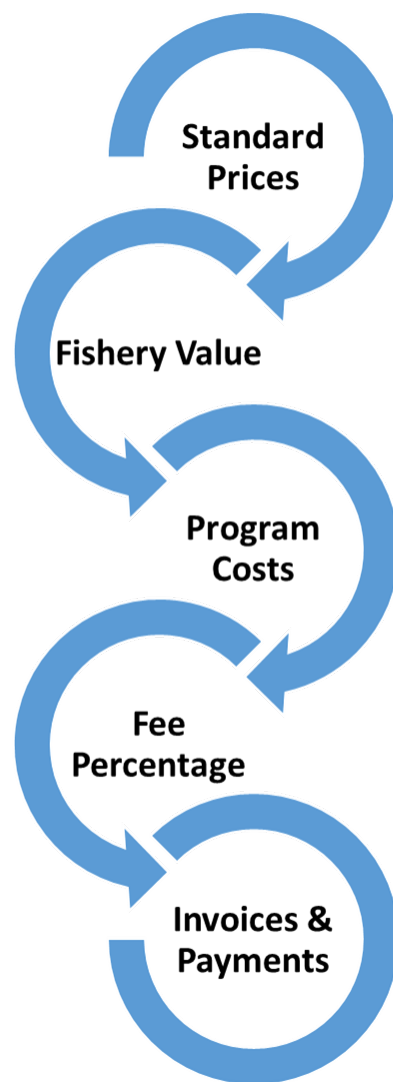
**NOAA**  
FISHERIES



# Chapter 3 - Cost Recovery Process

2. Calculate ex-vessel value of each allocated species by multiplying the standard price by total amount of landings of each species. Sum the ex-vessel value to calculate the overall fishery value

4. Divide total program costs by the total ex-vessel value for the fishery to calculate the fee percentage (if >3%, reduce to 3%), publish fee percentage in Federal Register.



1. Calculate standard prices for each fishery species allocated under a program

3. Compile total program costs attributable to each fishery under the program

5. Generate fee invoices for each permit holder by multiplying the fee percentage by the total ex-vessel value of the permit holder's fishery landings. Send invoices & process payments

# Chapter 3 - Cost Recovery Timing

Administrative workload is happens throughout the year for the various Cost Recovery Programs. The figure below shows timing starting with gathering costs and volume and value data and ends with publication of the notice of standard prices and fee percentage in the Federal Register. Payments are processed throughout the

year.

Administrative timing	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Crab														
PCTC														
AFA														
A80														
AIP														
CDQ														
IFQ														
Rockfish														



**NOAA**  
FISHERIES

# Chapter 4 - Summary Tables

Table 4-1 pg. 24

## 2024 Summary

Program	Direct Program Costs	Fishery Value	Fee Percentage
PCTC	\$363,659	\$18,926,230	1.92%
CR	\$2,846,958	\$85,711,838	3.32% <sup>1</sup>
AFA	\$522,437	\$216,914,375	0.24%
A80	\$1,689,769	\$90,675,288	1.86%
AIP <sup>2</sup>	-	-	-
CDQ	\$971,118	\$70,209,542	1.38%
IFQ	\$4,275,244	\$125,153,355	3.40% <sup>1</sup>
RP	\$432,994	\$5,763,628	7.51% <sup>1</sup>
Total	\$10,991,326	\$613,354,256	-

<sup>1</sup>The actual fee percentage was higher than the statutory cap, therefore a fee percentage of 3.0 was applied

<sup>2</sup> No fishing activity occurred during 2024, therefore there were no direct program costs



