Compliance Guide Pacific Coast Groundfish Trawl Rationalization Program

Cost Recovery

starts January 10, 2014

changes:

- clarified use of deposit principal in cases of credit card payment – IFQ 2.9, MS 3.8
- clarified payments due for a calendar month- IFQ 2.7, MS 3.6
- added sample MS Cost Recovery Annual Report form and website – MS 3.14
- clarified payments due for a calendar year- C/P 4.5
- clarified C/P payment on retained groundfish – C/P 4.2, 4.3, 4.4, 4.12, 5.1, 5.2

March 2014

published 03/19/2014
version 4 of compliance guide

This small entity compliance guide was prepared pursuant to section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Pub. L. 104-121. The statements in this document are intended solely as guidance. This document is intended to provide a plain-language summary of how small businesses can comply with regulations implementing cost recovery for the Pacific Coast groundfish trawl rationalization program (78 FR 75268, December 11, 2013). Any discrepancies between this guide and the *Federal Register* will be resolved in favor of the *Federal Register*.

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Need Help?

Websites:

NMFS, Pacific Coast Groundfish Management, Trawl Rationalization Program :

http://www.westcoast.fisheries.noaa.gov/fisheries/groundfish_catch_shares/index.html

Pacific Fishery Management Council, Groundfish Management:

http://www.pcouncil.org/groundfish/fishery-management-plan/

Question regarding cost recovery?

Contact the Cost Recovery Coordinator at:

Email: christopher.biegel@noaa.gov Phone: 503-231-6291

Question regarding the program?

Contact the Groundfish Policy and Regulations Branch at:

Phone: 206-526-6140 Fax: 206-526-6736

Question regarding permits/licenses?

Contact the NMFS, West Coast Region Permits Office at:

Phone: 206-526-4353

Question regarding the observer program?

Contact the West Coast Groundfish Observer Program at:

Phone: 206--302-1777

Question regarding the catch monitor program?

Contact the catch monitor program coordinator at:

Phone: 503-595-3282

Need to contact NMFS law enforcement?

Find an enforcement office nearest you at: http://www.nmfs.noaa.gov/ole/index.html

Need to report violations?

Hotline: 800-853-1964

1▪ Introduction

Cost recovery affects all participants in the Pacific coast groundfish trawl rationalization program (also called the catch share program). This guide will help participants understand the cost recovery requirements which are based on recommendations by the Pacific Fishery Management Council (Council) and implemented by the National Marine Fisheries Service (NMFS) through the cost recovery final rule (78 FR 75268, December 11, 2013).

> ***Cost recovery is effective beginning January 10, 2014.***

1.1 Who should read this guide?

Commercial fishermen, limited entry permit owners, vessel owners, quota share (QS) permit owners, and shorebased and at-sea processors participating in the Pacific coast groundfish trawl rationalization program should read this guide.

This guide will walk you through cost recovery requirements in general and those for each participating sector. If you are a Shorebased Individual Fishing Quota (IFQ) Program participant, or are participating in one of the two at-sea whiting cooperative programs, whether as a mothership (MS), a catcher vessel, or a catcher processor (C/P), this guide is for you. Please review the section that applies to your specific sector, and Sections 1 and 5, which provide an overview and explain the cost recovery calculations, respectively.

1.2 What is cost recovery?

Cost recovery is the process by which NMFS recovers the incremental costs associated with the management, data collection, and enforcement of the Pacific coast groundfish trawl rationalization

This guide applies to you if...

- you are a commercial groundfish fisherman (vessel owner and/or limited entry permit owner)
- you own QS
- you are a shorebased processor/first receiver with a first receiver site license
- you are a catcher vessel that delivers groundfish to either the shorebased or mothership sectors
- you are a mothership participating in the MS Coop Program
- you are a catcher/processor participating in the C/P Coop Program

program. These costs are recovered through a fee paid by the groundfish trawl fleet based on the value of their catch.

Cost recovery is structured to coordinate with the Pacific Coast groundfish buyback program. Due to similarities in the need to collect and document payment of a fee for both the buyback program and cost recovery, the cost recovery program utilizes elements of the buyback program as much as possible. These elements include payment of fees at the same time that buyback fees are paid, making the fish buyer responsible for payment of the fees to NMFS, and use of the same online portal for payment (Pay.gov).

1.3 Why are cost recovery fees collected?

The Magnuson-Stevens Fishery Conservation and Management Act (MSA) is a federal law that requires all limited access privilege programs (LAPP), such as the Pacific coast groundfish trawl rationalization program, to recover the costs associated with the management, data collection, and enforcement of the program. In accordance with the MSA, NMFS will collect mandatory fees of up to three percent of the ex-vessel value of groundfish by sector under the trawl rationalization program.

1.4 Who is responsible for paying?

All participants fishing in the Pacific coast groundfish trawl rationalization program, including the Shorebased IFQ Program, the MS Coop Program, and the C/P Coop Program are responsible for paying the cost recovery fee. Harvesters, as the fish seller, are responsible for paying the cost recovery fee and all parties making the first ex-vessel purchase of groundfish (i.e., the fish buyers) are responsible for collecting, accounting for, and forwarding the fee to NMFS (Note: In the C/P Coop Program, a cooperative of vessels that both harvest and process whiting at-sea, the fish seller and the fish buyer are the same entity). The fish buyer submits the fees collected to NMFS online through Pay.gov.

Further sector specific information is in the chapter for your sector. “Fish buyer” and “fish seller” are defined in the glossary.

Cost recovery fees can only be paid online through the federal government’s online payment system, Pay.gov.

Payments can be made directly from your bank account or with a credit card.

Credit card transactions are limited to $49,999.99

1.5 How will I know what fee amount to pay?

The cost recovery fee amount due is calculated by multiplying ex-vessel value by the applicable fee percentage. The fee percent for each sector can vary each year, up to three percent of the ex-vessel value of groundfish. NMFS will announce the upcoming year’s fee percent in a *Federal Register* notice in the last quarter of each calendar year. It will also be posted in a public notice

on NMFS trawl catch share website and emailed to the groundfish group. In addition, the fee percent for each sector will appear in the form that is filled out by fish buyers on Pay.gov.

For 2014, the fee percentage was announced in the final rule preamble and in a public notice dated December 11, 2013. It is also included in Chapter 5.

1.6 How do I access Pay.gov?

Fish buyers submit the cost recovery fees collected to NMFS via Pay.gov (https://www.pay.gov/paygov/). Fish buyers registered with Pay.gov can login in the upper left-hand corner of the screen. Information on why and how to register with Pay.gov is in Sections 1.7 and 1.8. Fish buyers not registered with Pay.gov can go to the cost recovery forms directly from the website below. Click on the link to Pacific Coast Groundfish Cost Recovery for your sector (IFQ, MS, or C/P):

https://pay.gov/paygov/agencySearchForms.html?nc=1375298963306&agencyDN=ou%3DFA_National+Oceanic+and+Atmospheric+Administration%2Cou%3DFA_Department+of+Commerce%2Cou%3DFA_Executive+Branch%2Cou%3DFederal+Agency%2Cou%3DTreasury+Web+Application+Infrastructure%2Cou%3DFiscal+Service%2Cou%3DDepartment+of+the+Treasury%2Co%3DU.S.+Government%2Cc%3DUS&alphabet=N

Users can also access Pay.gov through a link on our West Coast Region trawl catch share program website at:

http://www.westcoast.fisheries.noaa.gov/fisheries/groundfish_catch_shares/index.html

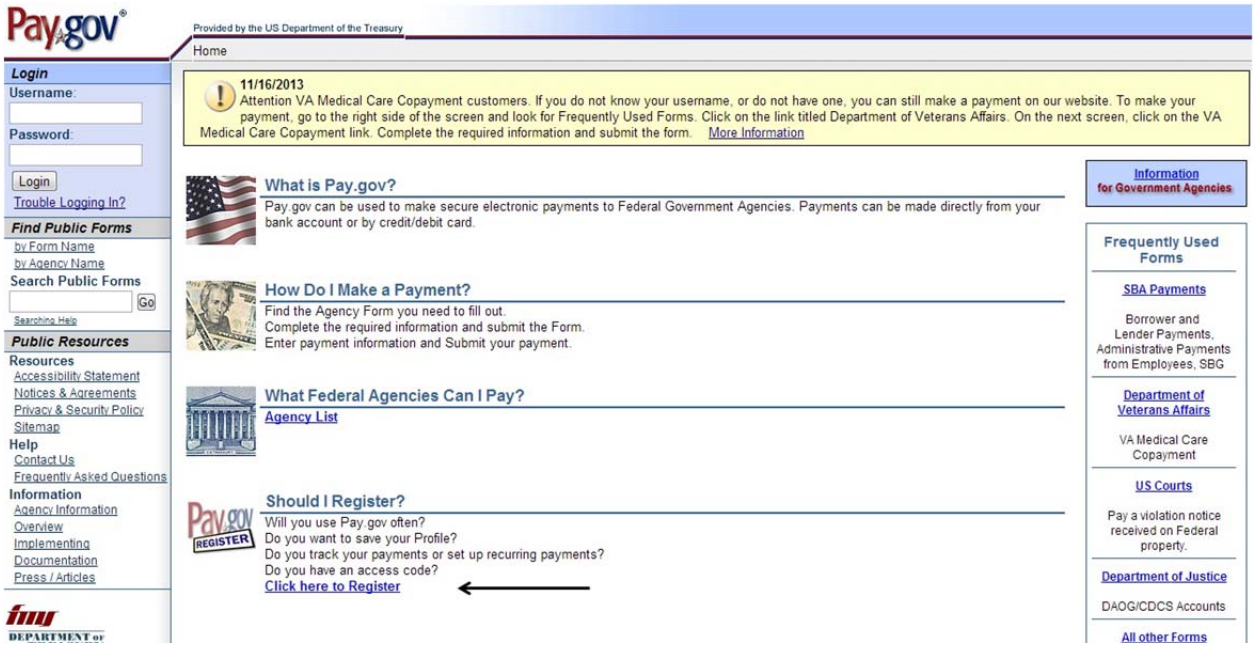
Further sector specific details on payment to NMFS through Pay.gov are provided in the chapter for your sector.

