



Fish News

Oct. 7, 2010

Advisory Panel Presents Recommendations on Observer Program to North Pacific Fishery Management Council

The Advisory Panel (AP) presented its recommendations on the C-1 Observer Program at the North Pacific Fishery Management Council (Council) meeting this afternoon (Oct. 7, 2010). The AP recommends the Council adopt Alternative 3 and modified Options 1 and 2 below:

Alternative 3: Coverage-based restructuring alternative. Restructure the program for all fisheries and shoreside processors with coverage of less than 100 percent. Vessels in the restructured program would pay an ex-vessel based fee. Leave vessels and processors with at least 100 percent coverage under the current service delivery model.

(Modified) Option 1: For the first two years of the program, the fee would be 2 % of ex-vessel value. In the third year, the fee would automatically drop to one-half of the ex-vessel value based fee for halibut and sablefish landings. The Council and Scientific Statistical Committee (SSC) would assess whether the reduced fee level would generate sufficient revenue to maintain P2 coverage levels.

Option 1 was voted on separately and passed 13/6.

Minority report on C-1, Modified option 1: *We the undersigned members of the AP oppose applying a full 2 % observer fee to IFQ/CDQ sablefish/halibut sectors during the first two years of the program before dropping to 1 %. The P2 cost estimate provided on page 168 and in Appendix 11 (Observer Program Public Review Draft October 2010) includes approximately 200 observer days at a cost of \$1,000,000 for vessels under 40 ft. which are not scheduled for observer coverage in the first year(s) of the program. When*

these observer days are backed-out, a 2% fee on sablefish and halibut fleet generates \$1 million more a year than the deployment plan requires. This million-dollar cushion comes at the expense of the IFQ/CDQ sablefish/halibut fisheries that are struggling under reduced quotas and high energy costs, which creates a significant barrier to entry. IFQ sablefish/halibut is the only fishery that is subject to the observer restructuring program, currently paying a monitoring and enforcement fee of up to 3%.

Applying Option 1 (one half the assessed fee) to the sablefish/halibut fleet from the beginning of the program will allow for P2 sampling to be achieved and still generate a small surplus (approx. \$200,000) over projected costs. Additionally, the P2 analysis is based on using ride along human observers in all sectors at a cost of \$467/day. Using electronic monitoring (EM) in lieu of human observers on some fleet segments may result in cost savings creating additional surplus.

Signed by: Anne Vanderhoeven, Chuck McCallum, Jeff Favour, Julianne Curry, Tim Evers, Becca Robbins Gisclair.

(Modified) Option 2: The agency shall release a draft observer program sampling design and deployment plan annually by September 1, available for review and critique by the OAC and a Council-appointed observer implementation committee comprised of representatives of those affected by the restructured observer program and members of the OAC. The SSC, Council, and Plan Teams shall review and critique the plan annually.

The AP also recommends the following associated decision points to apply to the preferred alternative:

- An ex-vessel value fee of 2% to be applied in the first two years, (1% to halibut and sablefish landings after two years), to be reviewed annually.
- Use a 3-year rolling average ex-vessel price to calculate the annual ex-vessel fee on groundfish landings (not halibut and sablefish).
- Exclude the State water GHL species from the program.
- Catcher vessels that deliver unsorted cod ends to a mothership/CP are exempt from observer coverage and program fees.
- Define catcher processor based on FFP designation. The Implementation Committee would work with regulation writers to address those sectors not required to carry an FFP.
- Use COAR data for groundfish ex-vessel prices, and a method of determining prices by: individual species (as opposed to species complex); fixed, pelagic trawl, and not-pelagic trawl gear types; individual ports if possible and then by aggregating surrounding ports if necessary for confidentiality; and the weighted average of all delivery and disposition codes.
- Apply the annual IFQ price, developed for the cost recovery program, by port or port group from the previous year to determine IFQ (halibut and sablefish) ex-vessel observer fees.
- Apply for Federal funding.

Final AP motion passed 19/0.

The AP recommends that the Council request that the Implementation Committee analyze the issue of vessels that change target fisheries and areas, which results in a change to the fee structure and coverage category.

Motion passed 17/0.

The AP recognizes there are still implementation issues that need to be resolved. The AP requests that the Council appoint an Implementation Committee, comprised primarily of stakeholders that are most affected by the restructured observer program.

Motion passed 18/0.

The AP believes that electronic monitoring will be an important component of a cost-effective program for some sectors. The AP endorses the OAC recommendation to have a discussion paper brought back in February 2011 identifying decision points necessary to develop the electronic monitoring component, as recommended by the Council.

Motion passed 17/0.

Tomorrow (Friday, Oct. 8, 2010), the Council will listen to public testimony on the observer program. The meeting will begin at 8 a.m. in the Endeavor Room at the Hotel Captain Cook in Anchorage.

[Observer Restructuring - Public Review Draft - Oct. 2010](#)

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