

## Supplement to Agenda Item C-9

### Full Observer Coverage for GOA Trawl Fishery Section 4 – “Potential Effects on Trawl Vessels”

Section 4 of the October 2015 discussion paper considers the effects on catch vessel (CV) owners of requiring full observer coverage for all Gulf of Alaska (GOA) trawl fishing. The effects summary beginning on page 13 states that in 2014 the GOA trawl CV fleet would, in aggregate, have paid roughly 3.51% of its gross ex-vessel revenues to cover the daily rates for full observer coverage. That estimate is derived from multiplying the total number of fishing days in limited access trawl fisheries (5,864) by a NMFS estimate of the full coverage daily rate (\$331), as listed in the 2014 Observer Program Annual Report. Those aggregate cost estimates were then compared to fleet-wide gross ex-vessel revenues, as compiled by AKFIN based upon CFEC Fish Ticket data (\$55.3 million).

This supplement reports estimated observer costs as a percentage of gross ex-vessel revenues at the vessel-level. That information is reported at each decile of the 69 vessel 2014 CV fleet. Deciles are used to preserve confidentiality. Finally, observer cost percentages are broken out by vessels that are AFA-eligible and those that are not. Table S-1 indicates that, among all GOA trawl CVs, the median vessel would have paid 3.44% of gross ex-vessel revenues towards full coverage observer costs, as opposed to the roughly 0.625% each vessel would have been responsible for under partial coverage. The 10<sup>th</sup> percentile (2.51%) indicates that 90% of CVs would have paid more than that amount of gross revenues towards observer costs. The 90<sup>th</sup> percentile (8.11%) indicates that 10% of CVs would have paid more than that amount towards observer costs.<sup>1</sup>

**Table S-1 Observer costs as a percentage of ex-vessel revenues in GOA groundfish trawl fisheries, 2014**

Percentile	Observer Cost as % of Ex-Vessel		
	All Active CVs N=69	Non-AFA CVs N=47	AFA CVs N=22
10th	2.51%	2.57%	
20th	2.65%	2.85%	2.54%
30th	2.82%	3.44%	
40th	3.05%	4.09%	2.67%
50th	3.44%	4.83%	
60th	4.18%	5.82%	2.83%
70th	5.23%	6.26%	
80th	6.26%	7.01%	3.05%
90th	8.11%	8.84%	

Note: Information for AFA-eligible CVs is truncated due to confidentiality restrictions.

Source: Catch Accounting System data compiled by AKFIN in Comprehensive\_BLEND\_CA.

The vessels that would have paid higher proportions of their gross revenues towards observer daily rates are those that generated relatively less revenue per day at sea. The cost percentages reported for AFA-eligible CVs are lower at each reported quintile, reflecting that those CVs tended to generate more revenue per day in their 2014 GOA trawl activities.

<sup>1</sup> Note on methodology: The effort metric available to the analysts – “catch days” – does not perfectly match NMFS Fishery Monitoring and Analysis Division’s record of 5,864 fishing days in the 2014 GOA trawl limited access fishery. Total catch days, as reported in AKFIN data, were indexed to the FMA total and then multiplied by the NMFS-estimated full coverage cost per day of \$331.