

RIR for Hagfish Collection of Information

A description of the management objectives

This collection of information for the hagfish fishery is being proposed under the provisions of section 402(a) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), which allows for the collection of information on a fishery prior to its regulation under a Fishery Management Plan (FMP). A request for an information collection on Atlantic hagfish was received by the New England Fishery Management Council (Council) and was accepted by NOAA Fisheries Service as being necessary and warranted on October 3, 2006. This information collection fulfills the requirements under section 402(a) of the Magnuson-Stevens Act and will continue at least until the FMP is approved and is implemented.

The information collection will begin to capture dealer/processor information to gain a better understanding of this fishery and its operations at the vessel and dealer level. The collection of purchase reports through the dealer permit requirement will allow NOAA Fisheries Service to verify landings reported in Vessel Trip Reports (VTRs), for those vessels that have VTR requirements, and for those that do not, the dealers would be required to report vessel identifiers. It is unlikely that additional dealers will join the fishery, because the fishery is driven by a narrowly focused export market (South Korea only), which is currently in equilibrium with supply. However, this hagfish-specific dealer permit would enable NOAA Fisheries Service to track any new developments in this fishery (new vessel and/or dealer entrants).

Observer coverage would also be a requirement for vessel owners/operators who intend fish for, catch, and/or land hagfish taken from the Exclusive Economic Zone if selected to carry an observer. Observer coverage is necessary because of the high discard rates that have been reported to occur in the hagfish fishery (i.e., approximately 25% of the catch) and the fishery's characteristic behavior, which has reportedly led to localized depletion of hagfish in inshore areas. Observer coverage would also be important because the hagfish fishery is included in the Category II listing for Mixed Pot/Trap Fisheries as per the 2005 List of Fisheries under the Marine Mammal Protection Act. Category II fisheries are those commercial fisheries determined by the Assistant Administrator to have occasional incidental mortality and serious injury of marine mammals. Therefore, understanding and quantifying the likelihood of marine mammal and sea turtle entanglements that may occur in hagfish gear in the areas fished is a necessary and integral part of the hagfish collection of information program. This information collection should enable the Council and NOAA Fisheries Service to manage the hagfish fishery through the development of a Hagfish FMP. The data collected through the hagfish information collection will enable analyses to be conducted in the development of an FMP.

A description of the fishery

The Atlantic hagfish fishery is an unregulated fishery that relies on revenues from the export of whole frozen hagfish product overseas, primarily to South Korea. In recent years, this fishery, which is being prosecuted off the coast of Gloucester, MA, has

changed from an inshore fishery, comprised of small vessels, to an offshore fishery conducted by large vessels. Information recently collected regarding the fishery and its operations indicates that the information collection program would affect a limited number of dealers (two dealers) and vessels (five vessel participants). Since there is currently no management program for this fishery, and consequently no permitting or reporting requirements, there is considerable uncertainty regarding the actual level of hagfish landings. Moreover, the level of discards and discard mortality of hagfish culled at sea subsequent to rejection by a dealer is unknown. Therefore, these data are critical to the development of a Hagfish FMP. In addition, hagfish have been collected in limited numbers throughout the 40 years of the Northeast Fisheries Science Center (NEFSC) groundfish trawl survey. These NEFSC surveys provide the best available stock abundance information, but none of the surveys cover the entire range of hagfish habitat, which extends from depths of 25 m to greater than 1,000 m.

A statement of the problem

The permit and reporting requirements to be implemented through the hagfish information collection program are intended to improve upon the quality and quantity of information currently available on hagfish fishing operations. Specifically, the information provided by hagfish information collection program participants would help NOAA Fisheries Service and the Council tailor future hagfish management measures to reflect the unique aspects of this fishery and its interaction with other federally managed fisheries. Without this information, management measures may not capture accurately the geographic and seasonal aspects of this fishery, which help to characterize its demand in overseas markets, and ensure that it may be sustained in future years. Increased knowledge of this fishery may also help managers and scientists understand the factors that contribute to this species' localized depletion. Localized depletion, if left to continue, may lead to negative economic impacts, as well overall depletion of the species.

The collection of data is required to develop initial management strategies, which should lead to net benefits for vessels, dealers, processors, food and fuel suppliers and other support firms of the industry.

A description of each selected alternative, including the “no action” alternative

Alternative 1: Proposed alternative

Observer coverage requirement

Under the Atlantic hagfish information collection program, any vessel that intends to fish for hagfish in the Federal Exclusive Economic Zone would be required to take an observer when requested to do so. Hagfish vessel owners would be required to call to the Northeast Observer Program to facilitate deployment of observers on their vessels. These requests will be made at the discretion of the Observer Program for the purpose of monitoring fishing activities, collection of data, and compliance with information collection program requirements. Observer coverage is necessary because of the high discard rates (culling) that have been reported to occur in the hagfish fishery at-sea. Observer coverage funding has been sought through a proposal to the National Observer Program Advisory Team.

