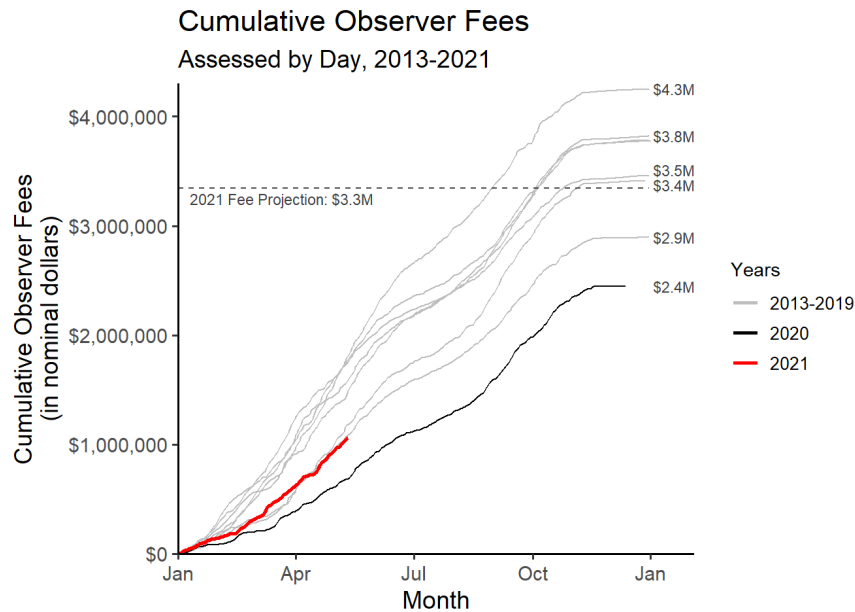


# Update on 2021 Observer Fees and Federal Funding for Observer Coverage

Prepared by NMFS for the FMAC

## Observer Fees

The observer fees assessed to-date for 2021 are \$1,050,449 (as of 5/11/2021). For context, this compares to \$682,062 at the same point in time last year or \$1,078,874 in 2019. The following figure compares cumulative observer fees in 2021 with those in previous years.



The preliminary observer fee projection for 2021 is \$3.3M. This is based on projections of catch for halibut, sablefish, Pacific cod, and Pollock; standard prices published in the Federal Register for 2021; and a 1.65% fee percentage. Catch projections are based on allocations in 2021, Inseason management knowledge of the fisheries, and previous proportions of allocations harvested.

The fee projection for 2021 is larger than the fees assessed in 2020 because:

- A lower than usual percentage of the IFQ and CDQ halibut and IFQ sablefish quotas were harvested in 2020. The overall quotas of halibut and sablefish are higher in 2021 than 2020, so if a typical percentage of the quota is harvested in 2021, the fees will be higher despite standard prices that tend to be lower in 2021.
- Allocations of Pacific cod and standard prices are higher, in general, in 2021.
- Even though the GOA Pollock allocation is lower in 2021 than 2020, the standard prices are slightly higher, resulting in a higher projected ex-vessel value, and therefore higher fees.
- The fee percentage has increased from 1.25% to 1.65%

## Federal Funding for Observer Coverage

Supplemental federal funding for monitoring was provided in Fiscal Years 2020 and 2021 to the Alaska Fisheries Science Center through appropriations. These funds are incorporated into the “Observers and Training” appropriation.

In FY20, appropriators added \$1M to the “Observers and Training” budget for the North Pacific. There was no stated Congressional intent for the increase in funding. However, from discussions at the North Pacific Fishery Management Council and its monitoring committees, it was the FMA’s understanding that these additional funds were to support observer sea days and that is how they were used.

In FY21, appropriators added \$500K to the “Observers and Training” budget for North Pacific Observer Coverage. These funds will also be used toward the purchase of observer sea days.

Base funding from the “Observers and Training” budget is subject to Management and Administration services assessments at the Commerce, NOAA, NMFS, and AFSC level. From the FY20 increase, the AFSC received \$785K and from the FY21 increase, the AFSC received an additional \$434K.