1.7 Do I need to register with Pay.gov to submit cost recovery fees?

No. Registration, or creation of an account, with Pay.gov is not required to submit fees. However, NMFS recommends that anyone who is required to regularly submit fees to NMFS take the time to register with Pay.gov and set up an account. By registering with Pay.gov, you can save profile and payment information that can then be used to auto-fill the cost recovery form at the time of payment. This is useful in saving you time and reducing typographical errors when entering information into Pay.gov.

1.8 How do I register with Pay.gov?

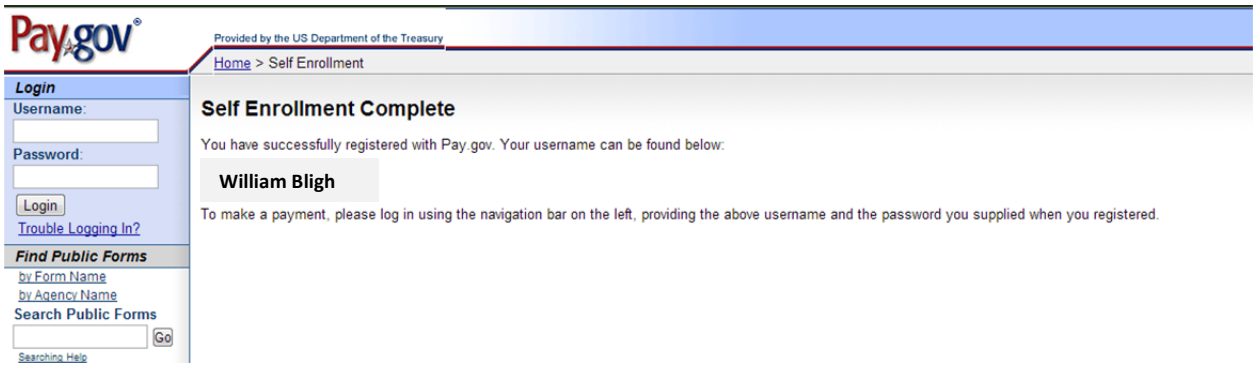
1) Once on Pay.gov, click on "Click here to register".



2) Read the "Rule of Behavior" statement, check the box indicating that you have read and understand the statement, and click to accept the Pay.gov "Rules of Behavior". You may then proceed with Self-Enrollment.

3) Once on the self-enrollment home page, you may then fill out all the required fields. Please be sure to enter all identifying information (name, address, etc) EXACTLY as it appears on your first receiver site license or permit.

4) Once you have submitted your online self-enrollment form, a window should appear that says “Self Enrollment Complete”:



You should now be able to log in to Pay.gov using the username and password you entered during self enrollment. Once you have logged in, you can then enter credit card or bank deposit account info through the user center.

2 ▪ Shorebased IFQ Program

The following information identifies cost recovery requirements for those participating in the Shorebased IFQ Program. The Shorebased IFQ Program consists of the following:

1. Owners of vessels registered to limited entry trawl permits that harvest IFQ species for delivery to shorebased first receivers;
2. Owners of limited entry trawl permits;
3. Owners of QS permits; and
4. Shorebased IFQ first receivers with a first receiver site license eligible to receive IFQ landings.

If you participate in the West Coast groundfish fishery in any of these capacities, please read the following sections for more information.

2.1 What am I responsible for?

Fish Seller

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 at the time of landing
- 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

Fish Buyer

Fish buyers are the IFQ first receivers. Fish buyers are responsible for:

- 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

In some cases, the fish seller and the fish buyer may be the same entity. When that is the case, that entity must comply with the requirements for both the fish seller and the fish buyer.

2.2 Who collects the fees?

The collection of cost recovery fees has been set-up similar to the groundfish buyback loan payments. For the Shorebased IFQ Program, the IFQ first receiver (first receiver site license holder), as the fish buyer, must collect the fee from each vessel (fish seller) at the time of landing groundfish in the IFQ fishery.

2.3 What fish are subject to the fee charge?

All groundfish species from IFQ landings are subject to the cost recovery fee. This includes groundfish that are not IFQ species, but does not include Pacific halibut. It includes groundfish from IFQ landings regardless of the gear type used. In other words, an IFQ landing from a vessel fishing with non-trawl gear (also called "gear switching" in the Shorebased IFQ Program) is also subject to the cost recovery fee.

2.4 When are fees due from the fish seller to the fish buyer?

The full fee is due and payable at the time of landing. The fish buyer must collect the fee at the time of landing from an IFQ trip by deducting the fee from the ex-vessel value before paying the net ex-vessel value to the fish seller. Each fish seller must receive from the fish buyer the net ex-vessel value (i.e., the ex-vessel value of the delivery minus the cost recovery fee). This is how fish sellers pay the cost recovery fee.

2.5 What gets documented on the fish ticket?

There are no changes to the information documented on the electronic fish ticket as a result of cost recovery. The IFQ first receiver, as the fish buyer, will continue to document the ex-vessel value of the landing by species on the fish ticket (i.e., the value of the landing before deducting the cost recovery fee amount). The ex-vessel value minus the cost recovery fee, also called the net ex-vessel value, does not appear on the electronic fish ticket. However, the fish buyer is required to keep records documenting specific information, including the net ex-vessel value as described in Section 2.14.

2.6 How are post-delivery payments handled?

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.

2.7 When does the fish buyer need to submit fees collected to NMFS?

IFQ first receivers, as the fish buyer, must submit fees collected to NMFS. Fees collected for a given calendar month must be submitted to NMFS no later than the 14th of the following month, or more frequently if the amount in the deposit account exceeds the account limit for insurance purposes (the deposit account is described in Section 2.9).

EXAMPLE
Fees collected from March 1-31, 2014 are due to NMFS no later than April 14, 2014.

2.8 How are late payments or payment adjustments handled?

If a fish buyer needs to submit a late payment or payment adjustment to NMFS, 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. For information on submitting payment on Pay.gov and a sample form, see Section 2.12.

2.9 What does the fish buyer do with the fees collected?

The fish buyer is required to maintain a segregated deposit account at a federally insured financial institution for the sole purpose of depositing collected cost recovery fees from fish sellers and disbursing those fees directly to NMFS. The fish buyer must hold the fee amounts collected from fish sellers in the deposit account.

Each fish buyer is required to deposit collected fee revenue into the deposit account no less frequently than at the end of each month. However, any fees the fish buyer collected during the two calendar days before the date of deposit may be included with the next transaction. The collected funds may not be used for any purpose other than to fulfill cost recovery obligations through payments to NMFS through Pay.gov. The fish buyer is entitled, at any time, to withdraw interest, if any, but never principal, from the deposit account for the fish buyer's own use and purposes. Payment to NMFS must be the full amount of deposit principal from the deposit account. If the fish buyer uses a credit card to pay NMFS, payment to NMFS must still be in the full amount; the fish buyer would use that same amount of the deposit principal from the deposit account to pay the cost recovery amount on the credit card used to pay NMFS.

2.10 What if a fish seller or fish buyer refuses to pay or does not pay the full amount?

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 NOAA Office of Law Enforcement. Potential penalties include monetary fines and sanctions. In addition, NMFS will not reissue the first receiver site license until all required cost recovery fees associated with that license have been paid.

If a fish buyer fails to collect the fee, the fish seller should advise the fish buyer of the fish seller's fee payment obligation and of the fish buyer's cost recovery fee collection obligation. If the fish buyer still fails to properly collect the fee, the fish seller, within the next 7 calendar days, shall forward the fee to NMFS. The fish seller at the same time shall also advise NMFS in writing at the address below of the full particulars, including:

1) The fish buyer's and fish seller's name, address, and telephone number;

2) The name of the fishing vessel from which the fish seller made fish delivery and the date of doing so;
3) The weight and ex-vessel value of each species of fish that the fish seller delivered; and
4) The fish buyer's reason, if known, for failing or refusing to collect the fee.

Notifications can be delivered to the address below or can be mailed or faxed to:

National Marine Fisheries Service, West Coast Region,
Office of Management and Information,
ATTN: Cost Recovery Notification
7600 Sand Point Way NE.
Seattle, WA, 98115

Fax: 206–526–6426

If NMFS at any time determines that a fish buyer failed to collect the cost recovery fee, failed to fully pay NMFS, or failed to submit a complete cost recovery form, NMFS will notify the fish buyer or other responsible party in writing via a letter. The fish buyer or other responsible party will have 30 calendar days to pay the specified amount, complete the form, or appeal, as described in the letter from NMFS. Further information on NMFS's determination letter and information on the administrative appeals process are listed in regulation at §660.115(d)(3)(ii). For information on making a late payment or payment adjustment on Pay.gov, see Section 2.8.