Dealer/Processor permit and reporting requirements

Dealers that want to purchase/sell hagfish caught in Federal waters must have a hagfish-specific Federal dealer permit. The dealer permit requirement ensures complete reporting from hagfish dealers. Reports furnished by permitted dealers provide important information on the volume, value, and the disposition of the catch, at the point of first purchase. There are two dealers known to be active in the fishery who would be required to report their purchases of hagfish. These dealers would also be required to submit annual shoreside processor reports, consistent with the requirements for other Northeast fisheries.

Alternative 2: Dealer reporting alone; no observer coverage requirement

This alternative would include the requirement for dealers to obtain Federal dealer permits to purchase hagfish and to report their hagfish purchases. It would not include the requirement for observer coverage on board participating vessels. This alternative may be necessary in the event that funding for observer coverage cannot be obtained, as it would not be feasible for vessels to fund observer coverage.

Alternative 3: No Action

This alternative would continue the status quo; i.e., no collection of information program on hagfish would be in place. The Council has decided to prioritize the management of hagfish and to begin development of an FMP in 2007. This data collection program is necessary to support the Council's development of an FMP for this fishery.

An economic analysis of the expected effects of each selected alternative relative to the baseline

Alternative 1 relative to the baseline

One of the two currently participating hagfish dealers already holds a Federal dealer permit and submits weekly dealer reports, including information on hagfish landings (voluntarily) through the electronic dealer system (SAFIS). The cost to the two dealers to obtain a dealer permit to purchase hagfish is estimated at \$0.39 per submission for the postage to mail the application. Postage fees for the annual processor reports are covered as postage-paid envelopes will be included when the forms are mailed. Start-up costs for hagfish dealers that will be reporting through the information collection program on hagfish are estimated to be \$116 per year over a 5-year period (assuming the dealer doesn't already possess a computer and monitor). In addition, the operating costs associated with dealer reporting through SAFIS—if the dealer doesn't already access the internet for other reasons and/or reporting requirements, are estimated at an average annual cost for Internet access (through either dial up or cable modem) of \$652. Therefore, the total cost to dealers that participate in the information collection program would be \$768. Costs to the Government from monitoring and enforcing new dealer reporting requirements would be minimal. Existing logbooks, hardware, and software will be sufficient to record, store, and analyze new data from the hagfish fishery.

This alternative anticipates NMFS-funded observer coverage; therefore under this alternative there would be no cost to the vessel owner/operator in terms of fulfilling the observer coverage requirements, other than the minimal costs of calling to arrange for deployment of observers and providing space for observers on board vessels.

The information requested would be used by several offices of NOAA Fisheries Service and the Council in its development of a Hagfish FMP. The direct economic benefits of managing the hagfish fishery would be realized in the growth and sustainability of consumer and producer surpluses. In addition to direct benefits, indirect benefits would accrue to wharf operators, stevedores, food and fuel suppliers, retailers, and other economic units in the communities and region where the hagfish fishery is located. Economic data such as that proposed for collection through the hagfish information collection program will be used to provide descriptive and behavioral information on the fishery and to provide estimates of the value of this important export fishery. Based on the estimated costs associated with this alternative, the benefits are expected to outweigh the costs.

Alternative 2 relative to the baseline

The annual cost of complying with the information collection requirements would be the same as under alternative 1 (minimal costs). The hagfish observer data collection activities are intended to improve overall data quality and quantity on the hagfish fishery, with a particular focus on fishing operations and bycatch rates. The observer data would allow for the development of management decisions to ensure a sustainable fishery; one that can rebound from the localized depletion that has been documented¹ in this fishery's recent past. Understanding and quantifying the likelihood of marine mammal and sea turtle entanglements that may occur in hagfish gear in the areas fished is also an important program objective. There have been two large whale entanglements documented in the hagfish fishery.

SIGNIFICANCE UNDER E.O. 12866

E.O. 12866 requires a review of proposed regulations to determine whether or not the expected effects would be significant. The proposed action does not constitute a significant regulatory action for the purposes of E.O. 12866 as follows:

- This action is not expected to have an annual affect of \$100 million or more, or to affect in a material way the economy, a sector of the economy, productivity, jobs, the environment, public health or safety, or state, local, or tribal governments or communities. The fishery as a whole produced ex-vessel revenues in 2005

¹ Northeast Fisheries Science Center Reference Document 03-16. 37th Northeast Regional Stock Assessment Workshop (37th SAW) Stock Assessment Review Committee (SARC) Consensus Summary of Assessments: A report by the Atlantic Hagfish Working Group for the New England Fishery Management Council May 30, 2003, 88 p.

<http://www.nefsc.noaa.gov/nefsc/publications/crd/crd0316/index.htm>

totaling \$642,000 (\$0.30 - 0.40 per lb in revenues per boat) and the fishery is expected to yield ex-vessel revenues less than that in 2006—one of the dealers that reported landings in 2005 subsequently left the industry;

- This action would not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- This action would not materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or
- Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order. All of the Northeast FMPs have mandatory reporting and recordkeeping requirements under 50 CFR 648 regulations. These are long-established methods upon which fishery manager's base management decisions.