

Amendment 80 Groundfish Cost Recovery Report

Fishing Year 2023



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Amendment 80 Program Cost Recovery for Fishing Year 2023

Cost recovery

Section 304(d) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) authorizes and requires the collection of cost recovery fees for limited access privilege programs (LAPP) and the Community Development Quota Program. Cost recovery fees recover the actual costs directly related to the management, data collection, and enforcement of the programs. Section 304(d) of the Magnuson-Stevens Act mandates that cost recovery fees not exceed three percent of the annual ex-vessel value of fish harvested by a program subject to a cost recovery fee, and that the fee be collected either at the time of landing, filing of a landing report, or sale of such fish during a fishing season, or in the last quarter of the calendar year in which the fish is harvested.

NMFS manages the Amendment 80 Program as a LAPP. Amendment 80 allocates a portion of the total allowable catches of specific Bering Sea and Aleutian Islands (BSAI) non-pollock groundfish species to cooperatives of trawl catcher/processors. On January 5, 2016, NMFS published a final rule to implement cost recovery payments for the Amendment 80 program (81 FR 150). The Amendment 80 cooperatives are responsible for paying the annual fee for groundfish landed under the Amendment 80 Program. The total dollar amount of the fee liability is determined by multiplying the NMFS published fee percentage by the ex-vessel value of all landings made under the program made during the fishing year. NMFS calculates the fee percentage each year according to the factors and methods described at 50 CFR 679.95(c)(2).

NMFS published the 2023 fee percentage notice for the Amendment 80 program in the **Federal Register** on November 24, 2023 ([88 FR 82336](#)). Payments are due on December 31 of the year in which the landings were made.

Amendment 80 Program cost recovery fee

Calculating the ex-vessel value of the Amendment 80 Program fisheries

For purposes of calculating the fishery value, NMFS calculates a standard ex-vessel price (standard price) for the six species allocated under Amendment 80: BSAI rock sole, BSAI yellowfin sole, BSAI Pacific cod, BSAI flathead sole, AI Pacific ocean perch, and BSAI Atka mackerel.

NMFS calculates an annual standard price for BSAI yellowfin sole, BSAI flathead sole, AI Pacific ocean perch, and BSAI Atka mackerel based on volume and value information reported in the First Wholesale Volume and Value Report, which for 2023 included data from January 1 through October 31. For rock sole, NMFS calculates a standard price for two time periods—January 1 through March 31 and April 1 through October 31—also based on volume and value information reported in the First Wholesale Volume and Value Report.

For fisheries that are primarily harvested by catcher/processors, there is no reliable ex-vessel price generated from the sale of fish from a harvester to a processor. Therefore, NMFS estimates the ex-vessel price for those fishery species by using reported information on the first wholesale price from catcher/processors that harvest Amendment 80 species. The first wholesale price is

the market price of the primary processed fishery product. The estimated standard ex-vessel price is the value of processed products from catcher/processors divided by the retained round-weight (unprocessed weight) of catch and multiplied by a factor of 0.4 to correct for the value added to the fish product by processing.

NMFS calculates an annual standard price for Amendment 80 Pacific cod using volume and value data reported in the Pacific Cod Ex-Vessel Volume and Value Report, which includes data from January 1 through October 31.

Each landing made under the program is multiplied by the appropriate standard price to arrive at an ex-vessel value for each landing. These values are summed together to arrive at the total ex-vessel value of the Amendment 80 program fisheries (fishery value).

Calculating the costs of management and enforcement

Direct program costs are calculated by determining the incremental management costs of the Amendment 80 Program; that is, costs that would not have been incurred but for the Amendment 80 Program. These costs cover the management, data collection, and enforcement of the Amendment 80 Program by NMFS and ADF&G. The NMFS management units that incur direct program costs are: the Sustainable Fisheries Division (SFD), the Restricted Access Management Division (RAM), the Operations and Management Division (OMD), the Alaska Fisheries Science Center (AFSC), the Office of Law Enforcement (OLE), and the Information Systems Division (ISD). For the purposes of this report, OLE and AFSC costs are broken out separately and all other NMFS Alaska Region (AKR) management unit costs are aggregated.