2.11 How do fish buyers access Pay.gov?

Fish buyers submit the cost recovery fees collected to NMFS via Pay.gov (https://www.pay.gov/paygov/). Fish buyers registered with Pay.gov can login in the upper left-hand corner of the screen. Information on why and how to register with Pay.gov is in Sections 1.7 and 1.8. Fish buyers not registered with Pay.gov can go to the cost recovery forms directly from the website below. Click on the link to Pacific Coast Groundfish Cost Recovery for your sector (IFQ, MS, or C/P):

https://pay.gov/paygov/agencySearchForms.html?nc=1375298963306&agencyDN=ou%3DFA_National+Oceanic+and+Atmospheric+Administration%2Cou%3DFA_Department+of+Commerce%2Cou%3DFA_Executive+Branch%2Cou%3DFederal+Agency%2Cou%3DTreasury+Web+Application+Infrastructure%2Cou%3DFiscal+Service%2Cou%3DDepartment+of+the+Treasury%2Co%3DU.S.+Government%2Cc%3DUS&alphabet=N

Users can also access Pay.gov through a link on our West Coast Region trawl catch share program website at:

http://www.westcoast.fisheries.noaa.gov/fisheries/groundfish_catch_shares/index.html

2.12 How do I submit a payment through Pay.gov?

Whether or not you've registered with Pay.gov, the steps for submitting a payment are the same. If you have registered with Pay.gov, login before accessing the cost recovery form and submitting payment information. The following are the steps for submitting payment through Pay.gov:

1) Once you've accessed Pay.gov (see Section 2.11), find and click on the "Pacific Coast Groundfish, Trawl Catch Shares - IFQ Cost Recovery Form."

2) Once you've clicked on the correct form, you will then be required to fill out all of the fields. If you have registered with Pay.gov, then some of the fields will be auto-filled for you.

Pacific Coast Groundfish - Trawl IFQ Program

Cost Recovery Form

2014

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

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 a fee or price adjustment.

Instructions:

1. Complete the fish buyer's name, address, telephone number, first reciver site license number, and month and year of landings (MM/20XX). Fish buyer is defined at 50 CFR 660.111.
2. 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 at 50 CFR 660.111.
3. Note that deliveries must occur within the same month. Use a separate form for a different month.
4. Check the fee adjustment box if this payment is for a fee or price adjustment.
5. Use Pay.gov to remit fee collected.

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

PRA STATEMENT:

The trawl cost recovery program is required by the Magnuson-Stevens Act [16 USC §§ 1853a(e), 1854(d)(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 that 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 any person be subjected to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.

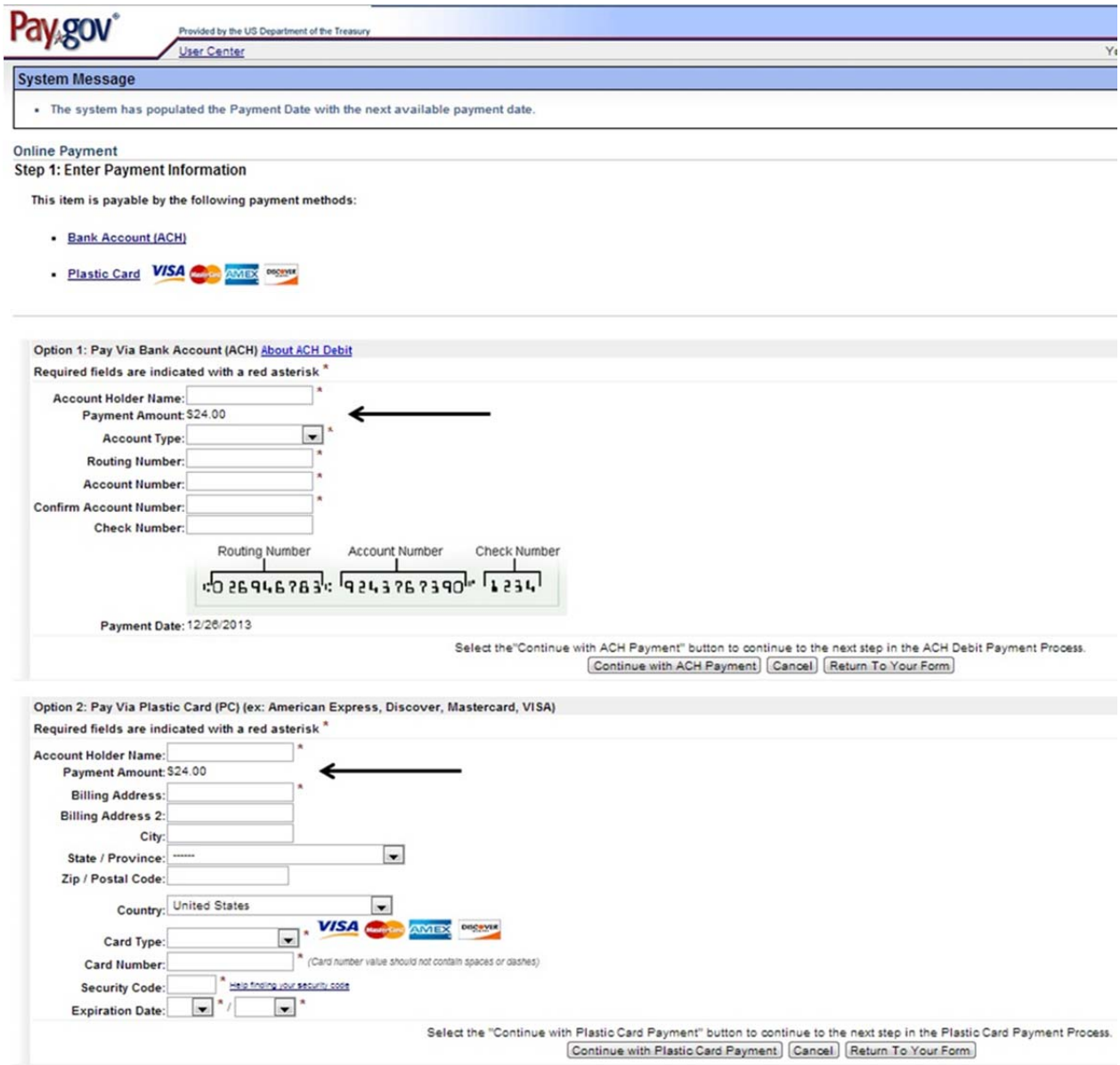
PRIVACY ACT STATEMENT:

Responses to this form are confidential under section 402(b) of the Magnuson-Stevens Act. It is also confidential under NOAA Administrative Order 216-100, Protection of Confidential Fisheries Statistics. The information collected is part of a Privacy Act System of Records, COMMERCE/NOAA #19, Permits and Registrations for United States Federally Regulated Fisheries. A notice was published in the Federal Register on April 17, 2008 (73 FR 20914) and became effective on June 11, 2008 (73 FR 33065).

3) After you have filled out all the required fields, then click on "Continue" at the bottom of the page.

4) You will be asked to enter your payment information. You can pay either directly from the segregated deposit account via an ACH (Automated Clearing House) debit transaction (using bank and account routing numbers) or with a credit card. Credit card

payments are limited to $49,999.99 per transaction. The "Payment Amount" field is automatically filled in based on the information entered on the cost recovery form on the previous page.



5) Your submission may take a few minutes to process, then a confirmation screen will appear. You should print this page for your records.

2.13 Can a fish buyer pay NMFS with a check?

No, NMFS will only accept online payment through Pay.gov. In Pay.gov, the fish buyer can pay directly from their segregated deposit account via a debit transaction (using bank and account routing numbers) or with a credit card. Credit card payments are limited to $49,999.99 per transaction. NMFS will not accept checks.

2.14 What records do I need to keep?

Fish Seller
The fish seller is required to keep copies for at least 3 years of all fish tickets from landings and relevant supporting documents.

Fish Buyer
The fish buyer must keep the following records for at least 3 years:

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 (this should match the name on the fish ticket),
3) The weight of each species of groundfish delivered,
4) Information sufficient to specifically 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) The identity of the payee to whom the net ex-vessel value is paid, if different than the 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) The dates and amounts of disbursements to the 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.

2.15 Do I have to submit an annual report?

No. Fish buyers and fish sellers in the Shorebased IFQ Program do not need to submit an annual report to NMFS. Information needed for NMFS to verify that accurate payments were made (weight and ex-vessel value) are available through the electronic fish ticket.

2.16 Can I be audited?

Yes, fish buyers and fish sellers may be audited, which is why it is important to keep complete and accurate records consistent with the recordkeeping requirements stated above. NMFS or its

agents may audit the financial records of fish buyers and fish sellers in order to ensure proper fee payment, collection, deposit, disbursement, accounting, recordkeeping, and reporting. Fish buyers and fish sellers must respond to any inquiry by NMFS or a NMFS agent within 20 calendar days of the date of a NMFS inquiry, unless NMFs grants an extension. Fish buyers and fish sellers must make all relevant records available to NMFS or NMFS' agents at reasonable times and places and promptly provide all requested information reasonably related to these records. NMFS may employ a third party agent to conduct the audits. The NMFS auditor may review and request copies of additional data provided by the submitter, including but not limited to, previously audited or reviewed financial statements, worksheets, tax returns, invoices, receipts, and other original documents substantiating the data submitted.