**NOAA**  
FISHERIES

# Chapter 4 - Summary Tables

Table 4-2 pg. 24

## 2024 Direct program costs per cost category

Cost Category	PCTC	CR	AFA	A80	CDQ	IFQ	RP	Total
Personnel/ Benefits	\$180,910	\$1,854,210	\$304,163	\$1,162,063	\$508,334	\$2,840,269	\$209,216	<b>\$6,964,393</b>
Travel	\$0	\$26,457	\$7,898	\$11,320	\$9,290	\$44,936	\$7,214	<b>\$104,366</b>
Transportation	\$0	\$19,392	\$0	\$0	\$0	\$28,065	\$5,432	<b>\$ 52,889</b>
Printing	\$0	\$0	\$5,000	\$11,500	\$4,000	\$488	\$500	<b>\$ 21,488</b>
Contracts / Training	\$182,749	\$876,572	\$187,127	\$418,917	\$425,272	\$1,101,865	\$203,766	<b>\$3,394,095</b>
Supplies	\$0	\$4,813	\$3,316	\$7,641	\$2,527	\$10,060	\$316	<b>\$28,673</b>
Equipment	\$0	\$0	\$2,600	\$5,980	\$2,080	\$1,117	\$260	<b>\$12,037</b>
Rent/Utilities	\$0	\$64,872	\$11,8079	\$72,128	\$19,616	\$239,431	\$3,287	<b>\$399,983</b>
Other	\$0	\$ 644	\$ 523	\$218	\$0	\$9,013	\$3,004	<b>\$13,402</b>
<b>Total</b>	<b>\$363,659</b>	<b>\$2,846,960</b>	<b>\$522,437</b>	<b>\$1,689,767</b>	<b>\$971,119</b>	<b>\$4,275,244</b>	<b>\$432,995</b>	<b>\$10,991,326</b>



**NOAA**  
FISHERIES

# Chapter 4 - Summary Tables

Table 4-3 pg. 25

## Total costs for each management billing entity

Year	NMFS AKR	NMFS OLE	NMFS AFSC	NMFS FSD	ADF&G	IPHC	PSMFC	Total
2024	\$3,282,413	\$3,808,422	\$679,075	\$44,070	\$1,560,825	\$796,106	\$340,800	\$10,991,328
2023	\$3,767,233	\$3,875,151	\$690,586	\$97,295	\$1,327,227	\$891,527	\$256,797	\$10,905,816
2022	\$2,893,419	\$3,104,721	\$686,920	\$120,548	\$1,432,403	\$779,247	\$173,311	\$9,190,569
2021	\$2,539,577	\$3,037,597	\$735,129	\$133,616	\$1,646,654	\$626,316	\$140,230	\$8,859,119
2020	\$2,538,563	\$3,392,391	\$779,641	\$202,481	\$1,786,935	\$543,666	\$131,221	\$9,307,455



**NOAA**  
FISHERIES

# Chapter 4 - Summary Tables

Table 4-4 pg. 25

## Number of invoices, entities, and vessels in 2024

Program	Entity Invoiced	# of Invoices	Vessels in program
IFQ	QS holders	1,579	703
CR	Processor representative	14	38
RP	Rockfish cooperative representative	6	22
CDQ	CDQ group representatives	6	54
AFA	AFA inshore cooperative representatives	7	76
AIP	Aleut Corporation authorized representative	0	0
A80	Amendment 80 cooperative representative	1	16
PCTC	PCTC Program cooperative representative	6	27



# Chapter 5 - Program Specific Tables

Chapter 5 includes a section for each cost recovery program and includes:

- Brief description of the cost recovery program
- Links to the fee notices
- Five year review of direct program costs by cost category
- Discussion on program specific costs by the agency and agency partners.
- Discussion on increases/decreases in 2024.

Not planning to present each program-specific information and tables in this presentation. Able to answer questions

# Summary

- MSA ensures that industry participants contribute to expenses incurred by agencies to administer these programs that provide exclusive access to fisheries
- Catch share program require high quality and timely fishery data and complex management to achieve MSA and program goals
- Fees benefit fishery participants by providing funds for management, data collection, and timely and responsive services
- Without cost recovery funds, NMFS' ability to manage and support catch share programs would be limited

## Feedback on this Cost Recovery Report

- This consolidated cost recovery report format was based on input from industry to increase transparency
- Appreciate your feedback - so we can continue to make iterative improvements



**NOAA**  
**FISHERIES**