



**NOAA  
FISHERIES**

West  
Coast  
Region

# Cost Recovery

*Trawl Rationalization Program*

January 7, 2014



**NOAA FISHERIES**

# Agenda

1. Cost recovery overview presentation
2. Pay.gov demonstration
3. Questions & Answers



# Introduction

- Federal law (the Magnuson-Stevens Act) requires NMFS to recover costs of:
    - *management,*
    - *data collection, and*
    - *enforcement*
- Capped at up to 3% of the ex-vessel value
- Called "cost recovery"

***Cost recovery begins  
January 10, 2014***

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# Introduction

Cost recovery for the trawl rationalization program is by sector:

- *Shorebased Individual Fishing Quota (IFQ) Program*
- *Mothership (MS) Coop Program*
- *Catcher/Processor (C/P) Coop Program*

# Coordinate with buyback

Due to similarities in the need to collect and document payment of a fee and to reduce the burden on users, cost recovery is structured to coordinate with the buyback program.

- Fish buyer collects fees from fishermen (aka: fish sellers)
- Fish buyer submits collected fees to NMFS at the same time as buyback
- Same online portal for payment (Pay.gov) (buyback also accepts checks)
- Of groundfish trawl sectors, buyback applies to IFQ and MS (not C/P)

# Formula

- NMFS calculates fee % every year in October/November
- Fee percentage =  $(DPC / V) \times 100$ 
  - DPC = direct (recoverable) program costs by sector
    - Further defined to be “incremental costs” that would not have been incurred but for the trawl rationalization program.
  - V = ex-vessel value of all groundfish by sector
  - Capped at 3%
  - DPC and V can change every year
  - Resulting fee percentage applies to next calendar year
  - Adjustments between years
- In the spring of each year, NMFS will publish an annual report providing further details on fee percentage calculation

# Notifications on fee %

In the last quarter of the calendar year, NMFS will announce in a *Federal Register* notice:

1. Fee percentage by sector for upcoming calendar year
2. Average MS price per pound to be used by C/P fleet to calculate their fee amount for upcoming calendar year
3. Information on how to pay fees

Fee percentage also announced in a public notice, emailed to groundfish email group, posted on NMFS website, and stated on form in Pay.gov

## For 2014-

1. Fee percentage by sector:
  - *IFQ: 3.0%*
  - *MS: 2.4%*
  - *C/P: 1.1%*
2. Average MS price per pound to be used by C/P fleet to calculate their fee amount for upcoming calendar year
  - *\$ 0.14/lb*
3. Information on how to pay fees
  - *Here and in compliance guide*

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# What fish are subject to the fee charge?

All groundfish species harvested  
while fishing in the  
IFQ, MS, or C/P Programs

# How is the fee amount due calculated?

$$\text{Fee amount due} = \text{ex-vessel value} \times \text{fee \%}$$

Ex-vessel value varies by sector, as follows:

- Shorebased IFQ Program:  
the ex-vessel value of all groundfish species from IFQ landings.
- MS Coop Program:  
the ex-vessel value of all groundfish species delivered by a catcher vessel to an MS-permitted vessel.
- C/P Coop Program:  
the ex-vessel value as determined by the pounds of all groundfish species harvested by the vessel registered to a C/P-endorsed limited entry trawl permit, multiplied by the MS Coop Program average price per pound as announced by NMFS.

# Examples

## Shorebased IFQ Program:

- \$1,000 ex-vessel value reported on fish ticket for 2,000 lbs of Dover, thornyheads, and dogfish combined.
- Fee amount due = 3.0% x \$1,000 = \$30

## MS Coop Program:

### EXAMPLE

<i>species</i>	<i>pounds (lb)</i>	<i>price/lb</i>	<i>ex-vessel value</i>
whiting	6,000	\$0.14	\$840
yellowtail	100	\$0.50	\$50
arrow tooth	50	\$0.00	\$0
total	6,150		\$890

fee amount due: 2.4% x \$890 = \$21.36

# Examples

## C/P Coop Program:

### EXAMPLE

<i>species</i>	<i>pounds (lb)</i>	<i>price/lb</i>	<i>ex-vessel value</i>
whiting	6,000	\$0.14	\$840
widow	100	\$0.14	\$14
total	6,100		\$854

fee amount due:

$$1.1\% \times (6,100\text{lb} \times \$0.14/\text{lb}) = \$9.39$$

NMFS announced  
the cost recovery  
fee % by sector,

now what do I have to do?