3 ▪ MS Coop Program

The following information identifies cost recovery requirements for those participating in the MS Coop Program. The MS Coop Program consists of one or more coops and the non-coop fishery.

The coop fishery consists of the following:

1. Owners of MS/CV-endorsed limited entry trawl permits that are members of a coop, and harvesting vessels registered to those permits;
2. Owners of MS permits and processing vessels registered to those permits; and
3. Vessels authorized to fish for the coop that are not members and are registered to a limited entry trawl permit (but not necessarily one with an MS/CV endorsement).

The non-coop fishery consists of the following:

1. Owners of MS/CV-endorsed limited entry trawl permits that are not members of a coop, and harvesting vessels registered to those permits; and
2. Owners of MS permits and vessels registered to those permits.

If you participate in the West Coast groundfish fishery in any of these capacities, please read the following sections for more information. The structure of fee payment and collection is the same as for the Shorebased IFQ Program, except that the fish buyer and fish seller are defined differently and, because the fleet operates at sea, there is no "landing."

3.1 What am I responsible for?

Fish Seller

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 at the time of delivery
- keeping copies of all relevant records for at least 3 years
- notifying NMFS in the case where fish buyers fail to collect

Fish Buyer

Fish buyers are the owner of a vessel registered to an MS permit, the operator of a vessel registered to an MS permit, and the owner of the MS permit registered to that vessel. All three parties shall be jointly and severally responsible for fulfilling the obligations of a fish buyer. Fish buyers are responsible for:

- 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

In some cases, the fish seller and the fish buyer may be the same entity. When that is the case, that entity must comply with the requirements for both the fish seller and the fish buyer.

3.2 Who collects the fees?

The collection of cost recovery fees has been set-up similar to the groundfish buyback loan payments. For the mothership fishery, the mothership (the owner of a vessel registered to an MS permit, the operator of a vessel registered to an MS permit, and the owner of the MS permit registered to that vessel), as the fish buyer, must collect the fee from each catcher vessel (fish seller, including vessels registered to an MS/CV-endorsed limited entry trawl permit and any limited entry trawl permits without an MS/CV endorsement while they are participating in the mothership fishery) at the time of delivery to the mothership.

3.3 What fish are subject to the fee charge?

All groundfish species delivered by a catcher vessel to an MS-permitted vessel are subject to the cost recovery fee. This includes groundfish other than Pacific whiting. While all groundfish species are subject to the fee, the fee amount due equals the fee percent multiplied by the ex-vessel value of the delivery. This results in only groundfish species with a value being charged the cost recovery fee.

EXAMPLE

species	*pounds (lb)*	*price/lb*	*ex-vessel value*
whiting	6,000	$0.14	$840
yellowtail	100	$0.50	$50
arrowtooth	50	$0.00	$0
total	6,150		$890

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

3.4 When are fees due from the fish seller to the fish buyer?

The full fee is due and payable at the time of fish delivery. The fish buyer must collect the fee at the time of fish delivery by deducting the fee from the ex-vessel value before paying the net ex-vessel value to the fish seller. Each fish seller must receive from the fish buyer the net ex-vessel value (i.e., the ex-vessel value of the delivery minus the cost recovery fee). This is how fish sellers pay the cost recovery fee.

3.5 How are post-delivery payments handled?

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

3.6 When does the fish buyer need to submit fees collected to NMFS?

EXAMPLE
Fees collected from June 1-30, 2014 are due to NMFS no later than July 14, 2014.

Motherships, as the fish buyer, must submit fees collected to NMFS. Fees collected for a given calendar month must be submitted to NMFS no later than the 14th of the following month, or more frequently if the amount in the deposit account exceeds the account limit for insurance purposes (the deposit account is described in Section 3.8).

3.7 How are late payments or payment adjustments handled?

If a fish buyer needs to submit a late payment or payment adjustment to NMFS, 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. For information on submitting payment on Pay.gov and a sample form, see Section 3.11.

3.8 What does the fish buyer do with the fees collected?

The fish buyer is required to maintain a segregated deposit account at a federally insured financial institution for the sole purpose of depositing collected cost recovery fees from fish sellers and disbursing those fees directly to NMFS. The fish buyer must hold the fee amounts collected from fish sellers in the deposit account.

Each fish buyer is required to deposit collected fee revenue into the deposit account no less frequently than at the end of each month. However, any fees the fish buyer collected during the two calendar days before the date of deposit may be included with the next transaction. The collected funds may not be used for any purpose other than to fulfill cost recovery obligations through payments to NMFS through Pay.gov. The fish buyer is entitled, at any time, to withdraw interest, if any, but never principal, from the deposit account for the fish buyer's own use and purposes. Payment to NMFS must be the full amount of deposit principal from the deposit account. If the fish buyer uses a credit card to pay NMFS, payment to NMFS must still be in the full amount; the fish buyer would use that same amount of the deposit principal from the deposit account to pay the cost recovery amount on the credit card used to pay NMFS.

3.9 What if a fish seller or fish buyer refuses to pay or does not pay the full amount?

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 NOAA Office of Law Enforcement. Potential penalties include monetary fines and sanctions. In addition, NMFS will not renew an MS permit until all required cost recovery fees associated with that permit have been paid.

If a fish buyer fails to collect the fee, the fish seller should advise the fish buyer of the fish seller's fee payment obligation and of the fish buyer's cost recovery fee collection obligation. If the fish buyer still fails to properly collect the fee, the fish seller, within the next 7 calendar days, shall forward the fee to NMFS. The fish seller at the same time shall also advise NMFS in writing at the address below of the full particulars, including:

1) The fish buyer's and fish seller's name, address, and telephone number;
2) The name of the fishing vessel from which the fish seller made fish delivery and the date of doing so;
3) The weight and ex-vessel value of each species of fish that the fish seller delivered; and
4) The fish buyer's reason, if known, for failing or refusing to collect the fee.

Notifications can be delivered to the address below or can be mailed or faxed to:

National Marine Fisheries Service, West Coast Region,
Office of Management and Information
ATTN: Cost Recovery Notification
7600 Sand Point Way NE.
Seattle, WA, 98115

Fax: 206–526–6426

If NMFS at any time determines that a fish buyer failed to collect the cost recovery fee, failed to fully pay NMFS, or failed to submit a complete cost recovery form, NMFS will notify the fish buyer or other responsible party in writing via a letter. The fish buyer or other responsible party will have 30 calendar days to pay the specified amount, complete the form, or appeal, as described in the letter from NMFS. Further information on NMFS's determination letter and information on the administrative appeals process are listed in regulation at §660.115(d)(3)(ii). For information on making a late payment or payment adjustment on Pay.gov, see Section 3.7.

3.10 How do fish buyers access Pay.gov?

Fish buyers submit the cost recovery fees collected to NMFS via Pay.gov (https://www.pay.gov/paygov/). Fish buyers registered with Pay.gov can login in the upper left-hand corner of the screen. Information on why and how to register with Pay.gov is in Sections 1.7 and 1.8. Fish buyers not registered with Pay.gov can go to the cost recovery forms directly from the website below. Click on the link to Pacific Coast Groundfish Cost Recovery for your sector (IFQ, MS, or C/P):

https://pay.gov/paygov/agencySearchForms.html?nc=1375298963306&agencyDN=ou%3DFA_National+Oceanic+and+Atmospheric+Administration%2Cou%3DFA_Department+of+Commerce%2Cou%3DFA_Executive+Branch%2Cou%3DFederal+Agency%2Cou%3DTreasury+Web+Application+Infrastructure%2Cou%3DFiscal+Service%2Cou%3DDepartment+of+the+Treasury%2Co%3DU.S.+Government%2Cc%3DUS&alphabet=N

Users can also access Pay.gov through a link on our West Coast Region trawl catch share program website at:

http://www.westcoast.fisheries.noaa.gov/fisheries/groundfish_catch_shares/index.html

3.11 How do I submit a payment through Pay.gov?

Whether or not you've registered with Pay.gov, the steps for submitting a payment are the same. If you have registered with Pay.gov, login before accessing the cost recovery form and submitting payment information. The following are the steps for submitting payment through Pay.gov:

1) Once you've accessed Pay.gov (see Section 3.10), find and click on the "Pacific Coast Groundfish, Trawl Catch Shares - MS Cost Recovery Form."

2) Once you've clicked on the correct form, you will then be required to fill out all of the fields. If you have registered with Pay.gov, then some of the fields will be auto-filled for you.

Pacific Coast Groundfish - Trawl MS Coop Program

Cost Recovery Form

2014

Fish Buyer's Name	
Mailing Address	
City	
State	
Zip	
Phone Number	
Permit Number	MS
Vessel Name	
USCG Documentation Number	
Month and Year of Landings	

FOR LANDINGS IN	**Fee Rate (%)**	**Weight (lbs)**	**Ex-vessel Value ($)**	**Fee Due ($) ***
MS Coop Program	2.4			
Fee Adjustment		By checking this box, I certify that this payment is for a fee or price adjustment.		

Instructions:

1. Complete the fish buyer's name, address, telephone number, MS permit number, vessel name, USCG documentation number, and month and year of landings (MM/20XX). Fish buyer is defined at 50 CFR 660.111.
2. 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 delivered to an MS-permitted vessel. Ex-vessel value is defined at 50 CFR 660.111.
3. Note that deliveries must occur within the same month. Use a separate form for a different month.
4. Check the fee adjustment box if this payment is for a fee or price adjustment.
5. Use Pay.gov to remit fee collected.

