

NPFMC  
605 West 4th Ave.  
Ste.306  
Anchorage, Ak. 99501

Concerning: proposed observer tax.

The observer fee must be equitable.

I have a 44 foot fishing vessel and Halibut IFQ. My boat is set up for 2 people, presently no quarters for a third person ie. observer. Electronic monitoring must be an option for meeting coverage requirements, The sable fish/halibut fleet should not subsidize the coverage in fisheries and the fleet should not be split based on size.

Thank You

Charles C. Hawks, Jr.  
F/V Mixie

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SEP 28 2010

North Pacific Fisheries Management Council, 9/28/10

I would like to comment on the Halibut Charter Catch sharing plan, and also the Federal Observer Program for boats under 60 feet. These issues are important to me as commercial longlining in area 2-C is about 80% of my income.

I believe the CSP should be implemented as soon as possible to control the charter harvest to the GHL. I've been very concerned about the charter fleet exceeding the GHL every year since 2004. The CSP was approved 2 years ago and any further delays would be unacceptable.

The 2% extra fee for the Federal Observer program would be a financial burden for me. Worst of all we fish as a family 2 adults and also 2 or 3 kids make up our crew. At least one of us is sleeping on the floor with camping pads. So having an observer on board would make it even more crowded, and feel like an invasion of privacy to our family. I would rather have the option of electronic monitoring (camera) if we must have observation.

Sincerely,  
Marty Remund Port Alexander,  
AK.



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SEP 28 2010

North Pacific Management Council  
605 W. 4<sup>th</sup> Avenue, Suite 306  
Anchorage, Ak 99501

September 27, 2010

**RE: Observer Program Restructuring (C-1)**

Attn: Chris Oliver, Executive Director  
Eric A. Olson, Council Chairman and Corresponding Council Members

As a fisher in the Alaskan Ground fisheries and one who fishes a cap of both halibut and Sablefish IFQ on the vessel I operate, I am deeply concerned over how much industry is expected to fund this program. I am also concerned that final action is expected at this meeting without industry knowing definitively how the funds will be spent.

While your staff and NMFS agency has worked diligently on producing a 357 page analysis document, the small business fisherman whom this most affects is hardly aware of its true impacts on their business. The timing of final action on this issue is also poor as the fishermen who this most affects are still fishing or just wrapping up their season, hence have not fully digested the potential impacts of the program. Furthermore the small boat owner and crews whom this program most involves does not always have hired representation to help them understand the various consequences this program will have. All vessels that this re-structuring program primarily affects fall under the category of a small business per federal definitions.

There is also disparity in funding among those who fish IFQ fish compared to the other ground fisheries. One, the IFQ fleet is already paying a fee to manage their catch share program and two, fish values are higher in this fishery making their contribution to the restructuring program exceed 60% of the total fee revenues. In the fisheries I am involved in, \$25,000 or more will be added to my expenses in Observer fees if this program is affirmed as proposed.

In addition to the former points, following are other points of contention that this program brings to our industry;

**A). Problem with establishing the fee at 2%--** This fee can only change by regulatory action. Therefore if funding is more than necessary there is no lowering of the fee without public comment and laborious council and federal process. This should not be acceptable to industry as it risks a flood of funds with no controls on how the funds should be spent. An alternative to this would be to re-think the fee schedule this program is defined under (Section 313) and understand that it has very similar statutory requirements that the Limited Access Programs (Section 303&4) fall under. Therefore it should be possible to pre-identify certain costs that industry will pay for and then allow a "not to exceed" value/fee that can float rather than be mandated at the full 2%. This

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suggestion is addressed somewhat on pg 63 in the analysis, and explicit costs could be identified on table 18. This format is discouraged however only because they are looking to industry to provide start up funding via the fee hence the maximum 2% is pursued.

**B). Processors Sharing the Fee--** This proposed portion of the restructured program might be intended to lessen the fee burden on fishermen however processors still have to look at their full cost when establishing a grounds price for fish. Consequently fishermen will ultimately be paying the full cost of the fee anyway. Furthermore the fee split between processors and fishermen is questionable and non-enforceable. Plus it is unreasonable to further burden processors with accounting for and collecting fees for the government. They already have enough to do.

**C) Highlighting Consequences and Impacts--**

1. lower crew shares,
2. less funds for vessel maintenance,
3. funds taken from communities via fish tax or because of extra tax/fees, those communities assessing Municipal taxes on seafood may be avoided for fish landings due to added costs of delivering there in addition to the Observer Fee.
4. Consolidation of fleet-- hard on communities, less jobs. If the Government helps to more equally fund this program then industry consequences are lessened and new jobs are created augmenting our industry rather than taking away from it. With the current proposal there is potential for displacing private sector jobs w/public sector jobs, which in the long run cost taxpayers more money. It doesn't look right for industry to fund private entities out of work and cost taxpayers more money at the same time.

**D). Federal Funding should be acquired first for implementation--** The scope of this restructuring program is huge and represents the largest observer program not only Nationally but Globally -- over 39,000 observer days. For industry to freely fund a program with start up funds before being tried and truly defined as workable is too much to expect from small business owners. Once the program is funded and operated and costs are more explicitly defined, then industry may be more inclined to help fund the program. Ultimately, Council should not approve a program where industry is shoring up the bulk of the cost.

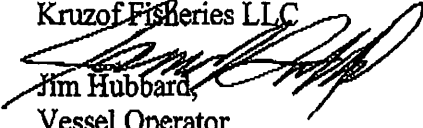
At Council of Chairs this May, \$36M was claimed to be budgeted for Observer Programs throughout the U.S. yet the Alaskan fishing industry funds the bulk of their observer programs. It is important to value the resource and financial strength of our fisheries and we should be applauded for sufficiently sharing the cost burdens of management, observer and enforcement. Nevertheless it must also be purported that the Alaskan Fishing industry is reaching a breaking point of reporting, cost and management burdens applied to us by the agency. Therefore, I encourage a more directed lobbying effort for start up funds for this Observer program via our Alaskan delegation and Council process.

**E). Industry needs on going input--**Option 2 needs to also include an extension of the Observer Committee for purpose of industry involvement, refinement and feedback. Since Industry is asked to provide funding for this program, they surely should be

included in the audience when reports are given.

While this concludes my expressed concerns over the Observer Restructuring program, I do understand the need for Observer Restructuring and the need to mitigate disparities of costs and coverage among the fleet. I applaud the Council's effort in their extensive gathering of industry input and analysis that has helped define the true scope of this issue. Without losing what has been accomplished so far, I urge Council to seriously recognize the inequitable impacts the observer fee will have on the small businesses of our industry. We need to avoid further consolidations of our fleet, losing jobs, and negative impacts on Alaskan Communities. This program should not be funded in significant proportion by industry, and urge you to be sympathetic towards having less financial and managerial burdens pushed on us by the Agency.

Sincerely yours,  
Kruzof Fisheries LLC



Jim Hubbard,  
Vessel Operator  
Holder of LLP and IFQ's



September 28, 2010

TO: Eric Olson, Chairman  
North Pacific Fishery Management Council  
605 W. 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501-2252

CC: Chris Oliver, Executive Director

RE: Restructuring of the North Pacific Groundfish Observer Program, Proposed Amendments 86/76  
to the BS/AI and GOA Groundfish FMPs

Dear Mr. Olson,

The Marine Fish Conservation Network (Network), representing nearly 200 environmental, fishing, and marine science organizations nationwide, submits the following comments on the public review draft for proposed Amendments 86/76 to the Bering Sea/Aleutian Islands and Gulf of Alaska groundfish fishery management plans (FMPs).

