UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
National Marine Fisheries Service
P.O. Box 21668
Juneau, AK 99802-1668

May 1, 2025

MEMORANDUM FOR: Organizations submitting incremental costs under cost recovery

FROM: Jonathan M. Kurland
Regional Administrator

SUBJECT: 2025 Cost recovery process improvements

I am informing you of improvements to the 2025 cost recovery processes and notifying you of expectations for more information when submitting incremental costs in order to address North Pacific Fishery Management Council (Council) recommendations to ensure costs are minimized and to improve future cost recovery reports.

In February, 2024, the Council received a consolidated letter from industry groups asking for more transparency in cost recovery processes and the methods for determining incremental costs. We held meetings with Limited Access Privilege (LAP) and Community Development Quota (CDQ) program participants throughout 2024 and presented at the April 2025 Council meeting a consolidated 2024 Cost Recovery Report. The consolidated cost recovery report improved transparency in cost recovery processes and the Council made several recommendations for additional improvements to the cost recovery process.

The Council requested that NMFS Alaska Region provide additional guidance to partners that track and submit incremental costs under cost recovery. Incremental costs refer only to the costs that are incurred because a LAP program or the CDQ Program has been implemented. We've enclosed the NMFS Alaska Region's updated internal guidance for tracking incremental costs under cost recovery. This guidance is based on NOAA's established policy guidance to define the methods for determining costs and implementing cost recovery fee programs for LAP programs (November 2007, NOAA Technical Memorandum NMFS-F/SPO-86), further clarified in the NMFS Catch Share Policy (January 2017). We updated this guidance based on the Council's April 2025 motion (enclosed). Please read these documents and develop internal guidance for staff within your own organization to ensure that incremental costs your organization claims are compliant with cost recovery policies. As part of this process, each organization claiming cost recovery funds will have additional annual reporting responsibilities.

The Council motion and the updated NMFS Alaska Region guidance emphasize minimizing costs for the regulated public. Each organization claiming cost recovery funds is responsible for documenting efforts to minimize costs and describing cost savings for each cost recovery program and submitting this information to the NMFS Alaska Region for our annual reporting to the Council and public.

The largest incremental cost category is personnel. To meet the need for increased transparency and based on Council recommendations, we request that you describe personnel costs, including number of personnel, hours worked, and descriptions of LAP program specific tasks completed as an incremental cost. If you use a calculation to estimate staff time, please provide how you determine these costs and the annual review processes you do to ensure these costs are incremental (i.e., directly attributable to the advent of the LAP or CDQ program).

The Council also recommended that NMFS cease charging travel, rent, lease, and utility costs that are not incremental costs associated with a LAP program. For enhanced transparency, if you request incremental costs in these categories, please provide detailed descriptions of the costs and why they comply with NMFS policies on cost recovery.

Please submit this additional written information with your Cost Recovery Statement of Assurance form by the date identified for each cost recovery program listed in Table 5 the NMFS Alaska Region guidance. We will review the information you submit to ensure the costs are incremental and efforts have been made to minimize costs. We will provide this information to the Council and public in the annual Cost Recovery Report.

In the coming weeks my staff will be in touch with your organization to schedule a time to review with you the cost recovery process and applicable guidelines, and to answer your questions about the heightened expectations for transparency and substantiating costs. If you have questions about this please contact Josh Keaton at josh.keaton@noaa.gov.

Enclosed:

- Alaska Region Guidance Document on Tracking Incremental Costs for Cost Recovery Fee Collection
- Council's April 2025 motion

NMFS Alaska Region Guidance

Tracking Incremental Costs for Cost Recovery Fee Collection

May 2025

Background

Section 304(d)(2) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) authorizes and requires NMFS "to recover the actual costs directly related to the management, data collection, and enforcement" of any Limited Access Privilege (LAP) program and the Western Alaska Community Development Quota (CDQ) Program. The Magnuson-Stevens Act defines the fisheries that meet the definition of a LAP and the CDQ Program, and describes the methods required to assess and collect fees for LAP and CDQ Programs. The Magnuson-Stevens Act also limits the maximum amount of annual cost recovery fees to no more than 3% of the ex-vessel value of fish harvested under a LAP or the CDQ Program.