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

PRA STATEMENT:

The trawl cost recovery program is required by the Magnuson-Stevens Act [16 USC §§ 1853a(e), 1854(d)(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 that 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.

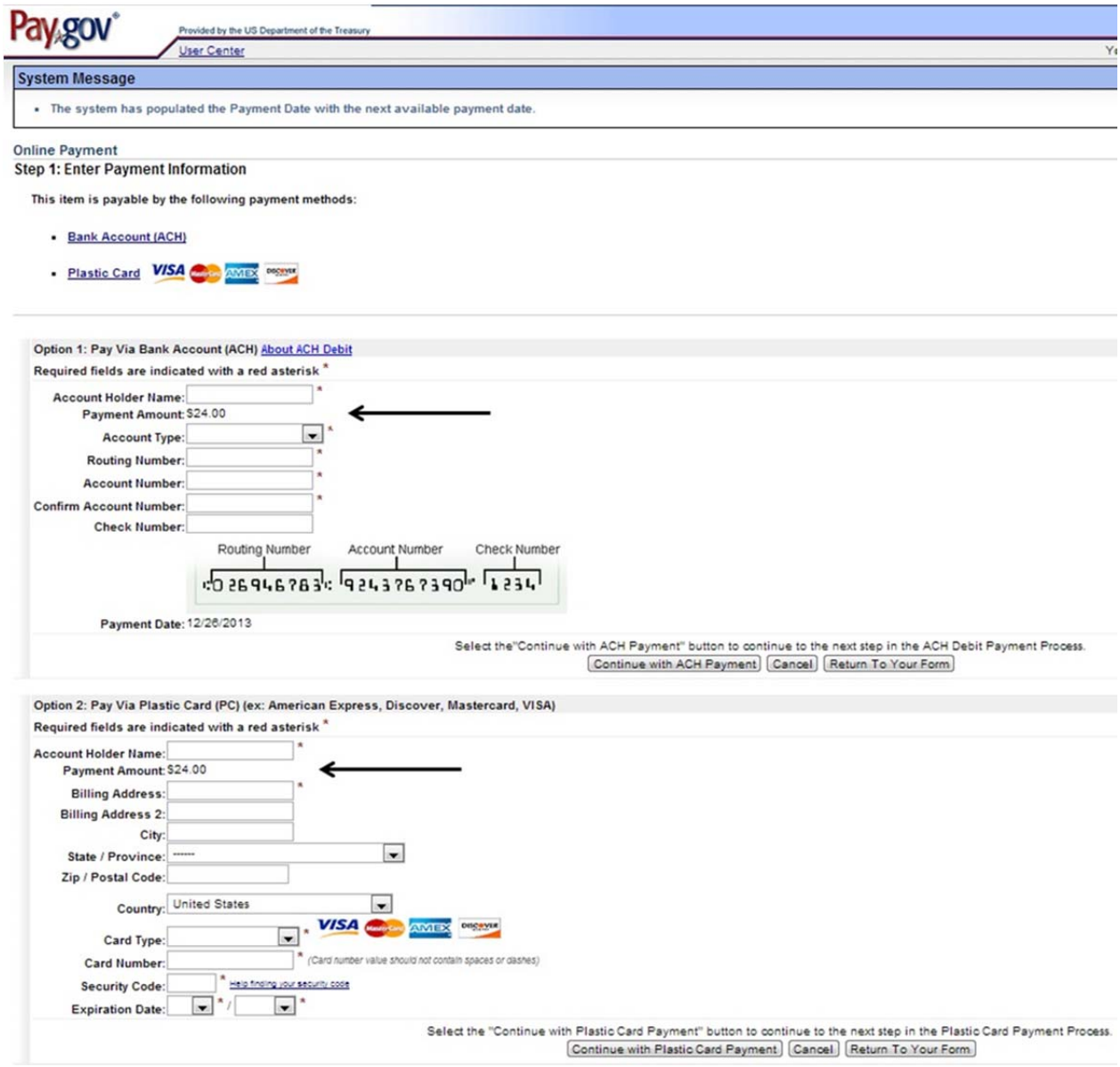
Notwithstanding any other provisions of the law, no person is required to respond to, nor shall any person be subjected to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently 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 216-100, Protection of Confidential Fisheries Statistics. The information collected is part of a Privacy Act System of Records, COMMERCE/NOAA #19, Permits and Registrations for United States Federally Regulated Fisheries. A notice was published in the Federal Register on April 17, 2008 (73 FR 20914) and became effective on June 11, 2008 (73 FR 33065).

3) After you have filled out all the required fields, then click on "Continue" at the bottom of the page.

4) You will be asked to enter your payment information. You can pay either directly from the segregated deposit account via an ACH (Automated Clearing House) debit transaction (using bank and account routing numbers) or with a credit card. Credit card payments are limited to $49,999.99 per transaction. The "Payment Amount" field is automatically filled in based on the information entered on the cost recovery form on the previous page.



5) Your submission may take a few minutes to process, then a confirmation screen will appear. You should print this page for your records.

3.12 Can a fish buyer pay NMFS with a check?

No, NMFS will only accept online payment through Pay.gov. In Pay.gov, the fish buyer can pay directly from their segregated deposit account via a debit transaction (using bank and account routing numbers) or with a credit card. Credit card payments are limited to $49,999.99 per transaction. NMFS will not accept checks.

3.13 What records do I need to keep?

Fish Seller
The fish seller should keep copies of all documentation of deliveries to the mothership for at least 3 years.

Fish Buyer
The fish buyer must keep the following records for at least 3 years:

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 sufficient to specifically 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) The identity of the payee to whom the net ex-vessel value is paid, if different than the 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) The dates and amounts of disbursements to the 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.

3.14 Do I have to submit an annual report?

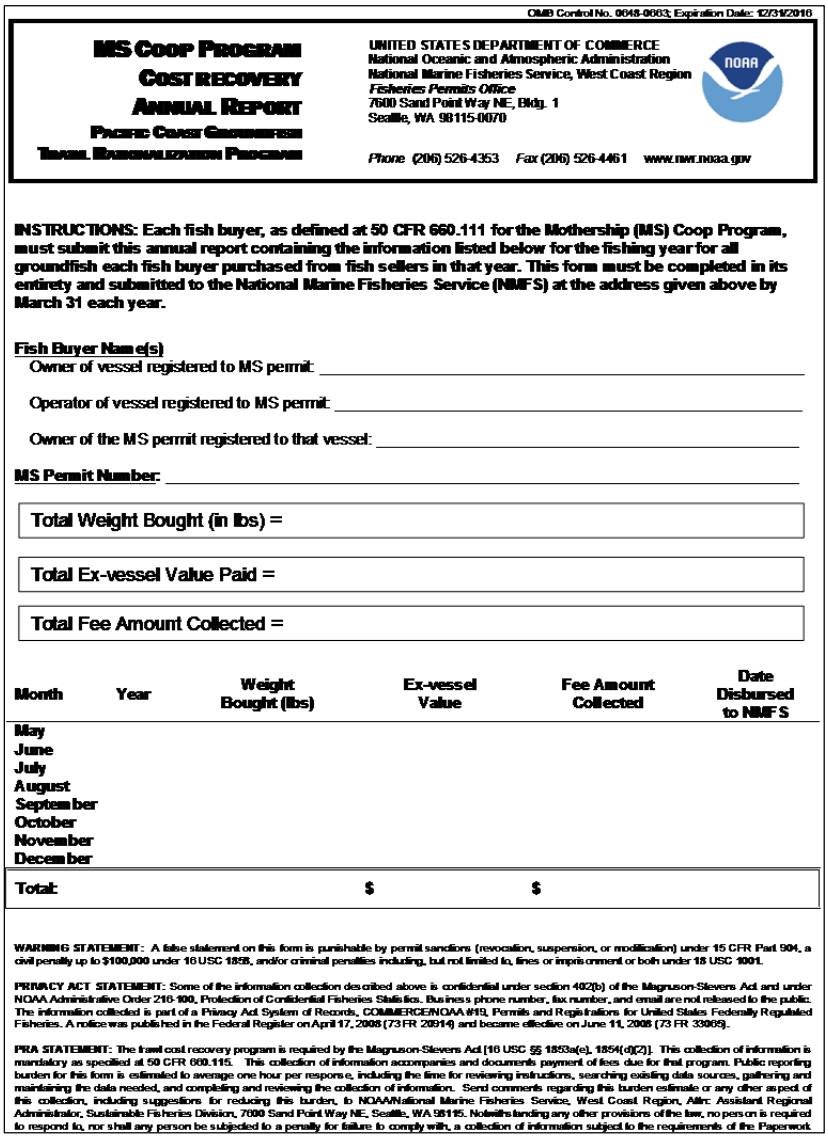
Yes, if you are a fish buyer. By March 31 each year, each fish buyer (mothership) must submit a report to NMFS. The Mothership Cost Recovery Annual Report form is available on NMFS trawl catch share website and includes information from the preceding calendar year for all groundfish each fish buyer purchases from fish sellers.

The annual report is used by NMFS to verify the weight and ex-vessel value reported for cost recovery and that the appropriate fees were paid. The annual report is due at the same time as the coop report to NMFS, streamlining when NMFS receives sector information. However, the cost recovery annual report is submitted to NMFS by fish buyers rather than the coop manager(s).