*Fishermen*

*Fish Seller*



# What am I responsible for?

- Fishermen, or harvesters, are termed “fish sellers” in the cost recovery and buyback regulations
- Fish sellers are the parties who harvest and first sell or otherwise deliver groundfish species to a fish buyer.
- Fish sellers are responsible for:
  - paying cost recovery fees to the fish buyer
  - keeping copies of all fish tickets and relevant records for at least 3 years
  - notifying NMFS in the case where fish buyers fail to collect (IFQ, MS only)

# When are fees due?

When fees are due to the fish buyer varies by sector as follows:

## Shorebased IFQ Program:

at the time of landing for all IFQ landings

## MS Coop Program:

at the time of delivery by a catcher vessel to an MS-permitted vessel

## C/P Coop Program:

because fish sellers and fish buyers are the same entity and because they submit fees to NMFS only 1x per year, the C/P fleet determines internally how to set aside fees due. The full fee amount due is payable to NMFS in the last quarter of each calendar year and by December 31.

NMFS announced  
cost recovery  
fee % by sector,

now what do I have to do?

*Processor – First Receiver*

*Fish Buyer*

# What am I responsible for?

- Processors and first receivers are termed “fish buyers” in the cost recovery and buyback regulations
- Fish buyers are defined differently for each sector:
  - Shorebased IFQ Program: the IFQ first receivers.
  - MS Coop Program: the owner of a vessel registered to an MS permit, the operator of that vessel, and the owner of the MS permit registered to that vessel. All parties jointly and severally responsible for fulfilling the obligations of a fish buyer.
  - C/P Coop Program: the owner(s) of a vessel registered to a C/P-endorsed permit, the operator(s) of that vessel, and the owner(s) of the C/P-endorsed permit registered to that vessel. All parties jointly and severally responsible for fulfilling the obligations of a fish buyer.

# What am I responsible for?

Fish buyers are responsible for:

## IFQ & MS Programs:

- collecting the appropriate fees from the fish seller
- submitting fees collected online to NMFS monthly through Pay.gov and completing the associated cost recovery form (similar to buyback)
- establishing a segregated bank account to hold the cost recovery fees collected
- keeping records for at least 3 years of (1) fee collections from fish sellers, (2) deposits made to the segregated bank account, and (3) payments submitted to NMFS
- submitting an annual report to NMFS by March 31 each year (MS only)

## C/P Program:

- submitting fees online to NMFS annually through Pay.gov and completing the associated cost recovery form
- keeping records for at least 3 years of fee amounts due and payments submitted to NMFS

# When do I collect fees from fish seller?

The fish buyer collects fees due from the fish seller as follows:

## Shorebased IFQ Program:

at the time of landing for all IFQ landings

## MS Coop Program:

at the time of delivery by a catcher vessel to an MS-permitted vessel

## C/P Coop Program:

because fish sellers and fish buyers are the same entity and because they submit fees to NMFS only 1x per year, the C/P fleet determines internally how to set aside fees due. The full fee amount due is payable to NMFS in the last quarter of each calendar year and by December 31.

# How do I store fees collected?

## Shorebased IFQ & MS Coop Programs:

- In a deposit account
- Fish buyer must deposit collected fees in a segregated deposit account at a federally insured financial institution for the sole purpose of depositing collected fees and disbursing those fees to NMFS.
- Must maintain separate deposit accounts for cost recovery and buyback.
- Deposit collected fees in deposit account at least by the end of each month.
- Any fees the fish buyer collected during the two calendar days before the date of deposit may be included with the next transaction.
- Collected funds may not be used for any other purpose.
- Fish buyer is entitled, at any time, to withdraw interest, if any, but never principal, from the deposit account.
- Payment to NMFS must be the full amount of deposit principal from deposit account.

C/P Coop Program: no requirement to have a deposit account

# When are fees collected due to NMFS?

## Shorebased IFQ & MS Coop Programs:

no later than the 14<sup>th</sup> of each month (same as buyback), or more frequently if the amount in the deposit account exceeds the account limit for insurance purposes

## C/P Coop Program:

last quarter of each calendar year and by December 31.