The U.S. Government Accountability Office (GAO) examined cost recovery fee programs in 2005 (March 2005, GAO Report to Congressional Requesters GAO-05-24). This report recommended that NOAA establish cost recovery fee programs as required and authorized by section 304(d)(2) of the Magnuson-Stevens Act for all management programs to which they would apply; and that NOAA should develop guidance as to which costs are to be recovered and, when actual information is unavailable, how to estimate the costs.

In response to the GAO report, NOAA established policy guidance to define the methods for determining costs and implementing cost recovery fee programs for LAP programs (November 2007, NOAA Technical Memorandum NMFS-F/SPO-86). NOAA further clarified this policy guidance in the NMFS Catch Share Policy (January 2017).

NOAA policy clarifies that cost recovery fees are collected to recover "incremental costs" of LAP Program and CDQ Program management.

This document describes procedures for tracking incremental costs for LAP and CDQ programs specific to Federal fisheries in Alaska.

What Are Incremental Costs?

According to the NOAA Catch Share Policy, NOAA may compute and recover from participants only the incremental operating costs associated with LAP and CDQ programs. **The relevant costs to recover are the incremental costs, i.e., those costs that would not have been incurred but for the limited access privilege program**, since cost recovery is not authorized for non-LAP program fisheries. Measuring these costs involves a "with and without" comparison of the cost of running the management program for

the specified fishery under the non-LAP program regime, relative to the costs attributable to implementing the LAP program.

Incremental costs refer only to the costs that are added because of the implementation of a LAP program or the CDQ Program. For example, a fishery stock assessment would be required whether or not a LAP program or CDQ Program existed. If specific permits, monitoring provisions, catch accounting provisions, or enforcement requirements are needed to manage, collect data, or enforce a LAP program or CDQ Program, it would be appropriate to recover fees to cover those costs. Costs incurred prior to the implementation of a cost recovery program are not recoverable (i.e. any activities prior to the publishing of the final rule to implement the program).

Organizations must provide an explanation describing how the organization determines what is or is not an incremental cost and document efforts to minimize costs and describe cost savings for each cost recovery program.

Who Should Track Costs?

Employees of NMFS Alaska Region: Restricted Access Management (RAM) Program, Sustainable Fisheries (SF) Division, Information Services Division (ISD), and Operations Management Division (OMD); Headquarters Financial Services Division (FSD); Office of Law Enforcement (OLE) Alaska Division (AKD); Alaska Fisheries Science Center: Fisheries Monitoring and Analysis (FMA) Division, and Resource Ecology and Fisheries Management (REFM) Division, may incur costs subject to cost recovery fees. Additionally, employees of the Alaska Department of Fish and Game (ADFG), the International Pacific Halibut Commission (IPHC), and Pacific States Marine Fisheries Commission (PSMFC) may incur incremental costs related to some of these fishery management programs that may be recovered. Table 3 lists the organizations that may have incremental costs eligible for recovery by the LAP or CDQ program.

North Pacific Fishery Management Council staff and NOAA General Counsel are not eligible to recover costs through this fee program.

Minimize Costs for the Regulated Public

In addition to ensuring that only incremental costs are billed to cost recovery, each organization must minimize their costs for the regulated public. Each organization will submit documentation on its efforts to minimize costs and describe cost savings to NMFS in the Cost Recovery Statement of Assurance. NMFS will include this information in the annual cost recovery report.

Fishery Management Programs Subject to Cost Recovery Fees

NMFS has cost recovery programs for seven LAP Programs and the CDQ Program. NMFS established cost recovery programs for each program at different times. We had three cost recovery programs implemented prior to 2016, four implemented in 2016, and our newest one in 2023. These programs are listed below with the implementation dates for the cost recovery programs noted in parentheses.

1. Halibut and Sablefish Individual Fishing Quota Program (2000)

2. Crab Rationalization Program (2005)
3. Rockfish Program (2012)
4. American Fisheries Act (Bering Sea pollock)—General (2016)
    a. AFA Mothership
    b. AFA Catcher Vessel
    c. AFA Catcher/Processor
5. Amendment 80 sector (BSAI non-pollock trawl catcher/processors) (2016)
6. Community Development Quota (CDQ) (CDQ crab cost recovery already in place) (2016)
7. Aleutian Islands pollock (2016)
8. Pacific Cod Trawl Cooperative (PCTC) Program (2023)

In January 2016, NMFS published a final rule to implement cost recovery programs for four LAP programs: the Aleutian Islands Pollock Fishery, the American Fisheries Act (Bering Sea pollock fishery), the Amendment 80 Program (non-pollock Bering Sea and Aleutian Islands catcher/processors), and the CDQ Program. The final rule became effective on February 4, 2016 and the Alaska Region began tracking costs and recovering fees for these fishery management programs. The AFA Bering Sea Pollock program is subdivided into four codes, one for incremental costs that apply to the AFA Bering Sea pollock fishery in general, and one for each of the three sectors: motherships, catcher vessels, and catcher/processors.