The annual report can be mailed, faxed, or delivered to the address below:

National Marine Fisheries Service, West Coast Region, Office of Management and Information
ATTN: Cost Recovery Annual Report
7600 Sand Point Way NE
Seattle, WA, 98115

Fax: 206–526–6426



OMB Control No. 0648-0663; Expiration Date: 12/31/2010

MS COOP PROGRAM
COST RECOVERY
ANNUAL REPORT
PACIFIC COAST GROUNDFISH
TRAWL RATIONALIZATION PROGRAM

UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
National Marine Fisheries Service, West Coast Region
Fisheries Permits Office
7600 Sand Point Way NE, Bldg. 1
Seattle, WA 98115-0070

Phone (206) 526-4353 *Fax* (206) 526-4461 www.nwr.noaa.gov

INSTRUCTIONS: Each fish buyer, as defined at 50 CFR 660.111 for the Mothership (MS) Coop Program, must submit this annual report containing the information listed below for the fishing year for all groundfish each fish buyer purchased from fish sellers in that year. This form must be completed in its entirety and submitted to the National Marine Fisheries Service (NMFS) at the address given above by March 31 each year.

Fish Buyer Name(s)
Owner of vessel registered to MS permit: _____
Operator of vessel registered to MS permit: _____
Owner of the MS permit registered to that vessel: _____

MS Permit Number: _____

Total Weight Bought (in lbs) =

Total Ex-vessel Value Paid =

Total Fee Amount Collected =

Month	Year	Weight Bought (lbs)	Ex-vessel Value	Fee Amount Collected	Date Disbursed to NMFS
May					
June					
July					
August					
September					
October					
November					
December					
Total:			$	$	

WARNING STATEMENT: A false statement on this form is punishable by permit sanctions (revocation, suspension, or modification) under 15 CFR Part 904, a civil penalty up to $100,000 under 16 USC 1858, and/or criminal penalties including, but not limited to, fines or imprisonment or both under 18 USC 1001.

PRIVACY ACT STATEMENT: Some of the information collection described above is confidential under section 402(b) of the Magnuson-Stevens Act and under NOAA Administrative Order 216-100, Protection of Confidential Fisheries Statistics. Business phone number, fax number, and email are not released to the public. The information collected is part of a Privacy Act System of Records, COMMERCE/NOAA #19, Permits and Registrations for United States Federally Regulated Fisheries. A notice was published in the Federal Register on April 17, 2008 (73 FR 20914) and became effective on June 11, 2008 (73 FR 33368).

PRA STATEMENT: The trawl cost recovery program is required by the Magnuson-Stevens Act [16 USC §§ 1853a(e), 1854(d)(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 that 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 any person be subjected to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork

3.15 Can I be audited?

Yes, fish buyers and fish sellers may be audited, which is why it is important to keep complete and accurate records consistent with the recordkeeping requirements stated above. NMFS or its agents may audit the financial records of fish buyers and fish sellers in order to ensure proper fee payment, collection, deposit, disbursement, accounting, recordkeeping, and reporting. Fish buyers and fish sellers must respond to any inquiry by NMFS or a NMFS agent within 20 calendar days of the date of a NMFS inquiry, unless NMFs grants an extension. Fish buyers and fish sellers must make all relevant records available to NMFS or NMFS' agents at reasonable

times and places and promptly provide all requested information reasonably related to these records. NMFS may employ a third party agent to conduct the audits. The NMFS auditor may review and request copies of additional data provided by the submitter, including but not limited to, previously audited or reviewed financial statements, worksheets, tax returns, invoices, receipts, and other original documents substantiating the data submitted.

4 ▪ C/P Coop Program

The following information identifies cost recovery requirements for those participating in the C/P Coop Program. The C/P Coop Program consists of members of the coop (C/P-endorsed limited entry trawl permit owners) and the vessels registered to member permits. Catcher processors are vessels that both harvest and process whiting during a calendar year. Under the C/P Coop Program, the catcher processor sector continues to operate under a single voluntary cooperative.

4.1 What am I responsible for?

In the C/P Coop Program, the fish seller and the fish buyer are the same entity and must comply with the requirements for both the fish seller and the fish buyer. These terms were adapted from terms used in the buyback program, which affects the Shorebased IFQ and MS Coop Program participants. The terms are extended here for the C/P Coop Program.

Fish Seller
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 the cost recovery fees

Fish Buyer
Fish buyers are the owner(s) of a vessel registered to a C/P-endorsed limited entry trawl permit, the operator(s) of a vessel registered to a C/P-endorsed limited entry trawl permit, and the owner(s) of the C/P-endorsed limited entry trawl permit registered to that vessel. All three parties shall be jointly and severally responsible for fulfilling the obligations of a fish buyer. Fish buyers are responsible for:

- 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

4.2 Who collects the fees?

For the C/P Coop Program, the structure of fee payment and collection is different than the Shorebased IFQ and MS Coop Programs which are also subject to buyback fees. In the C/P Coop Program, the C/P (the owner of a vessel registered to a C/P-endorsed limited entry trawl permit, the operator of a vessel registered to a C/P-endorsed limited entry trawl permit, and the owner of the C/P-endorsed limited entry trawl permit registered to that vessel), as the fish buyer, is responsible for paying the full fee to NMFS in the last quarter of the calendar year and by December 31 each year. The fee is for groundfish retained for the calendar year by each vessel registered to a C/P-endorsed limited entry trawl permit. For the purposes of cost recovery, the C/P is described as both the fish buyer and fish seller.

4.3 What fish are subject to the fee charge?

All groundfish species retained by the vessel registered to a C/P-endorsed limited entry trawl permit are subject to the cost recovery fee. This includes groundfish other than Pacific whiting. Discarded groundfish are not subject to the fee.

4.4 How do I know what fee amount is due?

The fee amount is calculated by the weight of all groundfish species retained by the vessel registered to a C/P-endorsed limited entry trawl permit, multiplied by the MS Coop Program average price per pound for whiting (i.e. MS pricing) multiplied by the fee percent.

EXAMPLE

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

fee amount due:
1.1% x (6,100lb x $0.14/lb) = $9.39

Cost recovery fees are due in the last quarter of the year and by December 31.

4.5 When are fees due?

The full fee for the calendar year is due and payable to NMFS in the last quarter of the year and by December 31.

4.6 Are there requirements on how I store the money?

No. Unlike the Shorebased IFQ and the MS Coop Programs, fish buyers in the C/P Coop Program are not be required to maintain segregated deposit accounts because the fish seller and the fish buyer is always the same entity and they only make one payment to NMFS per year.

4.7 What if I refuse to pay or do not pay the full amount?

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 NOAA Office of Law Enforcement. Potential penalties include monetary fines and sanctions. In addition, NMFS will not renew a limited entry permit with a C/P endorsement until all required cost recovery fees associated with that permit have been paid.

If NMFS at any time determines that a fish buyer failed to collect the cost recovery fee, failed to fully pay NMFS, or failed to submit a complete cost recovery form, NMFS will notify the fish buyer in writing via a letter. The fish buyer will have 30 calendar days to pay the specified

amount, complete the form, or appeal, as described in the letter from NMFS. Further information on NMFS's determination letter and information on the administrative appeals process are listed in regulation at §660.115(d)(3)(ii). For information on making a late payment or payment adjustment on Pay.gov, see Section 4.8.

4.8 How are late payments or payment adjustments handled?

If a fish buyer needs to submit a late payment or payment adjustment to NMFS, 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 and check the box next to "Fee Adjustment." Fee adjustments are to document any changes to prices or fees. For information on submitting payment on Pay.gov and a sample form, see Section 4.10.

4.9 How do I access Pay.gov?

Fish buyers submit the cost recovery fees collected to NMFS via Pay.gov (https://www.pay.gov/paygov/). Fish buyers registered with Pay.gov can login in the upper left-hand corner of the screen. Information on why and how to register with Pay.gov is in Sections 1.7 and 1.8. Fish buyers not registered with Pay.gov can go to the cost recovery forms directly from the website below. Click on the link to Pacific Coast Groundfish Cost Recovery for your sector (IFQ, MS, or C/P):

https://pay.gov/paygov/agencySearchForms.html?nc=1375298963306&agencyDN=ou%3DFA_National+Oceanic+and+Atmospheric+Administration%2Cou%3DFA_Department+of+Commerce%2Cou%3DFA_Executive+Branch%2Cou%3DFederal+Agency%2Cou%3DTreasury+Web+Application+Infrastructure%2Cou%3DFiscal+Service%2Cou%3DDepartment+of+the+Treasury%2Co%3DU.S.+Government%2Cc%3DUS&alphabet=N

Users can also access Pay.gov through a link on our West Coast Region trawl catch share program website at:

http://www.westcoast.fisheries.noaa.gov/fisheries/groundfish_catch_shares/index.html

4.10 How do I submit a payment through Pay.gov?

Whether or not you've registered with Pay.gov, the steps for submitting a payment are the same. If you have registered with Pay.gov, login before accessing the cost recovery form and submitting payment information. The following are the steps for submitting payment through Pay.gov:

1) Once you've accessed Pay.gov (see Section 4.9), find and click on the "Pacific Coast Groundfish, Trawl Catch Shares – C/P Cost Recovery Form."

2) Once you've clicked on the correct form, you will then be required to fill out all of the fields. If you have registered with Pay.gov, then some of the fields will be auto-filled for you.