The Network strongly supports the efforts of the North Pacific Fishery Management Council (Council) and the National Marine Fisheries Service (NMFS) to restructure the existing groundfish observer program in accordance with the objectives of the research plan outlined in the Magnuson-Stevens Act (MSA), section 313 (16 U.S.C. § 1862). Section 313 authorizes the establishment of fisheries research plan for any fishery under the North Pacific Fishery Management Council's jurisdiction which requires observers to be stationed on fishing vessels and fish processors for the purpose of collecting data necessary for the conservation, management, and scientific understanding of the fisheries, as well as a system of fees to pay for the cost of implementing the plan. Section 313(d) establishes a North Pacific

Fishery Observer Fund available to the Secretary for the purpose of carrying out the provisions of this section, subject to the restrictions and criteria in subsection 313(b)(2).

The North Pacific Groundfish Observer Program (NPGOP) is the largest fishery observer program in the country, and industry funding accounts for nearly three-quarters of total funding.<sup>1</sup> Although the NPGOP provides wider coverage than any other observer program in the nation, longstanding problems in the design of the program could lead to biased data and conflicts of interest may arise as observer contractors compete for vessel "clients." Concerns about data quality arising from this approach prompted an independent review of the NPGOP by MRAG Americas in 2000, which concluded that the service delivery model of the NPGOP should be avoided and recommended that the program be restructured.<sup>2</sup> A U.S. Department of Commerce Inspector General's report in 2004 reached similar conclusions, finding that NMFS lacks control over deployment of observers in the "30% fleet," that potential biases in vessel selection could jeopardize the statistical reliability of catch and bycatch data, and that the program lacks an adequate performance monitoring and reporting process of observer provider companies.<sup>3</sup> In addition, rigid coverage rules based on vessel size preclude any shift in coverage to meet changing needs and circumstances in individual fisheries, and the "pay-as-you" approach disadvantages smaller vessels because it requires all vessels to pay the same amount for observers even though the cost of deploying observers is a much higher percentage of the earnings of smaller vessels with smaller shares of the catch.

Recognizing the shortcomings of the existing observer program, the Council and NMFS have attempted to restructure and overhaul the program multiple times since the 1990s, without success. At long last the Council seems poised to approve a research plan that addresses the problems of the existing program. The Network believes that a properly restructured observer program should include the following key elements:

- A shift from a regulatory to a science-based observer deployment scheme, based on a determination of statistical reliability by NMFS;
- Extension of observer coverage to all vessels in the groundfish fleet, including vessels <60 feet length overall that are currently exempted from observer coverage requirements;

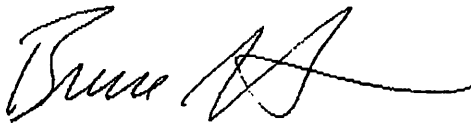
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- Authorization of NMFS as the entity responsible for contracting with observer provider companies for observer coverage rather than the vessel owner;
- Establishment of an industry fee based on ex-vessel value of unprocessed fish, which is more equitable to smaller vessels, to pay for the direct costs of the deployment of observers; and
- Continued federal funding through the NPGOP to enable NMFS to fulfill its current responsibilities, which are essential to administer the program, train observers, and ensure data quality.

By enabling NMFS, as the client, to contract directly with the observer service provider the agency will be able to set out performance criteria and directly oversee contractor performance. In addition, an equitable system of industry fees is critical to achieving adequate levels of coverage and our preferred approach is an ex-vessel fee based on the value of landed catch that applies to all industry sectors because it is the most equitable, being based on the level of benefits received from the fishery. The Network also supports inclusion of an option in which an ex-vessel fee that is half of that selected under the overall alternative would be assessed on halibut landings and groundfish landings from vessels <40 feet, <50 feet, or <60 feet length overall, in recognition of the disproportionate effects of a fee on smaller vessels compared to larger ones.

In closing, we commend the Council for its efforts and urge all parties to support comprehensive restructuring of the observer program in the interest of improving the sustainability of the fisheries.

Respectfully yours,



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Bruce Stedman, Executive Director  
Marine Fish Conservation Network



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<sup>1</sup> National Marine Fisheries Service (NMFS), National Observer Program FY 2008 Annual Report (2009), p. 9 and Table A2. Industry funding totaled approximately \$13 million out of \$18.4 million in funding in 2008.

<sup>2</sup> MRAG Americas, Independent Review of the North Pacific Groundfish Observer Program, Prepared by MRAG Americas, Inc., May 2000. 120 pp.

<sup>3</sup> USDOC, Office of Inspections and Program Evaluations, March 2004.

September 28, 2010

North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, Alaska 99501-2252

Attention: Mr. Eric Olson

Re: Comments on "Restructuring the Program for Observer Procurement and Deployment in the North Pacific"

Dear Mr. Olson,

American Bird Conservancy, Audubon Alaska and Audubon California are pleased to submit these comments urging the Council to act on the proposed restructuring of the North Pacific Groundfish Observer Program as described in the "Environmental Assessment for Amendment 86 to the Fishery Management Plan for Groundfish of the Bering Sea and Amendment 76 to the Fishery Management Plan for Groundfish of the Gulf of Alaska".

At the October 4 Council meeting, we believe that you have an historic opportunity to make sensible and responsible revisions to the observer program. This restructuring has been building for over a decade, and should go forward now. We commend the careful thought and planning that has gone into the evaluation of the alternatives, and urge you to accept one that provides observer coverage to the US Pacific Halibut fleet and to vessels less than 60 feet in length, and allows for statistically appropriate sampling protocols (i.e. deployment of observers). We feel that extending the status quo is unacceptable.

Our primary interest in the restructuring is born of our concern for the seabird mortality from longline fisheries, which affects the populations of albatrosses and other seabirds. All albatross species (and many other seabirds) are long-lived, slow to mature, and have low reproductive rates. Each albatross pair has only one egg and, if hatching is successful, one chick to care for. The unfledged young are wholly dependent on parents for sustenance and the loss of a parent usually means the nestling will not survive to fledge. Furthermore, since the albatrosses pair for life and mate only once a year, the death of an adult means the mate may not breed again for two years or more. Therefore, losing an adult albatross is a setback to potential growth in their populations.

We recognize that significant progress has been made in certain fisheries, and keep this in mind as we react to new developments, such as the accidental deaths of two Short-tailed Albatrosses in the freezer longline fleet in recent weeks. However, other sectors have been less proactive, and have not adopted adequate bycatch avoidance measures or altogether failed to provide information about bycatch rates.

We believe it is imperative to provide observer coverage of the US Pacific halibut fleet, not least because it would bring the fishery into compliance with the Conservation Recommendations of the Section 7 Consultation for Pacific Halibut Fisheries in Waters Off Alaska. In the 1998 biological opinion, USFWS stated that it would "not refer the incidental take of any migratory bird for

prosecution under the Migratory Bird Treaty Act of 1918, as amended (16 U.S.C. §§703-712)... *if such take is in compliance with the terms and conditions specified herein.* " But one of those terms is that the Pacific halibut fisheries carry observers, which condition has been continually disregarded. To elaborate, the third of the terms and conditions established in that Biological opinion is that NMFS must "institute changes to the Pacific halibut fishery in waters off Alaska deemed appropriate based upon the evaluation of the seabird deterrent devices and methods. Changes may range from requiring minimal observation of the fishery due to the effectiveness of the deterrent devices to requiring extensive observer coverage and expanded or modified use of seabird deterrent devices and methods." Having no coverage at all was clearly not one of the contemplated options. Furthermore, in Conservation Recommendation No. 5 of the same document, the USFWS "strongly discourages the use of self-reporting as a sole method for monitoring this fishery, and strongly encourages the use of observers on Pacific halibut vessels over 60 ft in length."