Due to court decisions, the AFA mothership sector and AFA catcher/processor sector are no longer billed annual AFA cost recovery fees (*Mothership Fleet Cooperative, et al., v. Ross et al* and *CP Salmon Corporation, et al. v Wilbur Ross, et al.*). Currently, only the AFA catcher vessel (inshore) sector cooperatives are responsible for paying AFA cost recovery fees.

In August 2023, NMFS published a final rule to implement a cost recovery program for the Pacific Cod Trawl Cooperative Program. The final rule became effective on September 7, 2023 and we began tracking costs and recovering fees for these fishery management programs on October 8, 2023. This start date was chosen as it is the first full pay period of the new fiscal year. The cost recovery programs are outlined in Table 1 of this document.

How Does Cost Recovery Work?

NMFS has established specific annual periods for tracking the incremental costs related to each of these cost recovery programs. These annual periods vary depending on the specific fishing patterns in the fisheries and other administrative requirements. In some fisheries, NMFS also requires specific industry participants to provide data on the volume and value (volume and value reports) of the fisheries so that NMFS has current ex-vessel value information to estimate total value at the end of the year. NMFS also establishes annual dates when the cost amounts are published in the Federal Register along with the applicable fee percentage for a year, and any information that fishery participants will need in order to pay their fee. The annual periods for collecting program costs, volume and value reporting deadlines, publication dates of the annual fee percentage, and billing due dates are described in Table 4 of this document. Additional information on each of the cost recovery programs, the specific fisheries subject to

cost recovery, and payment requirements is provided on the Alaska Region website.

Staff with incremental costs track those costs throughout the appropriate time period described in Table 4. For most cost recovery programs, the tracking period is the fiscal year, from October through September.

For most cost recovery programs, NMFS determines standard ex-vessel values for each fishery and publishes a notice of those standard ex-vessel prices in late fall (See Table 4). NMFS Operations Management Division (OMD) will send out notices of fee liabilities after the standard ex-vessel price notice has been published (by December 1 each year for most programs), and the fees will be due approximately one month after the fee liability notices are sent by NMFS. Please see Table 4 for specific dates for each cost recovery program.

Collected fees are then used to reimburse organizations for the costs they incurred in the previous fiscal year. The amount of fees collected may not exceed 3% of the ex-vessel value of the fishery. If incremental costs exceed 3% of the ex-vessel value, they will be reimbursed proportionally. For example, if NMFS recovers fees to cover 50% of the costs incurred for a fishery, each organization that tracked and submitted incremental costs will be reimbursed for 50% of their program's costs. All organizations are required to spend the recovered funds for management activities directly related to the specific program from which the funds were collected.

Recoverable Costs

Categories of incremental costs that may be eligible for cost recovery include, but are not limited to, the following:

1. **Labor (Salary/Benefits)**
    - Track in 15 minute increments on timesheet (see Figure 1)
2. **Travel**
    - Note % and cost recovery program on AKR Employee Travel Request Form (see Figure 2)
3. **Training**
    - Note task code on training request form
4. **Purchases – services/equipment/supplies/software**
    - Inform Administrative Assistant and/or Cardholder when preparing the purchase request
5. **Transportation**
6. **Rent/utilities**
7. **Printing**

Only those costs that are incremental to the management of the LAP or CDQ program should be submitted for cost recovery. Specific tasks or activities that may be subject to cost recovery are listed in Table 2.

For enhanced transparency, if incremental costs are requested for travel, rent, lease and utility costs, each agency must submit to NMFS detailed descriptions of what these costs are and why the costs in these

categories are incremental and compliant with NMFS policies on cost recovery.

How Do I Track Personnel Costs?

The largest incremental cost category is personnel. Track personnel costs by a number of personnel, hours worked, and descriptions of LAP program specific tasks completed as an incremental cost. Staff with job duties that are considered incremental costs and involve multiple cost recovery programs such as eLandings can seek alternative calculation through an annually approved equation by the supervisor and OMD. If you use a calculation to estimate staff time, please provide how you determine these costs and the annual review processes you do to ensure these costs are incremental (i.e., directly attributable to the advent of the LAP or CDQ program).