# Examples

## Shorebased IFQ & MS Coop Programs:

*Fees collected over January 10-31, 2014 must be submitted to NMFS by February 14, 2014.*

## C/P Coop Program:

*Fees collected over 2014, must be submitted to NMFS in the last quarter of each calendar year and by December 31, 2014.*



# How do I pay NMFS?

- All payments to NMFS must be online through Pay.gov  
<https://www.pay.gov/paygov/>
- NMFS encourages fish buyers to register with Pay.gov
- Once on Pay.gov, complete the cost recovery form for your sector (IFQ, MS, or C/P)
- Then you will be prompted to submit the payment due either directly from the segregated deposit account via a debit transaction (using bank and account routing numbers) or with a credit card.
  - NOTE: Credit card payments are limited to \$49,999.99 per transaction.
- NMFS will provide a Pay.gov demo after this presentation
- See the Cost Recovery Compliance Guide for step-by-step details

Agency Information  
 Overview  
 Implementing  
 Documentation  
 Press / Articles



**Form Number: Law Enforcement Collections**

[National Oceanic and Atmospheric Administration](#) < [Department of Commerce](#)  
<https://qa.pay.gov/paygov/forms/formInstanceRequiredLogin.html?agencyFormId=4356171>

**Pacific Coast Groundfish Buyback Loan Fee Collection**

Form Number: PCGroundfish  
 Use this form to enter the details of your groundfish buyback loan fee collections.  
[National Oceanic and Atmospheric Administration](#) < [Department of Commerce](#)  
<https://qa.pay.gov/paygov/forms/formInstanceRequiredLogin.html?agencyFormId=183713>

**Pacific Coast Groundfish, Trawl Catch Shares - CP Cost Recovery Form** ←

Form Number: WCGroundfishTrawlCP  
 Use this form to pay cost recovery fees for the Pacific coast groundfish trawl catch shares program.  
[National Oceanic and Atmospheric Administration](#) < [Department of Commerce](#)  
<https://qa.pay.gov/paygov/forms/formInstanceRequiredLogin.html?agencyFormId=4272830>

**Pacific Coast Groundfish, Trawl Catch Shares - IFQ Cost Recovery Form** ←

Form Number: WCGroundfishTrawlIFQ  
[National Oceanic and Atmospheric Administration](#) < [Department of Commerce](#)  
<https://qa.pay.gov/paygov/forms/formInstanceRequiredLogin.html?agencyFormId=4272855>

**Pacific Coast Groundfish, Trawl Catch Shares - MS Cost Recovery Form** ←

Form Number: WCGroundfishTrawlMS  
 Use this form to pay cost recovery fees for the Pacific coast groundfish trawl catch shares program.  
[National Oceanic and Atmospheric Administration](#) < [Department of Commerce](#)  
<https://qa.pay.gov/paygov/forms/formInstanceRequiredLogin.html?agencyFormId=4272842>

**Seafood Inspection Fees**

**Pay.gov** Provides an Online Payment System  
 User Center

**System Message**  
 The system has populated the Payment Date with the next available payment date.

**Online Payment**  
 Step 1: Enter Payment Information  
 This item is payable by the following payment methods:

- Bank Account (ACH)
- Plastic Card VISA

**Option 1: Pay Via Bank Account (ACH) (About ACH Data)**  
 Required fields are indicated with a red asterisk \*  
 Account Holder Name: [Field] ←  
 Payment Amount: 324.00  
 Account Type: [Dropdown]  
 Routing Number: [Field]  
 Account Number: [Field]  
 Confirm Account Number: [Field]  
 Check Number: [Field]  
 Routing Number: [Field] Account Number: [Field] Check Number: [Field]  
 Payment Date: 12/20/2013  
 Select the "Continue with ACH Payment" button to continue to the next step in the ACH Debit Payment Process. (Continue with ACH Payment) (Cancel) (Return to Your Form)

**Option 2: Pay Via Plastic Card (PC) (v. American Express, Discover, Mastercard, VISA)**  
 Required fields are indicated with a red asterisk \*  
 Account Holder Name: [Field] ←  
 Billing Address: [Field]  
 Billing Address 2: [Field]  
 City: [Field]  
 State / Province: [Dropdown]  
 Zip / Postal Code: [Field]  
 Country: United States  
 Card Type: [Dropdown] VISA  
 Card Number: [Field] (Card Number - Use Plastic Cardholders' Billing Address)  
 Security Code: [Field] (SECURITY CODE)  
 Expiration Date: [Field] [Field]  
 Select the "Continue with Plastic Card Payment" button to continue to the next step in the Plastic Card Payment Process. (Continue with Plastic Card Payment) (Cancel) (Return to Your Form)

**Pacific Coast Groundfish - Trawl IFQ Program**  
**Cost Recovery Form**  
 2014

Fish Buyer's Name: [Field]  
 Mailing Address: [Field]  
 City: [Field]  
 State: [Field]  
 Zip: [Field]  
 Phone Number: [Field]  
 First Receiver: **FR**  
 Site License Number: [Field]  
 Month and Year of Landings: [Field]

FOR LANDINGS IN	Fee Rate (%)	Weight (lbs)	Ex-vessel Value (\$)	Fee Due (\$) *
Shorebased IFQ Program	3.0			
Fee Adjustment		By checking this box, I certify that this payment is for the fee or price adjustment.		

