

M E M O R A N D U M

TO: Council, AP and SSC Members
FROM: Jim H. Branson
Executive Director
DATE: January 7, 1986
SUBJECT: Domestic Observer Program

ACTION REQUIRED

- (a) Status report by Domestic Observer Committee.
- (b) Review funding needs.

BACKGROUND

(a) Status Report.

The Council's Domestic Observer Committee met on two occasions to discuss the problems associated with placing observers on domestic fishing vessels off Alaska. The Committee agreed the following principles should apply to any domestic observer program implemented by the Council:

- (1) The North Pacific Fishery Management Council should have the lead in determining observer placement;
- (2) Observer placement should not be punitive and should be on all gear types;
- (3) Observers should be used to verify bycatches, handling mortalities and to gather data for use in determining equilibrium yield levels;
- (4) The observer program should not be an enforcement program.

The Committee surveyed insurance brokers and learned that Protection and Indemnity (P&I) insurance coverage for observers on domestic vessels could be purchased but that the costs varied by broker from \$150 per man month to \$1,100 per man month for \$1 million in coverage. The brokers cautioned that while the coverage was available, some underwriters may advise vessel owners against carrying observers because of the increased exposure to risk of loss posed by allowing additional people on a vessel.

(b) Funding Needs.

The main obstacle to placing observers on domestic vessels is funding. In October 1984 the NPFMC's Groundfish Data Workgroup estimated that placing Alaska Dept. of Fish and Game observers on U.S. longline and trawl bottomfish

vessels delivering to shoreside processors would cost \$450,000 for minimum coverage (20% of trawl fishing days in the Gulf of Alaska and Bering Sea and 5% of the longline days in the Gulf of Alaska) and \$1.1 million for optimum coverage (62% of the Gulf of Alaska trawl fishing days, 18% of the Gulf of Alaska longline fishing days, 28% of the Bering Sea trawl fishing days and 20% coverage on U.S. catcher/processors for a one-year program). These assumptions were based on a salary/benefit level of \$5,600 per month per observer and did not include travel, per diem or other costs which could have increased the total costs by approximately 20%. ADF&G observers are covered by state insurance.

Recently Bob McVey, Director of NMFS-Alaska Region, submitted a proposal to the NMFS Central Office recommending the establishment of a pilot domestic observer program in Alaska as soon as possible. This program would begin with no more than four observers and a project manager at a program cost of approximately \$250,000. This pilot program assumes approximately 20% coverage on about 20 vessels, including all of the catcher/processors and some longliners and other trawlers. There is precedent for federal funding of domestic observer programs since such programs are currently being run by NMFS Northeast and Southeast Regions. Given the current budget atmosphere in Washington, DC, however, there may be no funds available for an observer program off Alaska. The Council may wish to support Bob McVey's request to the NMFS Central Office while seeking Congressional assistance for the necessary appropriation.