Program Managers should advise their employees how to track their costs consistently.

- **When in doubt, consult your supervisor!** It is important that within workgroups, employees are tracking their time in a consistent fashion.
- AKR timesheet (Figure 1) and travel request (Figure 2) forms reflect codes for each cost recovery program.
- Employees should track their hours to the nearest 15 minutes.
- Employees specify in the Notes section of their timesheets the specific project that they were working on relative to the cost recovery program.
- For Program Managers to provide their end of year reports, they should explain any changes from year to year, especially when large increases in costs occur, and provide logical rationale for how their program's costs were tracked and estimated.

Best Practices: Note the topics you work on during a pay period in the "Actions/Remarks" section of your T&A Workbook to help your supervisor keep track of specific issues you have worked on.

Cost Recovery Statement of Assurance

Each organization must submit to NMFS a Cost Recovery Statement of Assurance form by the due date in Table 5 (see attached Cost Recovery Statement of Assurance). Organizations must ensure all costs submitted for reimbursement meet the following two part eligibility test:

- Costs are directly related to and in support of: fishery management, data collection and analyses, or enforcement.
- Costs are incremental operating costs only, i.e. those costs that would not have been incurred but for the Limited Access Privilege Program (LAPP). Incremental costs are based solely on the "with or without" test that compares the cost of managing the specified fishery without the LAPP relative to the cost of managing the fishery under the LAPP. Management costs arising after the establishment of a LAPP are insufficient to establish eligibility (i.e. a "before and after" test).

Costs which satisfy the above two part eligibility test shall be individually recorded at the transaction-level or using a preidentified and acceptable accounting methodology and should be rolled up into specified categories.

For each category of cost billed to cost recovery in the form, organizations must provide an explanation of why they are charging the cost and how it meets the eligibility test. More detailed explanations will be required for the cost categories of Personnel, Rent/Utilities, and Travel. Specifically:

- describe personnel costs by type of position and location, hours worked and descriptions of LAP program specific tasks completed as an incremental cost. If a calculation is used to estimate staff time, provide how the costs are determined and the annual review processes you do to ensure these costs are incremental; and
- describe all travel, rent, lease and utility costs and how they are incremental costs associated with a LAP program.

The Cost Recovery Statement of Assurance also requests organizations to explain how the organization determines what is or is not an incremental cost, describe how the organization is minimizing costs for the regulated public, and describe cost savings.

NMFS will provide these explanations in the Annual Cost Recovery Report.

Annual Cost Recovery Report

Each year, NMFS will provide an Annual Cost Recovery Report to the North Pacific Fishery Management Council in April. Each organization is responsible for providing supporting information to NMFS in their Cost Recovery Statement of Assurance form explaining how they minimized costs and estimated the incremental costs charged to cost recovery. NMFS posts the Annual Cost Recovery Report on the NMFS Alaska Region cost recovery webpage.

Example Scenarios

Scenario 1 (Sustainable Fisheries Division): Julie will be traveling to three rural Alaskan communities during a work week to conduct public meetings about recent changes to the CDQ Program. All of her time and travel expenses for that week, plus any time spent preparing for these meetings should be recorded under the CDQ Program code.

Scenario 2 (Observer Program): Under the open-access fishery, prior to implementation of the Amendment 80 LAP, the F/V *MarySue* was required to carry one observer. Under the Amendment 80 Program, the F/V *MarySue* is required to carry two observers. Costs associated with the debriefing and training of one observer would not be assessed or included in the fee liability calculation because that observer was required before the LAP was implemented. However, debriefing and training costs associated with the second observer required by the LAP program would be recoverable because those costs are a direct result of the implementation of the LAP program.

Scenario 3 (Information Services Division): Larry has spent 40 hours modifying the programming for eLandings, the application that is used to report Crab Rationalization, IFQ, and other landings that are not subject to cost recovery. Because the application is used for multiple fisheries, it is difficult to determine how much time should be attributed to each cost recovery program. ISD has developed a formula for tracking programming units that includes weighting factors for the degree of complexity, amount of

integration, time sensitivity, etc. for each of the fishery management programs. In this case, Larry would keep track of his total time working on eLandings and OMD/Budget would apply the formula to determine how to allocate his time among cost recovery and other programs.