The mandate established in the above-referenced Biological Opinion, and echoed in the National Plan of Action for Seabirds, is clear. Observer data must be made available for the halibut fleet and for smaller vessels. We would like to point out that albatross species are protected under the Endangered Species Act (Short-tailed albatross) and the Migratory Bird Treaty Act (MBTA). The MBTA prohibits the killing of any migratory bird without a permit, whether federally listed or not. This means that it is against the law for U.S. citizens or U.S. flagged vessels to kill seabirds anywhere in the world. We know that there are unavoidable interactions between fisheries and marine life, but we also know that we need good information to make the best decisions possible. The proposed observer restructuring is imperative to improving the information available for sound, science-based management of our fisheries.

The United States is under special trust and international leadership responsibilities to end seabird mortality in longline fisheries. Internationally, the U.S. led efforts to adopt the FAO International Plan of Action-Seabirds but is not meeting its obligations under it. The U.S. has a unique opportunity to lead by example on this issue and nothing serves as a better model than setting an example in eliminating seabird mortality in our own fisheries. If we can assure that this happens in U.S. waters and by U.S. flagged vessels wherever they may fish, then we can help lead other nations to eliminate seabird bycatch.

Respectfully,

Jessica Hardesty Norris  
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Seabird Program Director  
American Bird Conservancy

Anna Weinstein  
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Seabird Conservation Coordinator  
Audubon California

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Director of Bird Conservation  
Audubon Alaska



Audubon CALIFORNIA

Audubon ALASKA



# Alaska Longline

## FISHERMEN'S ASSOCIATION

Post Office Box 1229 / Sitka, Alaska 99835 Phone 907.747.3400 / FAX 907.747.3462

September 27, 2010

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SEP 28 2010

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Ste 306  
Anchorage, AK 99501

Dear Chairman Olson,

I am submitting these comments on **Agenda Item C-1: Observer Program** on behalf of the Alaska Longline Fishermen's Association (ALFA). ALFA's membership includes deckhands and vessel owners who work on fixed gear vessels ranging in size from open skiffs to 70 foot halibut schooners. Some have experience carrying observers; many do not.

ALFA members recognize that restructuring the observer program to provide NMFS with greater flexibility in deploying observers is essential. We understand that observer coverage in the 30% category can be manipulated under the current system and that data on which managers depend may not be representative. We also understand the desire on the part of managers to obtain additional information on catch and bycatch from the halibut fishery and from the under 60 foot small boat fleet targeting groundfish.

From the beginning ALFA has supported moving ahead with restructuring and expanding the observer program PROVIDED the coverage goals were clear, the methodology and the cost to achieve the goals were equitable and reasonable, and the coverage requirements were workable for the small boat fleet. From the beginning we have stated our concern that the Council is approaching observer re-structuring backward by collecting money and then revealing to the industry what they can expect to get for their money. In so doing, the Council has created alternatives that leave essential decisions about the program to NMFS while requiring the industry to pay the bill in perpetuity. As a result, none of the alternatives are acceptable to our association or workable for our fleet. Appropriate alternatives would specify coverage goals by fishery and the associated costs to achieve those coverage goals. Then the industry (and the SSC, AP, Council) could evaluate the cost effectiveness of the alternatives and make a meaningful decision. Instead we are faced with alternatives that define only what the fleet will pay, not what the fleet is paying for and, to our mind, insufficient information to adequately assess impacts. *Additionally, the payment alternatives proposed impose an inequitable fee system that extracts 69-76% of all fees for the total program from the sablefish/halibut fleet, a fleet that accounts for 2% of the federal fish harvested off Alaska.* **ALFA cannot support adoption of any alternative before the Council unless the options, modified per our recommendation below, are included:**

- 1) A modified option 1 that reads: For halibut and sablefish fishery landings, vessels and shore-side processors would pay one-half the ex-vessel value based fee established under the alternative selected by Council (deleting the vessel length option);
- 2) An addition to Option 2 that reads: Prior to accessing funds procured from the fee collection system and prior to deploying observers on the previously unobserved fleet, NMFS will prepare in conjunction with an industry Implementation Team an observer program sampling design and deployment plan that includes a detailed budget and an electronic monitoring option for the small boat fixed gear fleet.

**Modified Option 1: Identify and adopt an affordable and more equitable fee system**

The proposed restructuring alternatives impose a substantial financial burden on small fishing businesses operating in the Gulf of Alaska and the Bering Sea. As identified in the analysis, this burden will be borne by the fixed gear sablefish/halibut fleet, which accounts for less than 2% of the federal fish harvested off Alaska. The fixed gear sablefish/halibut fleet is the only fleet covered under this program that currently pays a federal monitoring/enforcement fee and one of few that does not require in-season monitoring. ALFA members appreciate the efforts of Council staff to include sections describing the impact of these costs to vessel owners, crew and coastal communities, but believe the effects are underestimated.

In June the SSC recommended the document be strengthened in this regard BEFORE being released for public review. To quote the SSC minutes: *"The draft RIR needs to be expanded to provide a more thorough discussion of how the costs of the alternatives will be distributed across fleets, communities and regions. . ."* We are extremely concerned that the SSC is not scheduled to review this document before the Council takes final action, and are concerned that the Council does not fully appreciate the impact of these costs. For example, one of our members who qualify for 30% observer coverage has calculated that his observer costs will increase FOUR FOLD under the proposed 2% fee collection program. The observer fee will also disadvantage crewmembers and others who have purchased some or all of their shares and are struggling to make payments, particularly in Area 2C where both halibut and sablefish quotas have been dramatically reduced; it could be the proverbial last straw for small communities with few remaining QS holders. In short, the new fee, added to the cost of QS and the annual fee paid to NMFS, is one more barrier to entry and one more factor driving QS consolidation. Additional consolidation in the QS fisheries is contrary to sablefish/halibut program goals and to the health of fishery dependent communities. **Steps should be taken to minimize these costs by securing federal funding or, at minimum, the inequity and the impact of the fee should be eased by assessing half the established fee on ALL sablefish and halibut vessels.**

From the tables included in the document, the Council can determine the estimated fee collected under ALFA's modified option 1. More specifically, considering Alternative 3 and reviewing tables 39 and 41 establish that the modified option would result in program costs of \$17.04 million, which would fund 43,957 observer days—or 4,600 more days than were realized under the 2008 "status quo". Please see the attached page for additional detail.

ALFA believes that most of the information needed for management purposes from the halibut/sablefish fleet could be obtained through an appropriately designed logbook program that is verified with a minimal amount of electronic monitoring (EM) or minimal observer coverage. The IFQ fishery does not operate under a Prohibited Species Catch cap, hence in-season management is not necessary and the data collected by EM can be gathered and compiled annually. Our members will actively participate in developing a cost effective EM program and building the capacity in Alaska to service and deploy EM units. In sum, ALFA believes the modified option 1, as proposed above, would alleviate program inequities and costs while still providing NMFS with sufficient funds to effectively restructure and expand the observer program.

#### Modified option 2

As described above, ALFA members are not comfortable with Council adoption of a program that leaves so many significant questions unanswered, and again notes that the SSC voiced a similar concern in June:

*"The analysis should include a discussion that relates the levels of observer coverage anticipated under the action alternatives to levels of coverage needed to meet the Council's purpose and need, and the requirements of federal statutes and executive orders. . . . If there are different observer coverage needs for different fisheries/fleets, those differences should be clearly identified and explained...."* (From the SSC minutes, June 2010).

Our association believes this detail is still lacking from the document and the alternatives, and that the Council should not fully adopt the program before receiving and reviewing this information. ALFA believes the industry and the Council can assist NMFS in developing a cost effective program that meets management goals while minimizing disruption to Alaska's small boat fishing businesses. We are concerned that full and unqualified adoption of the fee collection system prior to full development of observer program—with goals, sampling design, deployment plan and budget included—will lead to unnecessary inefficiencies, higher costs, and a cumbersome if not unworkable system. By way of example, I would refer the Council to page 153 in the document where NMFS indicates that vessels tasked with observer coverage that cannot accommodate an observer will be required to carry an EM device, when and if the EM program is developed, for the entire fishing year. The Council should remember that at this point in Area 2C the average IFQ halibut holding is 3,000 pounds or less, and many of these vessels do not participate in any other fishery covered under this program. Some of these vessels only longline for one week to one month. To assign an EM device to these vessels for the entire fishing year when the device could be shared with 10 or 20 other vessels would be a waste of resources. ALFA, and no doubt other fishing associations, will work with NMFS to equip the fleet with appropriate EM mounts and to coordinate an EM sharing program to maximize efficiency in deployment while minimizing costs—provided NMFS dedicates sufficient resources to develop EM as a meaningful alternative and draws on the expertise of the fleet.

