



Sea Scallop Individual Fishing Quota (IFQ) Cost Recovery Program

Introduction

This summary provides a broad overview of restrictions and requirements, and is not a substitute for the regulations. You are strongly encouraged to read the regulations in conjunction with this information sheet to fully understand how this fishery is managed. Regulations regarding the IFQ Cost Recovery Program are located at 50 CFR 648.53(h)(5). This information sheet will be updated when regulations are revised, and posted on NOAA's National Marine Fisheries Service (NMFS) scallop information webpage at: www.nero.noaa.gov/sfd/sfdscallop.html.

COST RECOVERY

The Magnuson-Stevens Fishery Conservation and Management Act requires IFQ programs to include a cost recovery program, whereby NMFS will collect up to 3% of ex-vessel value of landed product to cover NMFS's actual costs directly related to the management, data collection, and enforcement of an IFQ program. The owner of a vessel issued an IFQ scallop permit is responsible for paying this fee and IFQ scallop vessels incur a cost recovery fee obligation for every landing of IFQ scallops.

Each scallop fishing year (FY) runs from March - February (i.e., FY 2010 is March 1, 2010 – February 28, 2011). Cost recovery payments must be made before IFQ permits are issued for the next fishing year, so for FY 2010, the cost recovery fee will be calculated from Federal dealer reports of scallops landed between March 1, 2010, and September 30, 2010 for the initial year of the IFQ scallop program, and from October 1 through September 30 of each year thereafter.

On or about October 31, NMFS will mail a cost recovery bill to each IFQ scallop permit holder that has landed scallops. **Each permit holder who has incurred a fee must pay the incurred fee to NMFS by January 1 of each year.**

If the cost recovery fee for FY 2010 is not paid in full by January 1, 2011, the FY 2011 IFQ scallop permit will not be issued until full payment is made).

Cost recovery fees due by January 1, 2012, will be calculated from Federal dealer reports of IFQ scallops landed between October 1, 2010, and September 30, 2011. They will reflect NMFS costs associated with the program for the same period.

NMFS will determine the costs associated with the IFQ program for the cost recovery period, but it may not exceed 3% of the value of IFQ scallops landed. The example below assumes that the entire IFQ allocation is landed, and that the full 3% fee is assessed for FY 2010:

Vessel landing = 10,000 lb
Scallop price = \$ 7.30
Stock to vessel = \$ 73,000.00
Cost recovery fee = 3%
Cost recovery bill = \$73,000 X 0.03 = \$2,190

Payments must be made electronically through the Federal web portal, www.pay.gov. Instructions for electronic payment will be made available on both the payment website and the bill mailed to permit holders each year. If it has been determined that electronic payment is not possible (for example, if a specific geographical area is affected by catastrophic conditions), payment by check may be authorized by NMFS on a case-by-case basis.

If the cost recovery fee for a fishing year has not been fully paid by the end of the next fishing year, the IFQ scallop permit will be considered voluntarily abandoned and may not be reissued in the future. For example, a vessel whose recovery fee for FY 2010 is not been fully paid by end of FY 2011 (February 28, 2012), NMFS will consider the IFQ scallop permit voluntarily abandoned and

may not be reissued in the future. In addition, NMFS will refer the matter to the U.S. Department of the Treasury for purposes of collection.

Complete cost recovery payments and dispute resolution instructions will be included in the cost recovery bill.