Pacific Coast Groundfish - Trawl C/P Coop Program

Cost Recovery Form

2014

Fish Buyer's Name	
Mailing Address	
City	
State	
Zip	
Phone Number	
Permit Number	**GF**
Vessel Name	
USCG Documentation Number	
Year of Harvest	

FOR LANDINGS IN	**Fee Rate (%)**	**Weight (lbs)**	**Ex-vessel Value ($)**	**Fee Due ($) ***
C/P Coop Program	1.1			

Fee Adjustment ☐ By checking this box, I certify that this payment is for a fee or price adjustment.

Instructions:

1. Complete the fish buyer's name, address, telephone number, C/P-endorsed limited entry permit number, vessel name, USCG documentation number, and year of harvest (20XX). Fish buyer is defined at 50 CFR 660.111.
2. Record the weight, ex-vessel value, and fee due. The fee due equals the applicable fee rate multiplied by the ex-vessel value of groundfish harvested for the year. Ex-vessel value is defined at 50 CFR 660.111.
3. Note that deliveries must occur within the same year. Use a separate form for each year.
4. Check the fee adjustment box if this payment is for a fee or price adjustment.
5. Use Pay.gov to remit fee collected.

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

PRA STATEMENT:

The trawl cost recovery program is required by the Magnuson-Stevens Act [16 USC §§ 1853a(e), 1854(d)(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 that 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 any person be subjected to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.

PRIVACY ACT STATEMENT:

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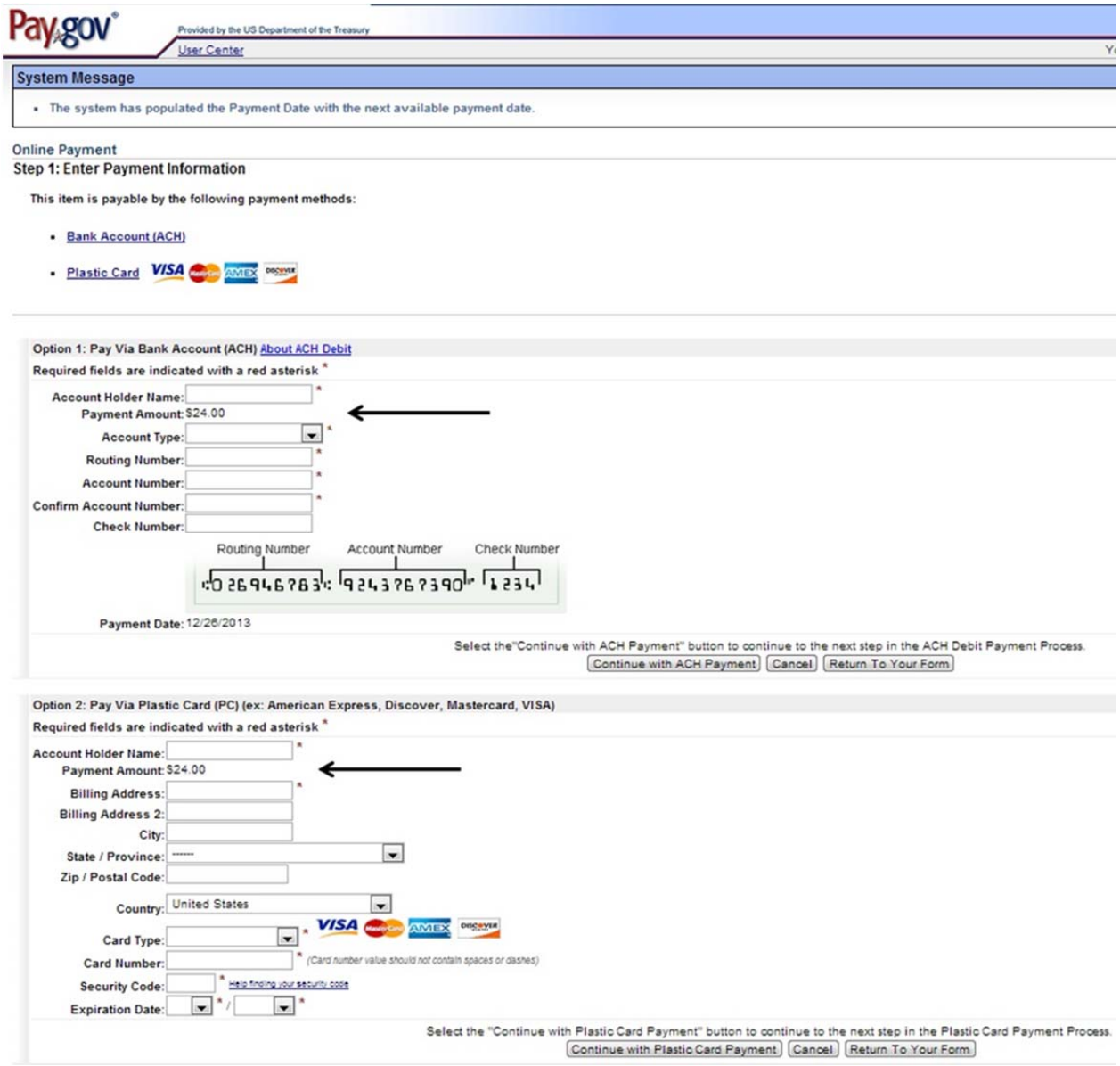
3) After you have filled out all the required fields, then click on "Continue" at the bottom of the page.

4) You will be asked to enter your payment information. You can pay either directly from a bank account via an ACH (Automated Clearing House) debit transaction (using bank and account routing numbers) or with a credit card. Credit card payments are limited to $49,999.99 per transaction. The "Payment Amount" field is automatically filled in based on the information entered on the cost recovery form on the previous page.



5) Your submission may take a few minutes to process, then a confirmation screen will appear. You should print this page for your records.

4.11 Can I pay NMFS with a check?

No, NMFS will only accept online payment through Pay.gov. In Pay.gov, the fish buyer can pay directly from their bank account via a debit transaction (using bank and account routing numbers) or with a credit card. Credit card payments are limited to $49,999.99 per transaction. NMFS will not accept checks.

4.12 What records do I need to keep?

The fish buyer must maintain the following records for at least 3 years:

For all groundfish:

1) The date of harvest,
2) The weight of each species of groundfish retained,
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.

4.13 Do I have to submit an annual report?

No. There are some distinctions between the at-sea sectors (MS and C/P). Because in the C/P Coop Program the fish buyer and fish seller are the same entity, because they only pay at end of year, because they are not be required to have a deposit account, and because they are paying the fee amount based on using the MS pricing to determine ex-vessel value, NMFS decided fish buyers in the C/P Coop Program do not need to submit an annual report.

4.14 Can I be audited?

Yes, fish buyers and fish sellers may be audited, which is why it is important to keep complete and accurate records consistent with the recordkeeping requirements stated above. NMFS or its agents may audit the financial records of fish buyers and fish sellers in order to ensure proper fee payment, collection, deposit, disbursement, accounting, recordkeeping, and reporting. Fish buyers and fish sellers must respond to any inquiry by NMFS or a NMFS agent within 20 calendar days of the date of a NMFS inquiry, unless NMFs grants an extension. Fish buyers and fish sellers must make all relevant records available to NMFS or NMFS' agents at reasonable times and places and promptly provide all requested information reasonably related to these records. NMFS may employ a third party agent to conduct the audits. The NMFS auditor may review and request copies of additional data provided by the submitter, including but not limited to, previously audited or reviewed financial statements, worksheets, tax returns, invoices, receipts, and other original documents substantiating the data submitted.

5 ▪ NMFS Cost Recovery Calculations

This section describes the NMFS's calculations for cost recovery and directs the reader to additional reports that NMFS will publish each year. NMFS's cost recovery calculations include the fee percentage for each sector for each calendar year, as well as the "MS pricing" to be used by the C/P Coop Program.

5.1 How is the cost recovery fee percent calculated?

To calculate the fee percentage by sector, NMFS used the formula specified in the regulations, where the fee percentage by sector equals the agency's direct program costs (DPC) for that sector divided by total ex-vessel value (V) for that sector multiplied by 100.

$$\text{Fee percentage} = \text{the lower of } 3\% \text{ or } (DPC/V) \times 100$$

"DPC," or direct program costs, are the actual incremental costs for the previous fiscal year directly related to the management, data collection, and enforcement of each sector (Shorebased IFQ Program, MS Coop Program, and C/P Coop Program). Actual incremental costs means those net costs that would not have been incurred but for the implementation of the trawl rationalization program, including additional costs for new requirements of the program and reduced trawl sector related costs resulting from efficiencies as a result of the program. If the amount of fees collected by NMFS is greater or less than the actual net incremental costs incurred, the DPC will be adjusted accordingly for calculation of the fee percentage in the following year.

"V" or ex-vessel value is the total ex-vessel value for each sector from the previous calendar year. The ex-vessel value is defined differently for each sector as described below.

- Shorebased IFQ Program: The value of all groundfish species from IFQ landings.
- MS Coop Program: The value of all groundfish species delivered by a catcher vessel to an MS-permitted vessel.
- C/P Coop Program: The value of the aggregate pounds of all groundfish species retained by the vessel registered to a C/P-endorsed limited entry trawl permit, multiplied by the MS Coop Program average price per pound (i.e., MS pricing) as announced by NMFS at the beginning of each fishing year.