The modified option 2 ALFA suggests would ensure that essential details such as goals, sampling design and deployment plans are developed through an open public process. We believe such a process would ensure the end product is informed by those who know the complexity of the fisheries and can assist

NMFS in designing a program that provides adequate observer coverage with minimum disruption to the fisheries. We stand willing and committed to participate in this process and to engage in a cooperative pilot program.

Summary

In closing, ALFA cannot support the alternatives before the Council unless the modified options we have proposed are adopted as an integral part of the Council's motion. ALFA members recognize that restructuring the observer program to allow NMFS greater flexibility in deploying observers is important; we also recognize the value of deploying observers or EM in the halibut fishery and on the smaller vessels. However, we cannot support an ongoing fee collection system that expects the sablefish/halibut fleet to foot the bill for expanded coverage in perpetuity, particularly when the details of that coverage have yet to be developed. ALFA members recommend the halibut and sablefish fleet should be charged one fee, not split based on vessel size; our membership further requests that NMFS be tasked with developing the observer sampling and deployment plan, including EM, before accessing fees collected under the restructured program or assigning observers to the currently unobserved fleet. We believe ALFA's suggested modifications to options 1 and 2 will alleviate existing inequities and the impacts of the proposed observer fee and ensure NMFS works with stakeholders and the Council to develop a cost effective observer program that achieves management goals while minimizing disruption to Alaska's fishing fleet and the communities that depend on it.

Thank you for the opportunity to comment. A number of ALFA members will attend the Council meeting to provide testimony and answer questions.

Sincerely,



Linda Behnken  
(Director, ALFA)

**Modified Table 39: Alternative 3 estimated ex-vessel fees based on 2005-2008 prices and catch**

	Mean
Shorebased Groundfish Deliveries	\$2,084,439
Motherships and Catcher Processors	\$24,853
Sablefish IFQ (1%)	\$588,361
Halibut IFQ	\$1,729,515
Total	\$4,427,168

**Observer days funded @\$467/day**

Shorebased Groundfish Deliveries	4,463
Motherships and Catcher Processors	53
Sablefish IFQ (1%)	1,260
Halibut IFQ	3,703
Total	9,479

**Modified Table 41: Summary of Observer Days and Costs under Alternative 3**

days of observer coverage needed	39,344
pay-as-you-go funded observer days	34,477
observer days need to reach 2008 levels excluding pay as you go days	4,867

Observer days funded from a 2% ex-vessel fee for groundfish and 1% ex-vessel fee for IFQ	9,479
Estimates observer days funded in excess of 2008 level	4,612
Estimated total cost of observer coverage	\$17,040,000



North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Ste 306  
Anchorage, AK 99501

September 28, 2010

Dear Chairman Olson,

My name is Jeff Farvour, I live in Sitka, AK. I am writing to comment on C-1: Observer Program Restructuring. I crew on a 46 ft longline boat that fishes for Halibut and Blackcod and I also fish IFQ Halibut on my 21 ft skiff. I have purchased/am purchasing my entire quota.

I am concerned that under the proposed alternatives that much, if not the entire observer costs, will be passed on to crew. Crewmembers are finding it increasingly difficult to purchase IFQ quota and additional costs will exacerbate the problem and drive further consolidation. I am also very concerned about NMFS ability to impose a tax on me and tell me later the what and how details of the program will affect my business. It's not exactly democracy in action.

The halibut/sablefish fleet catches only 2% of the fish under this program yet under the current alternatives are expected to foot the bill for up to 76% of the program restructuring costs. Much of this burden will get passed on to crew. Below is a simple example of what this means to a fishing business in Sitka on a vessel with skipper and single (not necessarily marriage status) crewmember. This is not a walk on quota holder or a lease so the full amount of the profits stay with the boat until expenses and crew share is divided out.

Boat gross = \$ 10,000 -3% Raw Fish Tax (RFT) \$300 -\$1000 expenses =\$8,700

2% of gross for Observer Tax=\$200

Single crew share before OT:

15% crew share=\$1,305 - \$200 (2% of gross for OT) =\$1,105 about 15% reduction in crew share

12% crew share=\$1,044 " =\$844 about 19% reduction in crew share

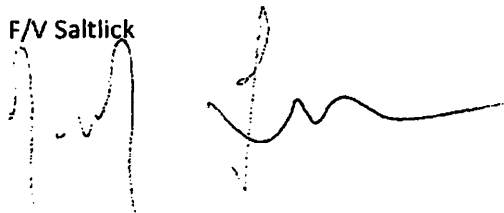
10% crew share=\$870 " =\$670 about 23% reduction in crew share

There is still an IFQ tax to pay (about 1.5% of gross), boat payment, IFQ loan payment, maintenance etc. There isn't much left to take home at the end of a trip, which makes it increasingly difficult to maintain a small fishing business in Alaska. Also, please keep in mind that in 2C we have experienced a 67% drop in our halibut quota in 4 years.

A 2% tax on my fishery for restructuring the observer program is neither fair nor equitable. The Public Review Draft pointed out that it is likely the halibut/sablefish IFQ fishery would be paying a disproportionate tax relative to the observer coverage needs of our fishery. A fee that is one half of the ex-vessel based fee is more appropriate tax on a fishery that catches only 2% of the fish, is the only fishery with a federal monitoring and enforcement tax, and does not require monitoring in-season.


I ask the Council to please consider either modifying the alternatives to address these concerns or hold off on final action until we have a better idea of what the impacts will be to our fishery.

Sincerely, Jeff Farvour F/V Saltlick



## Groundfish Forum

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September 28, 2010

Mr. Eric Olson, Chairman  
North Pacific Fishery Management Council  
605 W 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501-2252

Re: Agenda Item C-1: Observer Program Restructuring

Dear Chairman Olson,


Groundfish Forum represents six companies and twenty trawl catcher-processors or Amendment 80-qualified LLPs that harvest groundfish in the Bering Sea, Aleutian Islands and Gulf of Alaska under Amendment 80. Our vessels carry 2 observers at all times in the Bering Sea/Aleutian Islands and when participating in the Central GOA rockfish program; they carry one observer at all time in other GOA fisheries. We are writing to recommend the Council adopt Alternative 3 under final action to restructure the Observer Program, which would preserve the existing program structure for vessels with  $\geq 100\%$  observer coverage and develop an ex-vessel fee system for vessels with  $< 100\%$  observer coverage.

 The Problem Statement for this proposed action cites concerns that are particular to sectors and vessels with less than 100% coverage (or no coverage at all). Problems with limited or biased data, coverage compliance, and lack of data from the  $< 60'$  groundfish sector and the commercial halibut sector are all related to insufficient or selective coverage, which is not an issue when vessels have observers on board all the time.

The existing program is working well in sectors with high levels of observer coverage, producing high quality data with minimal logistical problems. It does not make sense to disrupt this part of the observer program to address coverage and compliance issues in other sectors. Further, including all vessels (including those with high observer coverage) in the restructured program would only serve to increase the cost of the program overall, without any benefit in the amount or quality of the resulting data.

It is time for a new program for sectors with less than 100% observer coverage, to provide sound and reliable data across all fisheries. It is also time for all sectors to participate in funding the program, whether through the existing structure (for those vessels that already have  $\geq 100\%$  coverage, or through a fee system for vessels with lower – or no – observer coverage.