Throughout the year, each management unit calculates their Amendment 80 Program incremental costs through an established, systematic accounting system that allows staff to track labor, travel, contracts, rent, procurement, and other costs. These costs are tracked for the Federal fiscal year (October 1 through September 30) and are broken out by distinct cost categories, including personnel/overhead, travel, transportation, printing, contracts/training, supplies, equipment, and rent/utilities. Table 2 displays the Amendment 80 direct program costs for 2023.

Cost recovery fees do not increase agency budgets or expenditures. They simply offset funds that would otherwise have been appropriated, except the ADF&G expenditures for which there is no direct appropriation. No budgetary advantage is gained by inflating direct program costs.

Examples of the types of tasks that are included under the 2023 Amendment 80 direct program costs are:

- Patrols, investigations, outreach, education, and compliance assistance (OLE),
- Inseason operations, observer sampling station inspections, and data quality control (AFSC),
- Economic Data Reports (EDRs) (AFSC, PSMFC),
- Inseason management of sideboards and non-sideboards (NMFS AKR),
- Reallocation of incidental catch allowance to directed fisheries (NMFS AKR),
- At-sea scale and video equipment inspections (NMFS AKR),
- Operation of the cost recovery program (NMFS AKR),
- Application development and maintenance (NMFS AKR), and
- Maintenance of eLandings and the catch accounting system (NMFS AKR, ADF&G).

Calculating the annual fee percentage

NMFS computes the annual fee percentage by multiplying the direct program costs (DPC) by 100 and dividing the result by the total ex-vessel value (V) of Amendment 80 landings for each year. The annual fee percentage expressed as a formula is:

$$[100 \times (\text{DPC})/\text{V}]$$

The annual fee percentage is published in the **Federal Register** by December 1 and is applied to all landings of Amendment 80 species that occurred that year. NMFS provides a summary of fee liabilities to all Amendment 80 cooperatives by December 1. The summary explains the cost recovery fee determination for each cooperative, including the current fee percentage, details of pounds debited from Amendment 80 species allocations by permit and date, and the standard prices for the landings.

Calculating the 2023 fee

The 2023 fee percentage for the Amendment 80 Program is **1.37 percent**. Table 1 shows the fee percentage computation.

Table 1. Detail of formula for calculating the 2023 fee percentage.

Factor	Value	Activity
Direct Program Cost (DPC)	\$ 1,361,951	divided by
Total Fishery Value (V)	\$ 99,604,629	multiply by 100
=	1.37	yields
<i>Fee percentage for 2023 Amendment 80 Program = 1.37 percent</i>		

Payment of cost recovery fees

NMFS sends fee statements to cooperatives based on their reported landings for the most recent fishing year for all Amendment 80 Program species and value, as computed for fee collection purposes. The cooperative is responsible for submitting payment to NMFS on or before December 31 of the year in which landings are made. Fees must be paid electronically.

If a cooperative fails to pay on time, OMD will issue an Initial Administrative Determination to which the cooperative must respond within 30 days. If an account is unpaid for 30 days after the due date, administrative fees, interest, and penalties start to accrue. NMFS may take action against the Amendment 80 cooperative's quota allocations and assess additional monetary charges, fines, or permit sanctions. If after 120 days the fee remains unpaid, the unpaid balance is forwarded to the U.S. Department of the Treasury for collection.

Details on Cost Categories

Direct program costs increased 37.2 percent in FY 2023 compared to FY 2022 for the Amendment 80 Program. Table 2 displays costs attributed to each management unit. Table 3 compares direct costs from FY 2021 through FY 2023. Costs were higher and the fishery value was lower in FY 2023 compared to FY 2022. These two factors resulted in the fee percentage increasing from 0.87 to 1.37 percent.