**Instructions:**

- Complete the fish buyer's name, address, telephone number, first receiver's license number, and month and year of landings (MM/20XX). Fish buyer is defined as 50 CFR 660.111.
- Record the weight, ex-vessel value, and fee due for each fishery. The fee due equals the applicable fee rate multiplied by the ex-vessel value of groundfish landed. Ex-vessel value is defined as 50 CFR 660.111.
- Not all deliveries must occur within the same month. Use separate forms for different months.
- Check the fee adjustment box if this payment is for the fee or price adjustment.
- Use Pay.gov to remit fee collected.

\* NOTE: credit card payments are capped at \$49,999

**PRIVACY STATEMENT:**  
 The trawl cost recovery program is required by the Magnuson-Stevens Act (16 USC §§ 1853(a)(1) - 1854(e)(2)). This collection of information is mandatory as specified at 50 CFR 660.115. This collection of information accompanies and documents payment of fees due for this program. Public reporting burden for this form is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection, including suggestions for reducing this burden, to NOAA/National Marine Fisheries Service, West Coast Region, Attn: Assistant Regional Administrator, Sustainable Fisheries Division, 7600 Sand Point Way NE, Seattle, WA 98115.

Notwithstanding any other provisions of the law, no person is required to respond to, nor shall anyone be subject to a penalty for failure to comply with, a collection of information if it does not display a currently valid OMB Control Number.

**PRIVACY ACT STATEMENT:**  
 Responses to this form are confidential under section 402(b) of the Magnuson-Stevens Act. It is also confidential under NOAA Administrative Order 216-200, Protection of Confidential Fisheries Statistics. The information collected is part of a Privacy Act System of Records, COMMERCE/NOAA/R19, Permits and Regulations for United States Federally Regulated Fisheries. A notice was published in the Federal Register on April 17, 2008 (73 FR 25914) and became effective on June 11, 2008 (73 FR 33061).

# Recordkeeping

- Fish buyer must keep records for at least 3 years.
- Required records vary by sector. See the compliance guide for details.
- Generally, C/P fish buyers must keep records as follows:

For all groundfish:

1. The date of harvest,
2. The weight of each species of groundfish harvested,
3. Information sufficient to specifically identify the fishing vessel which harvested the groundfish,
4. The ex-vessel value of each species of groundfish,
5. The net ex-vessel value of each species of groundfish, and
6. The total fee amount collected as a result of all groundfish.

For all disbursements to NMFS:

1. The date of each disbursement, and
2. The total amount disbursed.

NMFS also recommends that the fish buyer maintain a record of receipts from Pay.gov for payments to NMFS.

# Recordkeeping (IFQ & MS only)

Generally, IFQ & MS fish buyers must keep records as follows:

For all deliveries of groundfish that the fish buyer buys from each fish seller:

1. The date of delivery,
2. The fish seller's identity,
3. The weight of each species of groundfish delivered,
4. Information to identify the fishing vessel which delivered the groundfish,
5. The ex-vessel value of each species of groundfish,
6. The net ex-vessel value of each species of groundfish,
7. Identity of payee to whom the net ex-vessel value is paid, if different than fish seller,
8. The date the net ex-vessel value was paid, and
9. The total fee amount collected as a result of all groundfish.

For all fee collection deposits to and disbursements from the deposit account:

1. The date of each deposit in to the deposit account,
2. The total amount deposited in to the deposit account,
3. The date of each disbursement,
4. The total amount disbursed, and
5. Dates and amounts of disbursements to fish buyer, or other parties, of interest earned on deposits.

NMFS also recommends that the fish buyer maintain a record of receipts from Pay.gov for payments to NMFS.