Thank you for the opportunity to comment.

 Lori Swanson  
Executive Director

Steve Fish and Kari Johnson  
P.O., Box 6448  
Sitka Alaska 99835

Chairman Eric Olson and Council Members  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Ste 306  
Anchorage, AK 99501

RE: Item C-1: Observer Program

Dear Chairman Olson,

I would like to submit a few quick comments on the Observer Program, slated for final action at this next meeting.

We live, our children go to school, and we base our business in Sitka. Kari and I are longliners and together we own a 66 foot vessel. We have taken observers under the current program since it began in 1990. We believe, in principal, that more information is good for the resource which we all depend on, and that using observers increases the potential quality and quantity of information on which scientists base decisions on abundance estimates and TAC's.

We know that there are gaps in the current system, especially in the 56-60 foot size vessel class in any fishery and especially in the trawl fishery. The "gaming" of the current system with 30% coverage vessels and the total lack of coverage under 60' in the bottom trawl fishery is of particular concern and in all of our best interest to correct with an improved observer system.

We agree there is a need for a better system, and work has been ongoing for many years with that in mind. Our main concerns in the current proposal are:

1) The needs and goals of the program are poorly defined, and fishermen are expected to just pay, while NMFS continues to design the system. Before fishermen pay this bill, we need to know exactly what we are getting and how it is the most effective methodology.

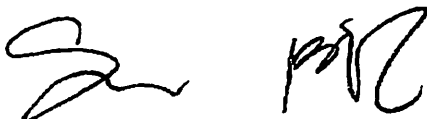
2) While catching 2% of the groundfish, longliners are expected to pay 69% to 76% of the total cost of the system. All longliners, not just those under

60', need to be assessed 50% of the fee assessed other groundfish fisheries. To exempt only vessels under 60' is arbitrary and capricious. As a participant in the current system, my costs are approximately 25% of what I will pay under the proposed system. In other parts of this country, the federal government pays for observer programs. This one can at least be more equitable in its funding.

3) There is no commitment holding the council and NMFS to a timeline in developing Electronic Monitoring options for the smaller boat fleet and for those fisheries for whom EM would be a good option. The council needs to have a trailing amendment or other mechanism in place to ensure development of EM options.

We are disappointed with the proposals as currently written. We also would like to see a new revitalized observer program approved at this meeting if it is possible to correct these major flaws. The most advanced and successful fisheries management in the world needs an observer system which is flexible, equitable and efficient with good direction from the council on its needs and goals.

Thank You for your Consideration.



Steve Fish and Kari Johnson

September 28th, 2010

North Pacific Fisheries Management Council  
605 West 4th Avenue, Ste 306  
Anchorage, AK 99501

Dear Chairman Olson,

My Name is Kendall Folkert, and I am an IFQ longliner. I was never allocated any quota. In fact, I didn't even begin skippering boats until the program had been in place for four years; and it was eight years after the program's inception before I was able to buy my own boat and truly own my own business. It is fair to say that my business has grown up entirely within the ever tightening yoke of Federal regulations. I am writing to comment on Agenda Item C-1: the Observer Program.

I feel like I have actually become a successful longliner. This is an extraordinarily difficult thing to do without the benefit of having free access to a very exclusive fishery handed to you by the Government in 1995. I am able to make a living entirely by fishing other people's quota through leases, and ride-along permit holders. Given that I (that is, me, my boat, and my crew) receive less than half of the ex-vessel value of the catch, the only way to make it is through volume. We have to catch a huge amount of fish in order to make a season pay. There is intense competition between younger longliners for quota, and this intense competition is leading to lower and lower percentages for vessels and crews as boat owners undercut each other, often in desperation, to keep their boats working. To a budget director in a NMFS office earning a steady paycheck and government benefits, 2% of a high dock-priced fish may not seem like much. But the story on the ground is much different. The people who will be hit the hardest by yet another tax are the young guys out there breaking their backs. IFQ holders and fishers potentially must forfeit up to 3% of their catch for administration of their management program, having another 2% would suddenly vanish for further management costs is difficult to swallow for young fisherman who are working on very narrow profitability margins. God forbid you are a young entry level fisherman who purchased quota. I can name a dozen people off the top of my head who have bought quota and do not earn enough money to make the loan payments because of the quota cuts (particularly in area 2C). The new costs of restructuring the program seem so squarely aimed at those that can least afford it that it is very hard to swallow.

I absolutely do not deny the usefulness of enhanced observer coverage to longterm fisheries management, but I stand in **STRONG** protest to the fact that without offering any clear strategy, plan, or goal, NMFS is proposing to flat tax the entire groundfish fleet without any regard to how negatively it will affect those of us who can least afford it, and **VERY IMPORTANTLY HAVE THE LEAST AMOUNT OF IMPACT ON GROUND FISH IN THE GULF!!!!!!**

I cannot possibly stretch my conception of fairness justify a proposal that would force a fleet of fisherman who harvest 2% of the groundfish in the gulf, to cough up two thirds of the money to fund a program for all the fisherman in the gulf. This observer program is about accurately counting the amount of fish harvested in the gulf. right?

This observer program is about accurately assessing the bycatch mortality accrued during this harvest, right? So how in the world can it be that those who catch the most fish and kill the most bycatch aren't responsible for shouldering the most of the financial burden? As the proposal stands, we, who catch one pound in fifty are to pay for NMFS to observe the catching of two pounds in three. This should be about environmental impact—not who catches the most valuable fish.

That last sentence contains more than one paradox--THE PROPOSAL. The only proposal in play at the moment is that NMFS collects a whole bunch of money from a whole new tax on a whole bunch of small boat operators, a whole bunch of whom can barely or not at all afford it, and then decide what to do with it later. There is no real proposal, only a vague idea. As I understand it, there are a number of other fisheries throughout the country that are observer covered, and most of these programs are funded wholly or partly by federal dollars. I also strongly believe that until NMFS can actually assess the accurate cost of this program, and clearly identify the needs and goals of their programs, they should refrain from simply imposing an arbitrary tax on fisherman to fund the experimental phase of this new venture.

Another point that really needs to be made--This one from a point of pure practicality, all fairness set aside. The proposal does not include electronic monitoring as an option for smaller vessels. This strikes me as particularly odd, because it's not as if it's some kind of radical or totally untested option--our neighbors to the south have been very successfully employing this technology for years now, and somehow I doubt that they are guarding it as a state secret. Again and again fishing industry groups have asked that electronic monitoring be offered as an option for smaller vessels, and why the requests for a tested, proven, monitoring technique have been TOTALLY ignored by NMFS is beyond me.

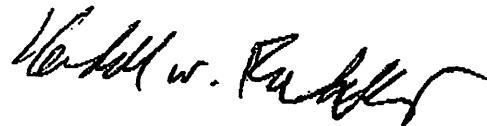
I have a 58 foot boat, it could very accurately be described as a big boat in the small boat fleet. I have three bunks in the foc'sle, two in the state room, and a day berth in the tophouse that only allows for sleep in very nice weather. I fish from Sitka all the way out to Dutch Harbor, and we are often gone from home for up to four months. I typically have five people aboard including myself. Us and our gear takes up almost every inch of living space on the boat. When I have permit holders aboard, I stash all of my clothes and personal belonging behind the refrigeration compressor in the engine room, give up one of the stateroom bunks to the permit holder, and pray to God that the weather is nice enough for me to sleep. It's about 50/50. If I have a full time observer aboard, I'm in the day bunk--always, my things are behind the compressor--always, and when there's a permit holder, me or one of my crew is on the floor in the Galley. That is the absolute reality for me. And as I said, I'm a big boat in the small boat fleet, I can't imagine how a 46 foot troller would make these accommodations. I started longlining on a forty six foot troller with three bunks, and barely enough room for all of us to stand in the wheelhouse. Drawing from this experience I can tell you that there is no way that an idle body can safely join the fishing crew.