OLE costs increased by 94% from FY 2022 through FY 2023. ‘Personnel’ is the largest cost category for this division, and costs increased substantially due to filling FTE vacancies in Dutch Harbor that engage in A80 enforcement. These costs are substantial due to the number of program participants, the diversity of fishery species for this program, and compliance risk for prohibited species bycatch sampling. Additionally, enforcement officers engage in enforcing fines, investigations, and outreach. Rent and utilities additionally increased due to an updated incremental cost breakdown meant to more accurately reflect actual costs.

AFSC costs increased slightly between FY 2022 and FY 2023. Costs were primarily attributed to personnel and for fisheries management of the program. Personnel costs account for monitoring, inseason operations, debriefing and quality control, gear inventory and deployment, and training and curriculum development for the observer program. While personnel, contract and equipment costs decreased, there were increased costs for travel, training and supplies resulting in a very slight increase in overall costs.

NMFS AKR costs increased between FY 2022 and FY 2023. Personnel costs increased due to workloads, the ongoing development and improvement of applications, and data flow specific to this program. This cost was partially offset by a decrease in contract costs. Costs were also attributed to eLandings and eLogbook support, maintenance of the Catch Accounting System, and scale and video inspections. Costs for eLandings maintenance tasks were apportioned based on a formula that includes weighting factors for the degree of complexity, amount of integration, time sensitivity, and workload. These are then used to calculate the proportion of eLandings tasks that can be attributed to each program sector. Additionally, there are NMFS personnel costs for at-sea scale inspections and general program administration.

PSMFC costs also increased sharply between FY 2022 and FY 2023. Staff time was increased due to increased staff time spent on EDRs, updates for a web form, customer service calls, and continued maintenance of the database. ADF&G costs increased in FY 2023 due to filling FY 2022’s staff vacancies. Similar to previous years, costs were attributed to eLandings program management and information technology.

Table 2. Fiscal Year 2023 direct program costs for the Amendment 80 Program.

Cost Category	NMFS AKR	ADF&G	PSMFC	AKFSC	OLE	Total
Personnel Costs ^a	\$106,539	\$8,945	\$111,957	\$288,907	\$493,867	\$1,010,216
Travel ^b	\$5,160	-	-	\$8,737	-	\$13,897
Transportation ^c	-	-	-	-	-	-
Printing	-	-	-	\$11,000	-	\$11,000
Contracts/Training	\$134,533	\$1,312	\$6,198	\$62,983	\$31,086	\$236,133
Supplies	\$40	-	\$61	\$6,977	-	\$7,078
Equipment	-	-	-	\$1,870	-	\$1,870
Rent/Utilities ^d	\$15,591	-	\$1,497	-	\$64,497	\$81,584
Other ^e	-	-	\$192	-	-	\$192
Total	\$261,863	\$10,258	\$119,906	\$ 373,682	\$380,474	\$1,361,951

^a *Personnel costs* includes locality pay, benefits, and overhead.
^b *Travel* includes per diem payments.
^c *Transportation* includes shipment of items.
^d *Rent/Utilities* includes costs of space and utilities and shared common space and services.
^e *Other* includes costs for grants & other/misc category costs.

Table 3. Comparison of Direct Costs for the Amendment 80 Program

Cost Category	FY 2021	FY 2022	FY 2023
Personnel/Overhead	\$ 840,785	\$ 726,241	\$ 1,010,216
Travel	\$ 1,460	\$ 1,086	\$ 13,897
Transportation	-	-	-
Printing	-	\$ 9,900	\$ 11,000
Contracts/Training	\$ 117,322	\$ 187,640	\$ 236,133
Supplies	\$ 113	\$ 2,141	\$ 7,078
Equipment	\$ 350	\$ 4,400	\$ 1,870
Rent/Utilities	\$ 61,545	\$ 61,197	\$ 81,584
Other	\$ 72,569	\$ 329	\$ 192
Total Direct Costs	\$ 1,094,144	\$ 992,935	\$ 1,361,951
Fishery Value	\$ 76,254,313	\$ 113,604,377	\$ 99,604,629
Fee Percentage	1.43	0.87	1.37