Table 1. Fishery management programs to which cost recovery applies, and their associated NOAA accounting codes.

Fishery Management Program	Program Code	Project Codes	Task Codes (FY[1])
Amendment 80 BSAI Non-Pollock (A80)	14-02-06-01-0005	14021LFE80	FYP80
American Fisheries Act (BS pollock) —General (AFA)	14-02-06-01-0006	14021LFEAF	FYPAF
AFA Pollock—Catcher Vessel (CV/Inshore)	14-02-06-01-0006	14021LFEAF	FYPCV
AFA Pollock—Mothership (MS)			FYPMS[2]
AFA Pollock—Catcher/Processor (CP)			FYPCP[2]
Aleutian Islands Pollock (AIP)	14-02-06-01-0007	14021LFEAP	FYPAP
Crab Rationalization (CRAT)	14-02-06-01-0003	14021LFECB	FYPCB
Western Alaska Community Development Quota Program (CDQ)	14-02-06-01-0008	14021LFECD	FYPCD
Halibut/Sablefish (IFQ)	14-02-06-01-0002	14021LFEHS	FYPHS
Rockfish Program (RP)	14-02-06-01-0004	14021LFERF	FYPRF
Pacific Cod Trawl Cooperative (PCTC)	14-02-06-01-0018	14021LFEPC	FYPPC

[1]FY stands for the fiscal year in which the funds were appropriated. (ie: funds allotted in FY24 for A80 would use task code 24P80).

[2]Costs cannot be obligated to project code 14021LFEAF for the AFA Mothership and Catcher/Processor sectors; however, applicable costs can still be tracked by the task codes FYPMS and FYPCP respectively.

Table 2. Tasks or activities by NMFS division or section that may be eligible for cost recovery. An "X" indicates that a division or section could have a recoverable cost associated with this task or activity.

	AKR				OLE	AFSC		HQ
Tasks/Activities Required for all Programs	**RAM**	**SF**	**ISD**	**OMD**	**AKD**	**FMA**	**REFM**	**FSD**
At-sea scale inspections		X				X		
Video equipment inspections		X				X		
Observer sampling station inspections						X		
Observer training, debriefing, data management, and observer gear						X		
Data requests specific to program (including loan applications and review, assisting cooperatives to prepare applications, excluding FOIA requests)	X	X				X	X	X
Electronic reporting (landings, elog, etc.) support of servers, application development, training, user support, etc.		X	X			X	X	

Catch Accounting System (maintenance of systems that support catch share program tracking, updates to system for program changes).		X	X					
Analysis and rulemaking to modify FMP or program regulations	X	X	X	X	X		X	X
Annual cost recovery fee notice, calculation of standard prices		X	X	X				
Renewal of approval for information collections (every 3 years), review of forms and instructions	X	X		X			X	
Attend workshops hosted by NMFS on program issues or attend meetings at request of industry	X	X		X	X		X	
Attend Council meetings to participate in regulatory and policy discussions, provide reports, track issues specific to the program.	X	X			X		X	
Conduct outreach, inspections, boardings, investigations, and enforcement actions related to a specific program					X	X		X
Fee billing and support				X				

Table 3. Organizations that may have incremental costs eligible for recovery by LAP or CDQ program. (See Table 1 for fishery management program abbreviations.) Shaded rows designate agencies external to NOAA.

	Fishery Management Program							
Division/Agency	**A80**	**AFA[1]**	**AIP[2]**	**CRAT**	**CDQ**	**IFQ**	**RP**	**PCTC**
Financial Services Division (FSD)				X		X		
Fisheries Monitoring and Analysis Division (FMA)	X	X			X		X	X
Information Services Division (ISD)	X	X	X	X	X	X	X	X
Office for Law Enforcement (OLE)	X	X	X*	X	X	X	X*	X
Operations and Management Division (OMD)	X	X	X	X	X	X	X	X
Restricted Access Management (RAM)	X	X	X	X	X	X	X	X
Resource Ecology and Fisheries Management (REFM)	X	X		X				
Sustainable Fisheries Division (SF)	X	X	X	X	X	X	X	X
Alaska Department of Fish and Game (ADFG)	X	X	X	X	X	X	X	X
International Pacific Halibut Commission (IPHC)						X		
Pacific States Marine Fisheries Commission (PSMFC)	X	X		X				