Safety regs are another concern....I'm sure that observers can bring there own survival suits, but will they come with their own Solas A pack life raft? As I said I frequently have six aboard already, and I frequently fish or travel more than 100 miles offshore. Having the seventh person aboard passes yet another expense burden my

way. I am absolutely stunned that NMFS would choose to ignore these very obvious realities, along with all the requests from the fishing industry, and put forward a proposal that does not even mention a practical observation method that has been successfully tested and employed by a virtually identical fleet in an identical fishery.

In conclusion, I want to reiterate that I completely understand the need for expanded observer coverage, particularly for the trawl fleet. The current proposal is so skewed against IFQ longliners that any impartial look at it would have to yield either screams of anger or howls of laughter. The real goal of this program ultimately is conservation of the ocean's resources. In all fairness, the burden of the cost should be placed commensurately on the fisherman who tax these resources. Instead it has a massive impact on those of us who cause the least impact. It is simply not right or just. NMFS must rewrite it so that it equitably taxes those who have the greatest impact on the ocean's ecosystem. I believe this is more about taking money from those that are least likely to be able to put up a fight, or protest with a unified voice. What I find most disturbing is that NMFS just wants money, and aren't willing to go beyond a vague notion of what they're actually going to do with it. I find this extraordinarily unnerving in the wake of all the very recent developments on the east coast, after a 18 month inspector general's probe into NMFS' OLE that revealed shockingly inappropriate uses of money gleaned from the pocket's of fishermen.

Again, I do not protest or disagree with the idea of a better accounting of the exact impact of all groundfishing on the GOA ecosystem. But this proposal is just plain wrong.



Kendall Folkert  
FV Cobra

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Ste 306  
Anchorage, AK 99501

September 28, 2010

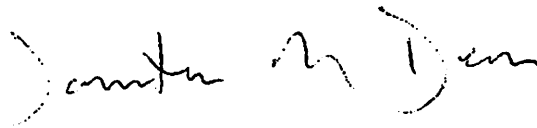
Dear Chairman Olson,

My name is Jonathan Dean. I have been a crew on IFQ longliners and trolled in Alaska for ten years. This proposal for observers to go along every trip must be looked at from a boat to boat basis because most small boats don't have room for another body on deck or in the bunk. We definitely don't have room for an inexperienced person on deck. This is dangerous! Only qualified seamen should be given the job.

This 2% tax will be one of many that we will feel along with a 3% raw fish tax and a 1.5% IFQ tax. For the out-of-staters, like myself, we have a \$200 crew license fee as well. There are many other taxes just entering ports with raw fish. This seems like too many taxes for a fishery that only catches 2% of the fish. These fees trickle down the ladder and affect smaller community fishermen everywhere they live. The deckhands are going to feel it big time!

More important than all the fee's and taxes you can throw at us is what we do with the information. The oversight of the destructiveness of trawling to the habitat makes me wonder will this do any good. It's proven through out history that trawling will wipe out fish wherever you drag those nets. The amount of fish allowed as bycatch is wrong and should not be permitted. The California coast, Iceland, The North Atlantic. The list goes on and on.

Thank you for your time, Jonathan M. Dean





## Groundfish Forum

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4241 21st Avenue West, Suite 302  
Seattle, WA 98199  
206-213-5270 Fax 206-213-5272  
www.groundfishforum.org

September 28, 2010

Mr. Eric Olson, Chairman  
North Pacific Fishery Management Council  
605 W 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501-2252

Re: Agenda Item C-1: Observer Program Restructuring

Dear Chairman Olson,

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Thank you for the opportunity to comment.



Lori Swanson  
Executive Director

## Southeast Alaska Fishermen's Alliance

9369 North Douglas Highway

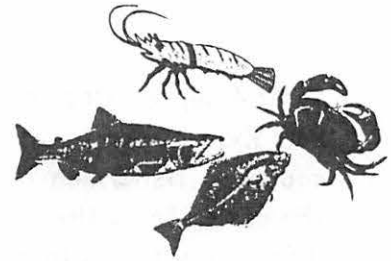
Juneau, AK 99801

Phone: 907-586-6652

Fax: 907-523-1168

Email: [seafa@gci.net](mailto:seafa@gci.net)

Website: <http://www.seafa.org>



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September 28, 2010

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Ste 306  
Anchorage, AK 99501

RE: Agenda Item C-1 Observer Program

Dear Chairman Olson and NPFMC Members,

Southeast Alaska Fishermen's Alliance (SEAFA) is still concerned about the observer program as presented in the analysis. This is a funding program meant to maximize the number of observer days that will be available for NMFS to deploy. We still do not feel the analysis is adequate for the NPFMC to take final action on. This analysis might be sufficient if this is the *funding portion* of a restructured observer program and while the regulations are developed, the logistics, deployment, small boat issues etc be worked on for NPFMC review and the funding is not spent until the program is developed. We would be willing to support ALFA's recommendation that allows the start up funding to move forward but prohibits the funding from being spent until the NPFMC takes further action on the deployments/logistics of the observer program especially for small boats. After that, new issues should be able to be resolved by the adoption of option 2 added to the motion in June of 2010.

SEAFA supports both the State of Alaska pursuing federal funding and the NPFMC continuing to encourage the NMFS to try and find federal funding to help with the start up fees. EXPAND

We still believe that an important aspect is to have a definitive list of the fisheries (fishery, permit, gear type, region) that will be covered under the restructured observer program and that is published as part of the regulations package. This would make it absolutely certain what fisheries are covered and not, so that unintended enforcements issues, or participants in a fishery aren't surprised when funds are suddenly being withheld from their fish landings revenue.

SEAFAs appreciate the State of Alaska offering option 1 to be analyzed but we feel that a more fair and equitable consideration would be to **treat all halibut and sablefish fishermen the same regardless of vessel size** and provide and choose the option for  $\frac{1}{2}$  the ex-vessel value fee and justify treating these two sectors differently from other groundfish fisheries because of the combination of the price received, the amount of resource removed and cost recovery fee paid (current enforcement & management tax). It does not make sense nor is it fair and equitable for the halibut and sablefish to be paying up to 76% of the new funds that will be generated from the restructured observer program. Option 1 as we suggest it be amended would be more tolerable. Even with the reduced observer costs to the halibut and sablefish fishery you will find that this restructured observer program will change how the fishery is conducted, and increase consolidation.

We are concerned that the SSC is not reviewing this document as they felt at the June 2010 council meeting that the document was not ready for release to the public. Are the changes to the document sufficient to meet the concerns that they listed in their minutes to meet legal requirements for final action?

We would like to raise the following issues/questions about the analysis:

- Exactly who is required to have a FFP? My understanding is that in the halibut fishery, fishing inside 3 miles you did not have to have a FFP, so who determines if you are a catcher-processor? What about halibut A shares under this same scenario?
- What is the definition of a catcher-processor? Is the designation of a catcher-processor strictly tied to your Federal Fishery Permit?
- What is the definition of a trip?
- Still unclear how some fisheries will be impacted or handled such as the troll fleet harvesting or starting a halibut trip during the middle of a troll trip, how do you meet the 72 hour call in period?
- If you had a FFP where you are designated as a Catcher-Processor and are required to have 100% coverage, would you still be required to have 100% coverage when participating in a State fishery such as trolling?
- While we appreciate the example given about safety issues, such as having the observer bring along a one person valise life raft for them but this does not consider the situation that you will find more frequently in the small boat fleet is the situation where you go from not needing any type of life raft to suddenly needing a life raft for everyone on the vessel.
- Page 124 where you start the discussion about Alaska State and regional fish taxes is confusing as written. As I originally read the analysis, my understanding of what was written is that the observer fee would be

subtracted off and then taxes would be figured on this new ex-vessel value fee which did not make sense. After the OAC meeting I understand that this section is actually saying that if you assume that the processor will pass on the cost with a lower fish price there will be lower state taxes paid but the estimate is double what would actually occur under this scenario as the processor is only paying  $\frac{1}{2}$  the fee.