For 2014 - Fee percentages are:

Shorebased IFQ Program:
3.0% = the lower of 3% or
(($1,877,752.00/$48,182,167) x 100)

MS Coop Program:
2.4% = the lower of 3% or
(($274,936.05/$11,453,663) x 100)

C/P Coop Program:
1.1% = the lower of 3% or
(($176,460.05/$16,763,066) x 100)

5.2 What is MS pricing and how is it calculated?

"MS pricing" is the MS Coop Program's average price per pound for Pacific whiting, also called hake, from the previous fiscal year. The MS pricing is used by the C/P Coop Program to determine their ex-vessel value (MS pricing multiplied by the aggregate pounds of all groundfish species retained by the vessel registered to a C/P-endorsed limited entry trawl permit) which is then multiplied by the C/P fee percentage to determine the fee amount due.

For 2014 -

MS pricing to be used by the C/P Coop Program is

$0.14/lb

5.3 How will NMFS provide details on the yearly calculations?

NMFS will publish a NMFS Annual Report on cost recovery in the spring of each year. The report will be posted on NMFS trawl catch share website. The report will include information on NMFS' calculation of the fee percent and MS pricing for the current year, as well as information on the total cost recovery fees collected by NMFS from the previous calendar year.

5.4 How will NMFS report on the amount of fees collected?

Information on the total amount of fees collected under cost recovery by sector for the previous year will be published in the NMFS Annual Report during the spring of each year. The report will be posted on NMFS trawl catch share website and will also include information on the cost recovery calculations.

Glossary

At-sea processing - processing that takes place on a vessel or other platform that floats and is capable of being moved from one location to another, whether shorebased or on the water.

Buyback program or groundfish buyback loan - Refers to repayment of a loan taken out, in part, by the groundfish industry to reduce capacity in the fishery (also called the federal fishing capacity reduction program). In 2003, NMFS "bought back," for approximately $46 million, 91 vessels and 239 fishing permits from the groundfish trawl fishery and associated corollary fisheries of Dungeness crab and pink shrimp off the California, Oregon, and Washington coast. This $46 million buyback program included a $36 million loan to the industry that was to be paid by assessing buyback fees on landings (70 FR 40225, July 13, 2005). For the groundfish fishery, fees for repayment of the loan are to be paid on groundfish harvested using Federal trawl permits. Fish sellers are required to pay the fee and all parties making the first ex-vessel purchase of groundfish (''fish buyers'') are required to collect the fee, account for, and forward the fee revenue for the purpose of repaying the loan. Participants in the Shorebased IFQ Program and the MS Coop Program are subject to the repayment of the buyback loan, while the C/P Coop Program is not. Due to similarities in the need to collect and document payment of a fee for both the buyback program and the cost recovery program, the cost recovery program was structured to utilize elements of the buyback program as much as possible.

Catcher Processor Coop or C/P Coop - A harvester group that includes all eligible C/P-endorsed limited entry trawl permit owners as members that voluntarily form a coop and manage the catcher processor-specified allocations through private agreements and contracts.

DPC or direct program costs – Part of the cost recovery fee percentage calculation. The actual incremental costs for the previous fiscal year directly related to the management, data collection, and enforcement of each sector (Shorebased IFQ Program, MS Coop Program, and C/P Coop Program). Actual incremental costs means those net costs that would not have been incurred but for the implementation of the trawl rationalization program, including additional costs for new requirements of the program and reduced trawl sector related costs resulting from efficiencies as a result of the program. If the amount of fees collected by NMFS is greater or less than the actual net incremental costs incurred, the DPC will be adjusted accordingly for calculation of the fee percentage in the following year.

Electronic fish ticket means a software program or data files meeting data export specifications approved by NMFS that is used to send landing data to the Pacific States Marine Fisheries Commission. Electronic fish tickets are used to collect information similar to the information required in state fish receiving tickets or landing receipts, but do not replace or change any state requirements.

Ex-vessel value - For the purposes of the cost recovery program, ex-vessel value means all compensation (based on an arm's length transaction between a buyer and seller) that a fish buyer pays to a fish seller in exchange for groundfish species, and includes the value of all in-kind compensation and all other goods or services exchanged in lieu of cash. Ex-vessel value shall be determined before any deductions are made for transferred or leased allocation, or for any goods or services.

(1) <u>For the Shorebased IFQ Program</u>, the value of all groundfish species from IFQ landings.
(2) <u>For the MS Coop Program</u>, the value of all groundfish species delivered by a catcher vessel to an MS-permitted vessel.
(3) <u>For the C/P Coop Program</u>, the value as determined by the aggregate pounds of all groundfish species retained 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.

First receiver site license - Authorizes the holder to receive, purchase, or take custody, control, or possession of an IFQ landing at a specific physical site onshore directly from a vessel. Each buyer of groundfish from a vessel making an IFQ landing must have a first receiver site license for each physical location where the IFQ landing is offloaded.

Fish buyer - For the purposes of the cost recovery program,

(1) For the Shorebased IFQ Program, the IFQ first receiver.

(2) For the MS Coop Program, the owner of a vessel registered to an MS permit, the operator of a vessel registered to an MS permit, and the owner of the MS permit registered to that vessel. All three parties shall be jointly and severally responsible for fulfilling the obligations of a fish buyer.

(3) For the C/P Coop Program, the owner of a vessel registered to a C/P-endorsed limited entry trawl permit, the operator of a vessel registered to a C/P-endorsed limited entry trawl permit, and the owner of the C/P-endorsed limited entry trawl permit registered to that vessel. All three parties shall be jointly and severally responsible for fulfilling the obligations of a fish buyer.

Fish seller means the party who harvests and first sells or otherwise delivers groundfish species to a fish buyer.

Fiscal year means the year beginning at 0001 local time on October 1 and ending at 2400 local time on September 30 of the following year.

Groundfish species means fish defined under "groundfish" at § 660.11 and managed under the Pacific coast groundfish FMP and regulations at 50 CFR part 660, subparts C through G.

Individual bycatch quota (IBQ) - The amount of bycatch quota for an individual species/species group and area expressed as a percentage of the annual allocation of allowable bycatch mortality to the Shorebased IFQ Program. IBQ is used as the basis for the annual calculation and allocation of a QS permit owner's IBQ pounds in the Shorebased IFQ Program. Both IBQ and QS may be listed on a QS permit and in the associated QS account. Pacific halibut N 40°10' is currently the only species for which IBQ will be issued.

Individual fishing quota (IFQ) - A federal permit to harvest a quantity of fish, expressed as a percentage of the total allowable catch of a fishery that may be received or held for exclusive use by a person. An IFQ is a harvest privilege that may be revoked at any time with in accordance with the Magnuson-Stevens Act.

IFQ first receiver - A person who receives, purchases, or takes custody, control, or possession of catch onshore directly from a vessel that harvested the catch while fishing under the Shorebased IFQ Program.

IFQ landing - An offload of fish harvested under the Shorebased IFQ Program.

Land or landing means to begin transfer of fish, offloading fish, or to offload fish from any vessel. Once transfer of fish begins, all fish aboard the vessel are counted as part of the landing.

Mothership coop or MS coop means a group of MS/CV-endorsed limited entry permit owners that are authorized by means of a coop permit to jointly harvest and process from a single coop allocation.

Mothership Coop Program or MS Coop Program means the MS Coop Program described at §660.150, subpart D, and includes both the coop and non-coop fisheries.

MS/CV endorsement – An endorsement on a limited entry trawl permit that conveys a conditional privilege that allows a vessel registered to the permit to fish either in a coop or in the non-coop fishery in the MS Coop Program.

Net ex-vessel value means, for the purposes of the cost recovery program, the ex-vessel value minus the cost recovery fee.

Processing (or to process) – The preparation or packaging of groundfish to render it suitable for human consumption, retail sale, industrial uses or long-term storage, including, but not limited to, cooking, canning, smoking, salting, drying, filleting, freezing, or rendering into meal or oil, but does not mean heading and gutting unless additional preparation is done.

Processor – A person, vessel, or facility that engages in commercial processing; or receives live groundfish directly from a fishing vessel for retail sale without further processing.

Quota pounds (QP) – The quotas, expressed in round weight of fish, that are issued annually to QS permit owners in the Shorebased IFQ Program based on the amount of QS they own and the amount of fish allocated to the Shorebased IFQ Program. QP have the same species/species group and area as the QS from which they are issued.

Quota share (QS) - The amount of fishing quota for an individual species/species group and area, expressed as a percentage of annual allocation of fish to Shorebased IFQ Program. The QS is used as the basis for the annual calculation and allocation of the QS permit owner's QP in the Shorebased IFQ program. Both QS and IBQ may be listed on a QS permit and in the associated QS account.

QS Account – an account established by NMFS for each QS permit owner to track the balances of QS or IBQ and QP or IBQ pounds for all IFQ species owned by that owner. NMFS will issue QP or IBQ pounds to QS permit owners, expressed in pounds, on an annual basis, to be deposited in the corresponding QS account.

QS permit - Conveys a conditional privilege to a person to own QS or IBQ in the Shorebased IFQ program.

V or total ex-vessel value for each applicable sector- As part of the cost recovery fee percentage calculation, V is the total ex-vessel value from the previous calendar year attributable to that sector of the trawl rationalization program (Shorebased IFQ Program, MS Coop Program, and C/P Coop Program). See also definition for ex-vessel value.

Vessel owner or owner of a vessel means a person identified as the current owner in the Certificate of Documentation (CG-1270) issued by the USCG for a documented vessel, or in a registration certificate issued by a state or the USCG for an undocumented vessel.