[1]American Fisheries Act Bering Sea Pollock fishery management program is subdivided by sector: mothership, catcher vessel, and catcher processor.
[2]The Aleutian Islands pollock fishery does not occur every year. In years when it does not occur, fees won't be collected for this fishery
*Historically has not charged to fishery, however the potential to incur costs exists

Table 4: Overview due dates and reporting requirements for Alaska Region cost recovery programs

Fishery Management Program	Reporting Cycles when Costs are Assessed (i.e., Fiscal Year)	Volume and Value Reports Required	Who must submit volume and value reports?	When are volume and value reports due?	When are Fee Liability Statements Sent?	When are payments due?
Aleutian Islands (AI) pollock	Fiscal Year (October 1 through September 30)	N/A	N/A	N/A	December 1	December 31
Amendment 80 (A80) BSAI non-pollock	Fiscal Year (October 1 through September 30)	First Wholesale Volume and Value Report	Amendment 80 vessel owners	November 10	December 1	December 31
		Pacific cod Ex-vessel Volume and Value Report	BSAI shoreside processors and motherships	November 10		
American Fisheries Act (AFA BS pollock)	Fiscal Year (October 1 through September 30)	N/A	N/A	N/A	December 1	December 31
Crab Rationalization (CRAT)	Mid-April through Mid-April	Registered Crab Receiver Ex-vessel Volume and Value Report	Registered Crab Receivers	May 31	July 1	July 31
Halibut/Sablefish IFQ	Fiscal Year (October 1 through September 30)	IFQ Registered Buyer Ex-Vessel Volume and Value Report	IFQ Registered Buyers	October 15	January 1	January 31
Pacific Cod Trawl Cooperative (PCTC)	July through June	Pacific Cod Ex-vessel Volume and Value Report	BSAI shoreside processors and motherships	November 10	August 1	August 31
Rockfish Program (RP)	Fiscal Year (October 1 through September 30)	Rockfish Ex-Vessel Volume and Value Report	Central GOA shoreside processors	December 1	January 15	February 15
Western Alaska CDQ Program[1]	Fiscal Year (October 1 through September 30)	First Wholesale Volume and Value Report	Amendment 80 vessel owners (see Amendment 80)	November 10	December 1	December 31
		Pacific cod Ex- vessel Volume and Value Report	BSAI shoreside processors and motherships (see Amendment 80)	November 10		

[1] Note that CDQ payments for the CDQ crab are subject to cost recovery under the requirements applicable for Crab Rationalization. This category applies only for CDQ groundfish and halibut cost recovery.

Table 5. Cost Recovery Statement of Assurance due dates for Alaska Region cost recovery programs