We would once again reiterate that while it might not be the intent of the restructured observer program in the halibut and sablefish IFQ fishery you will change the fishery, participants and additional consolidation WILL occur. Keep in mind that you are asking the 3,000+ IFQ halibut & sablefish participants to the program that have not been covered previously to pay up to 76% of the costs of the program while only harvest approximately 2% of the resources harvested. The halibut and sablefish IFQ's program are in a period of steeply declining catch limits, with many operations already working on a negative profit basis.

We will probably add additional points during public testimony on this issue after attendance at the remainder of the Observer advisory committee, watch the presentations of the program to the AP & NPFMC and clarify questions with staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Hansen", followed by a long horizontal line extending to the right.

Kathy Hansen  
Executive Director

COMMISSIONERS:

JAMES BALSIGER  
JUNEAU, AK  
RALPH G. HOARD  
SEATTLE, WA  
LARRY JOHNSON  
PARKSVILLE, B.C.  
PHILLIP LESTENKOF  
ST. PAUL, AK  
LAURA RICHARDS  
NANAIMO, B.C.  
GARY ROBINSON  
VANCOUVER, B.C.

# INTERNATIONAL PACIFIC HALIBUT COMMISSION

ESTABLISHED BY A CONVENTION BETWEEN CANADA  
AND THE UNITED STATES OF AMERICA

DIRECTOR  
BRUCE M. LEAMAN

P.O. BOX 95009  
SEATTLE, WA 98145-2009

TELEPHONE  
(206) 634-1838

FAX  
(206) 632-2983

AGENDA C-1  
Supplemental  
OCTOBER 2010

September 30, 2010

Mr. Eric Olson, Chairman  
North Pacific Fishery Management Council  
605 West 4th Avenue, Suite 306  
Anchorage, AK 99501-2252

October 2010, Agenda item C-1 Observer Restructuring

Dear Eric:

The staff of the International Pacific Halibut Commission (IPHC) has reviewed the public review draft analysis for "Restructuring the Program for Observer Procurement and Deployment in the North Pacific".

**The IPHC staff recommends the adoption of Alternative 3.** We believe the most critical need is to raise the coverage level from 30% and for this reason we support the changes envisioned by Alternative 3. We view the need for statistically accurate and unbiased estimates of catch as critical for proper management. To accomplish this in the North Pacific, the staff notes the strong need to revise the method by which observers are assigned to vessels, and the level of coverage in the groundfish fishery. This is best accomplished through Alternative 3.

The document provides a lot of information on expected revenues, revised deployment procedures, and new observer effort but is lacking on several issues. In particular, we would like to see additional information describing the distribution of the newly created observer days – what sectors and areas would receive the additional coverage? In addition, the additional observer days will require more observers and, with others, we question whether there is a sufficient source of these additional observers. Consideration of this alternative should include evaluation of the practicality of implementation.

The IPHC staff also supports the continued development of electronic monitoring (EM). EM has the potential to address many sampling needs, as evidenced by its use throughout the world. However, the Council, NMFS, and the industry need to determine the role of EM in monitoring of north Pacific fisheries. We believe this can be done while NMFS is developing the program selected by the council. **We urge the Council to continue on the timeline it has set for itself in restructuring observer coverage while the role and use of EM is developed.**

(cont'd)

Finally, we wish to reiterate our support for observing the commercial halibut fishery. The halibut fishery is not immune from impacting the north Pacific ecosystem and should be a participant in collection of information necessary for its management.

Gregg Williams will be attending the Council's October meeting in Anchorage and would be pleased to elaborate on these comments at that time.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Leaman". The signature is fluid and cursive, with a large initial "B" and a long, sweeping tail.

Bruce M. Leaman  
Executive Director

cc: Commissioners

# PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: C-1 OBSERVER PROGRAM

	NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
1	<del>Jim + Rhonda Hubbard</del> <sup>John Crowley</sup>	<del>Kruzof Fisheries LLC</del> FVOA
2	Kathy Hauser	SEAFI
3	Steve Fish	self & family
4	Bob Alverson + Jack Knutson	FVOA-Seattle -
5	Kenny Down / O'Brien	Freezer Longline Coalition
6	Stephen Tauten	Groundwell Fisheries Movement
7	Cindy Fuglov	FIV KAMILAR
8	Todd Hype / PAT McBRIDE	NPFA
9	→ Jim + Rhonda Hubbard	Kruzof Fisheries LLC
10	James Skonberg	Ouzinkie
11	Cavolyn Nichols	self
12	Todd Loomis	Cascade Fishing
13	DARREN MULLER	OUZINKIE
14	<del>Heather McCarty</del>	<del>CSFA</del>
15	Bob Krueger	Alaska Whitefish Trawlers
16	Theresa Peterson	AMCA
17	Anne Vandenhoeven / <del>Heather McCarty</del>	BREDL / <del>CSFA</del>
18	Rob Wurm	Alaskan Leader Fisheries
19	GREGG WILLIAMS	IPHC
20	Glenn Reed	Pacific Seafood Processors Assn
21	Paul MacGoy	Al. Sea Processors Assn
22	Jettianne Curry	Petersburg Vessel Owners Assn
23	LINDA BEHNKEN	ALASKA LONGLINE FISHERMEN ASSN.
24	Heather Brandon	World Wildlife Fund
25	Kendall Folkert <sup>no sign</sup>	F/V Cobra

NOTE to persons providing oral or written testimony to the Council: Section 307(1)(I) of the Magnuson-Stevens Fishery Conservation and Management Act prohibits any person "to knowingly and willfully submit to a Council, the Secretary, or the Governor of a State false information (including, but not limited to, false information regarding the capacity and extent to which a United State fish processor, on an annual basis, will process a portion of the optimum yield of a fishery that will be harvested by fishing vessels of the United States) regarding any matter that the Council, Secretary, or Governor is considering in the course of carrying out this Act.

# PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: C-1 Observer Program

	NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
1	Jeff Fairvour	SELF
2	Julie Bonham	AGNDP
3	BRENT PAINK	UCB
4	Jeff Stephan pass	UFWA
5	Michael LAKE	ALASKAN Observers, Inc.
6	Heather McCarty/Eucrette Anderson	CBSFA
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C-1  
from Tarsen



NATURAL RESOURCES CONSULTANTS, INC.

1900 WEST NICKERSON STREET, SUITE 207  
SEATTLE, WASHINGTON 98119, U.S.A.  
TELEPHONE: (206) 285-3480  
FAX: (206) 283-8263

MEMORANDUM

DATE: September 3, 2002

TO:

FROM: Dayton L. Alverson *DLA*

SUBJECT Prices paid to fishermen for fresh pollock, in the round

In response to your request for information on prices paid to US and Japanese fishermen during the later part of the past decade and in the early 2000's, the following information is provided. Note both the US and Japanese prices are average annual values. US values are from the National Marine Fisheries Service, AFC; while Japanese data is from the Japanese Minister of Agriculture. Note change of yen to dollar shown below for years compared.

Year	US Fishermen in cents/pound	Japanese Fishermen in yen/kilo (cents/lb.)
1996	8.3	76 (32.0)
1997	10.2	83 (32.0)
1998	7.0	59 (24.0)
1999	9.6	58 (22.0)
2000	11.8	74 (31.4)
2001	12.5*	80 p*(30.3)

\*2001 estimated by NRC from preliminary data.

Note: Japanese vessels sell some of their catch to the fresh market, while US vessels sell part of their catch to the fillet market etc. Also, the yen to dollar is based on average yen to dollar averaged over three 4-month time periods for each year (see figure).