## Annual report (MS only)

By March 31 each year, each fish buyer (mothership) must submit to NMFS a report containing the following information from the preceding calendar year for all groundfish each fish buyer purchases from fish sellers:

- Total weight bought,
- Total ex-vessel value paid,
- Total fee amounts collected,
- Total fee collection amounts deposited by month, and
- Dates and amounts of monthly disbursements to NMFS.

similar to buyback regulations at § 600.1014

# Annual report (MS only) – sample

## BSAI Crab Buyback Loan Fee Collection 2011-12 Season Annual Report

Fish Buyer

**INSTRUCTIONS:** It is very important that each crab buyer report this information under the correct Crab Receiver Permit number (RCR #) under which the fish tickets were created. Data should be entered, and individual reports shall be submitted, for each Reduction Endorsement Fishery. For 2011-12 these are: BBR (sub-loan BBKA-002BB); EAG and/or WAG (sub-loan BBKA-002BK); BSS, EBT and/or WBT (sub-loan BBKA-002OB); or SMB (sub-loan BBKA-002SM), and for each RCR Number, individually.

Fee Collector / Buyer Name: \_\_\_\_\_

Crab Receiver Permit / Buyer Code: \_\_\_\_\_

Reduction Endorsement Fishery: \_\_\_\_\_

Total Pounds Purchased =

Total Delivery Value Paid =

Total Fee Amount Collected =

Total Amount of Interest Earned\* =

Account Balance at Year End\* =

\*If applicable

Month	Pounds Purchased	Total Delivery Value	Total Fee Deposits	Date Disbursed to NMFS
July 2011				
August				
September				
October				
November				
December				
January 2012				
February				
March				
April				
May				
June				
<b>Total:</b>		\$	\$	

If questions should exist, NMFS should contact the following individual:

Person Filing Report: \_\_\_\_\_ Contact Number: \_\_\_\_\_

Email: \_\_\_\_\_

# Odds and Ends



- **Failure or refusal to pay**

It is prohibited to fail to fully pay or collect any fee due under the cost recovery program and/or otherwise avoid, decrease, interfere with, hinder, or delay any such payment or collection. Alleged violations may be investigated by enforcement. Potential penalties include monetary fines and sanctions. In addition, NMFS will not reissue the applicable licenses or permits until all required cost recovery fees associated with that license/permit have been paid. If a fish buyer or fish seller refuses to pay, NMFS should be notified as described in the final rule and compliance guide.

- **Post-delivery payments**

For any post-delivery payments by the fish buyer to the fish seller, the fish buyer must withhold the fee from such payments at the time of payment and remit that fee to NMFS in the upcoming month's payment.

- **Late payments/Fee adjustments**

Those payments are still submitted through Pay.gov. When filling out the cost recovery form in Pay.gov, the fish buyer would submit the additional information for a given calendar month and check the box next to "Fee Adjustment." Fee adjustments are to document any changes to prices or fees.

- **Audits**

Yes, you may be audited, so follow recordkeeping requirements and keep good records!

- **See the final rule or compliance guide for further details**

# Resources

## Cost Recovery Coordinator

Chris Biegel, [christopher.biegel@noaa.gov](mailto:christopher.biegel@noaa.gov), 503-231-6291

## Final Rule

78 FR 75268, December 11, 2013

<http://www.westcoast.fisheries.noaa.gov/publications/frn/2013/78fr75268.pdf>

## Compliance Guide

[http://www.westcoast.fisheries.noaa.gov/publications/fishery\\_management/groundfish/public\\_notices/cost-recovery-compliance-guide.pdf](http://www.westcoast.fisheries.noaa.gov/publications/fishery_management/groundfish/public_notices/cost-recovery-compliance-guide.pdf)

## Pay.gov website

<https://www.pay.gov/paygov/>

## NMFS, West Coast Region, cost recovery website

[http://www.westcoast.fisheries.noaa.gov/fisheries/groundfish\\_catch\\_shares/rules\\_regulations/trawl\\_regulations\\_compliance\\_guides.html](http://www.westcoast.fisheries.noaa.gov/fisheries/groundfish_catch_shares/rules_regulations/trawl_regulations_compliance_guides.html)

## Groundfish public notices

Available on NMFS West Coast Region website or sign-up to receive them by email at:

[http://www.westcoast.fisheries.noaa.gov/publications/fishery\\_management/groundfish/public\\_notices/recent\\_public\\_notices.html](http://www.westcoast.fisheries.noaa.gov/publications/fishery_management/groundfish/public_notices/recent_public_notices.html)



# Questions

Up next, a Pay.gov demo