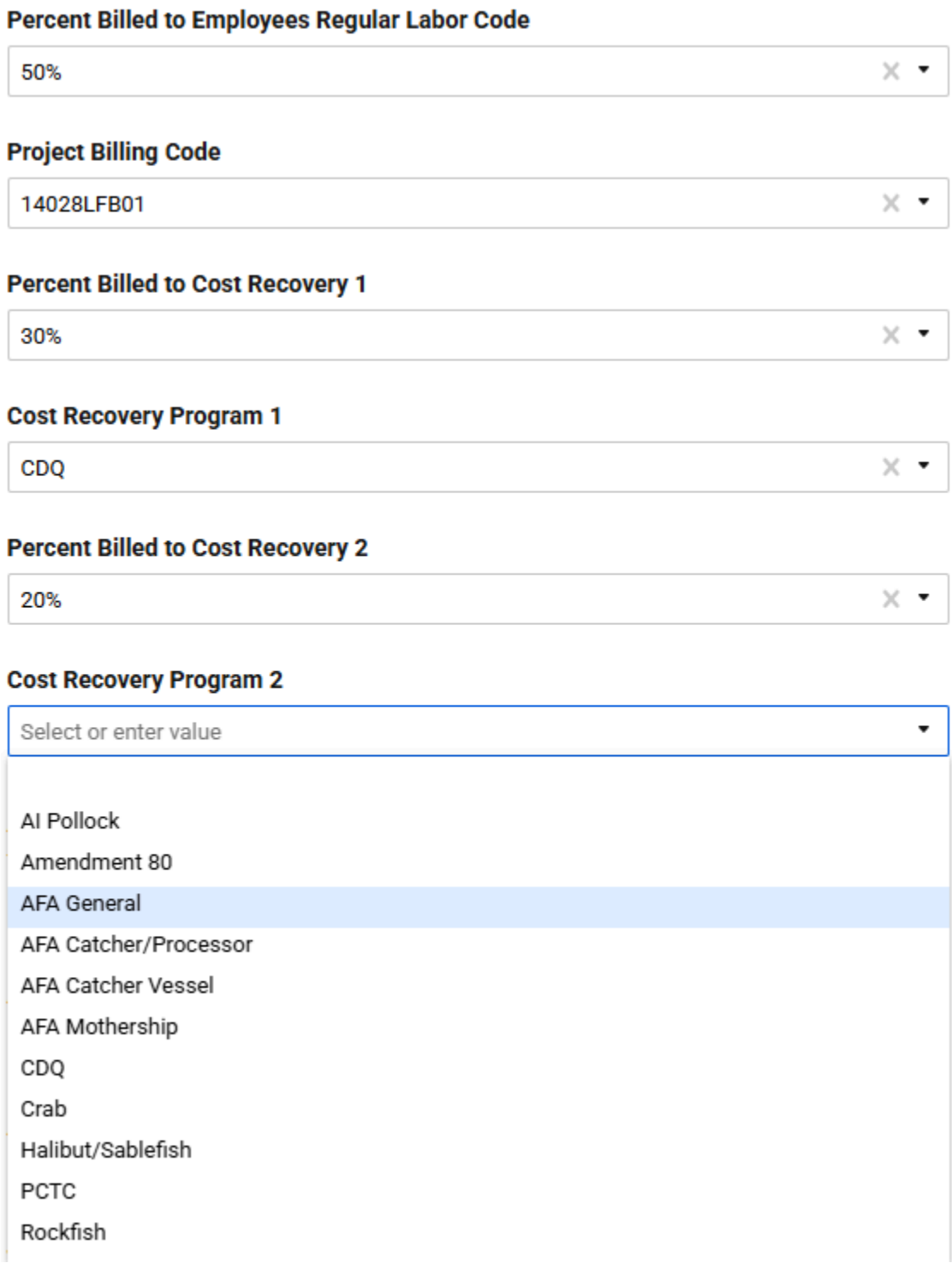
Fishery Management Program	Reporting Cycles when Costs are Assessed (i.e., Fiscal Year)	Agency Partners likely to submit incremental costs	NMFS sends out the Cost Recovery Statement of Assurance forms	When are Assurance forms due?
Aleutian Islands (AI) pollock	Fiscal Year (October 1 through September 30)	ADFG	Early October	November 1
Amendment 80 (A80) BSAI non-pollock	Fiscal Year (October 1 through September 30)	AFSC (FMA) AFSC (REFM) ADFG OLE PSFMC	Early October	November 1
American Fisheries Act (AFA BS pollock)	Fiscal Year (October 1 through September 30)	AFSC (FMA) AFSC (REFM) ADFG OLE PSFMC	Early October	November 1
Crab Rationalization (CRAT)	Mid-April through Mid-April	ADFG AFSC (REFM) FSD OLE PSFMC	Mid May	June 15
Halibut/Sablefish IFQ	Fiscal Year (October 1 through September 30)	ADFG FSD IPHC OLE	Early November	December 1
Pacific Cod Trawl Cooperative (PCTC)	July through June	AFSC (FMA) ADFG OLE	Early July	July 15
Rockfish Program (RP)	Fiscal Year (October 1 through September 30)	AFSC (FMA) AFSC (REFM) ADFG	Mid-November	December 15
Western AK CDQ Program	Fiscal Year (October 1 through September 30)	AFSC (FMA) ADFG OLE	Early October	November 1

Figure 1. Sample NMFS Alaska Region timesheet showing cost recovery hours.

Transaction	Account	Sun 2/9	Mon 2/10
NOTE Changes to the established work schedule must be approved in			
Time In / Time Out	Start Time:		8:00
	End Time:		4:30
Work Time			
Regular Base Pay	Regular		2.00
Regular Base Pay	AMENDMENT 80 (Cost Recovery)		2.00
Regular Base Pay	CDQ (Cost Recovery)		2.00
Regular Base Pay	AFA (Cost Recovery)		2.00
Regular Base Pay	Regular		
Regular Base Pay			
Regular Base Pay			
Regular Base Pay			
Regular Base Pay			
Regular Base Pay			
Regular Base Pay			
Regular Base Pay			
Regular Base Pay			
Regular Base Pay			
		00	8.00
Time In / Time Out			

Regular
AFA (Cost Recovery)
AFA CATCHER PROCESSOR (Cost Recovery)
AFA CATCHER VESSEL (Cost Recovery)
AFA MOTHERSHIP (Cost Recovery)
AI POLLOCK (Cost Recovery)
AMENDMENT 80 (Cost Recovery)
CDQ (Cost Recovery)
CRAB (Cost Recovery)
HALIBUT/SABLEFISH (Cost Recovery)
PCTC (Cost Recovery)
ROCKFISH (Cost Recovery)

Figure 2. Sample NMFS Alaska Region travel request form showing where to record percentages of travel to be billed to cost recovery programs. If additional codes need to be used it can be addressed in the "Traveler Notes/Comments" box.



Cost Recovery Statement of Assurance

Name of Program:

All costs submitted for reimbursement must meet the following two part eligibility test:

1. Costs are directly related to and in support of: fishery management, data collection and analyses, or enforcement.
2. Costs are incremental operating costs only, i.e. those costs that would not have been incurred but for the Limited Access Privilege (LAP) program. Incremental costs are based solely on the “with or without” test that compares the cost of managing the specified fishery without the LAP relative to the cost of managing the fishery under the LAP. Management costs arising after the establishment of a LAP are insufficient to establish eligibility (i.e. a “before and after” test).

Explain how your organization determines what is or is not an incremental cost.

Describe how your organization is minimizing their costs for the regulated public and describe any cost savings.

Record costs that satisfy the above two part eligibility test at the transaction-level, or use a preidentified and acceptable accounting methodology, and report rolled up costs into the categories in the table below. *For Travel, Rent and Utilities, provide detailed explanations and how they are incremental costs. *Attach additional documents if more space is needed.*

Cost Category	Cost $	Explain what the costs are for and how the costs are incremental
Personnel		
Benefits		
Overhead (if applicable)		
Travel*		
Transportation		
Printing		
Contracts		
Training		
Supplies		
Equipment		
Rent/Utilities*		
Other		
Total Reimbursable Amount Requested	0	

Personnel: Describe specific tasks completed by the type of position and how they are incremental costs. **Attach additional documents if more space is needed**

Type of position and location	Number of Personnel (FTE Equivalent)	Number of Hours	Description of tasks and how the tasks are incremental
Total	0	0	

I have reviewed the costs my organization submits to the National Marine Fisheries Service for this LAP cost recovery program. I verify that all costs meet the two part eligibility criteria and are supported by my organization's accounting records.

Name (Printed) _____

Signature _____

Date _____

Position Title _____

Contact Phone Number _____

Organization _____

Council Motion 1
D1 NMFS Annual Cost Recovery Report and Discussion Paper
April 6, 2025

The Council requests that the National Marine Fisheries Service (NMFS) further evaluate options for the cost recovery changes proposed in the discussion paper and look forward to NMFS initiating such a package for Council consideration in the future.

The Council recommends that NMFS and NOAA Office of Law Enforcement (OLE) cease charging travel, rent, lease, and utility costs that are not incremental costs associated with a LAPP. Further, the Council recommends NOAA OLE charge cost recovery programs only for investigations that are specifically required for enforcement of a limited access privilege program (LAPP) or community development quota (CDQ) Program compared to general investigations. These actions should occur immediately and are consistent with existing NOAA Policy Directives.

Further, the Council recommends that NMFS & NOAA OLE provide the following in future annual cost recovery reports:

- Provide additional guidance to entities tracking incremental costs under Cost Recovery programs on how costs should be tracked using “but/for” policies and procedures and share a copy in the report.
- Develop and share a clear policy that emphasizes minimizing costs for the regulated public.
- Document efforts to minimize costs and describe cost savings in all cost recovery programs.
- Provide greater clarity on how NMFS is able to administer cost recovery programs outside of Alaska with lower overall costs.
- Describe personnel costs by specific offices, categories, tasks, and hours similar to NMFS West Coast Region.
- List recent regulatory projects (2021-present) that met the criteria to use cost recovery fees.
- Describe the types of violations and enforcement actions requiring the imposition of cost recovery fees from 2021- present.
- Detail why compliance assistance is a recoverable cost when compliance assistance has been a long-standing feature of NOAA OLE activities.
- Provide additional data on NOAA OLE incremental costs under all cost recovery programs including: number of investigations (including a breakout of what portion of that investigation is LAPP related) and number of staff.