# F/V KAMILAR

Cynthia Fuglvog Owner

PO Box 71

Petersburg, Alaska 99833

Good afternoon.

Chairman Olson and members of the council, thank you for allowing me to speak before you.

You'll have to excuse me....this is the first time I've spoken in front of a crowd.

For the record my name is Cindy Fuglvog. I was born in Juneau and am a lifetime Alaskan resident. I grew up in a fishing family and have been involved in Alaska fisheries for over 30 years of my life. I currently reside in Petersburg where I have lived for the past 17 years. I have two grown children that grew up working alongside me and my former husband on our family boats. I am currently the owner of the fishing vessel Kamilar-a 66ft fixed gear "B" class vessel that's primary fishery is the Alaska IFQ halibut and sablefish fisheries. My boat has been long lining Alaska's waters for 30 years. I am also an active member of the Petersburg Vessel Owners Association.

I do not own my vessel, or my IFQ's outright. I have huge loan payments on both. Everything that you do with regard to additional fees has a substantial effect on me. It has a substantial effect on all the IFQ holders and crew on my vessel.

My position, like that of Mr. Steve Fish, <sup>is that</sup> ~~is that~~ I represent the over 60ft or B class, fixed gear catcher vessels that are owned by Alaskan residents, and operate primarily in Alaskan waters

First let me say that I am in favor of an observer program. I think it is important to gather the information needed to have a greater understanding of the impacts of ALL vessels with regard to bycatch. Bycatch seems to be the driving force behind these proposed changes.

However, as an over 60ft vessel, we have been the only halibut and sablefish boats to carry observers. I believe that the council is moving in the right direction to include all vessels in the ground fish fisheries in the observer program, not only because it will spread the cost of the program out, but because bycatch is not limited to one size or class of vessel. It is an issue with all fisheries, gear types; all size vessels, and all areas, Catcher boats and Catcher Processors alike.

The issue I have is with the structuring of the fee based proposals.

Why should we be required to pay twice as much as a vessel smaller than us when we are talking about a percentage based system? A percentage based system should treat all vessels the same. A percentage is equal.

There was a question brought up by the council as to what impact this will have on the crews of these vessels.

It will have a huge impact. Everyone shares the burden of the observer costs on my vessel; the crew, skipper, and owner. If the two percent fee is implemented it will cost the crew on my vessel up to four times more than they are paying now. Why should the families of my crew carry a heavier burden than those of the crews on other vessels? There are three working permit holders on my vessel and two crew members who would like to purchase quota. The trouble is B class quota is getting harder to find.

This brings me to my next point.

The other impact that you will most likely see will be an increase in the consolidation of quota from the B class vessels to that of C or D class vessels. Already the amount of B class quota being fished on C class vessels has risen from 9 % in 2000 to 13% in 2010. Why do you think they are building all of these new "super seiners"? It's not just for fishing salmon, even though they are limited to that size because of the fishery. Many of these vessels have a considerable amount of quota. They have escaped paying the costs of observer coverage. Will they now receive a break on the amount they pay for the observers because they are less than 60ft, even though they have more room, and can pack more fish than I do?

I would encourage the council to adopt a program that will include all halibut and sablefish vessels on EVEN bases no matter what their size or class to help in the effort to manage our fisheries with regard to observer coverage, and not favor one size or class vessel over another. Under the proposed programs the halibut and sablefish fishery is paying for a disproportionate amount of the program. I would like the council to consider a 1% fee across the board on all halibut and sablefish vessels. I realize there are issues with this proposal. I think that the council with help from staff can find an answer that will solve these problems, and come up with an equitable solution.

I would also like to encourage the council to strongly consider the option of Electronic Monitoring. It would eliminate the obvious issue of some vessels not having the room. Under the current program it would eliminate the problem of not having observers available when needed, and having to pay for observers to sit on your vessel while waiting for the weather to cooperate. There are many other advantages to having the EM. Those are just a few.

In conclusion, I would like to remind the council, that it is not just my vessel we are talking about or the income of one individual. I am responsible for a significant portion of the livelihood of five families: nine men and women, and ten children. It will affect all of us. Please continue your efforts to include all vessels in the observer program, but make the burden equal.

Thank you,

  
Cindy Fuglvoog

10/4/10

NMFS/AKR/RAM/Gharrett  
 Fuglvog\_FD and FU.xls  
 from Qry\_fishdown.v2.sql

**IFQ POUNDS LANDED BY SPECIES AND YEAR 2000 (to date), SHOWING FISH UP AND FISH DOWN**

data may not exactly match other published sources

*totals for halibut for 2005, 6, and 7 are confidential; percentages are not available (N/A)*

pounds are net (head off, gutted) pounds for halibut and round pounds for sablefish

data are sorted by species, year, QS category, Ves (size) category

"Ves Cat" means:

*for halibut: B is greater than 60' LOA, C is 36-60' LOA; C = less than 36' Length overall (LOA)*

*for sablefish: B is greater than 60' LOA, C is less than 61' LOA*

SPECIES	YEAR	QS CAT	VES CAT	SUM OF IFQ POUNDS	SUM OF IFQ POUNDS LANDED FOR YEAR	PERCENT OF SUM OF SPECIES IFQ POUNDS FOR YEAR
Halibut	2000	A	B	612,848	51,796,153	1.2%
Halibut	2000	A	C	952,587	51,796,153	1.8%
Halibut	2000	A	D	98,444	51,796,153	0.2%
Halibut	2000	B	B	17,419,723	51,796,153	33.6%
Halibut	2000	B	C	4,658,273	51,796,153	9.0%
Halibut	2000	B	D	636,221	51,796,153	1.2%
Halibut	2000	C	C	22,817,350	51,796,153	44.1%
Halibut	2000	C	D	1,375,167	51,796,153	2.7%
Halibut	2000	D	C	67,113	51,796,153	0.1%
Halibut	2000	D	D	3,158,427	51,796,153	6.1%
Halibut	2001	A	B	705,736	55,758,769	1.3%
Halibut	2001	A	C	1,003,694	55,758,769	1.8%
Halibut	2001	A	D	27,053	55,758,769	0.0%
Halibut	2001	B	B	18,097,384	55,758,769	32.5%
Halibut	2001	B	C	5,858,942	55,758,769	10.5%
Halibut	2001	B	D	493,348	55,758,769	0.9%
Halibut	2001	C	C	24,823,407	55,758,769	44.5%
Halibut	2001	C	D	1,462,576	55,758,769	2.6%
Halibut	2001	D	C	44,610	55,758,769	0.1%
Halibut	2001	D	D	3,242,019	55,758,769	5.8%
Halibut	2002	A	B	850,725	58,122,339	1.5%
Halibut	2002	A	C	960,017	58,122,339	1.7%
Halibut	2002	A	D	16,273	58,122,339	0.0%
Halibut	2002	B	B	17,916,436	58,122,339	30.8%
Halibut	2002	B	C	6,844,201	58,122,339	11.8%
Halibut	2002	B	D	410,224	58,122,339	0.7%
Halibut	2002	C	C	26,201,876	58,122,339	45.1%
Halibut	2002	C	D	1,403,869	58,122,339	2.4%
Halibut	2002	D	C	6,731	58,122,339	0.0%
Halibut	2002	D	D	3,511,987	58,122,339	6.0%
Halibut	2003	A	B	871,220	57,408,293	1.5%

Halibut	2003	A	C	883,662	57,408,293	1.5%
Halibut	2003	A	D	36,400	57,408,293	0.1%
Halibut	2003	B	B	17,618,417	57,408,293	30.7%
Halibut	2003	B	C	6,618,743	57,408,293	11.5%
Halibut	2003	B	D	501,392	57,408,293	0.9%
Halibut	2003	C	C	25,723,401	57,408,293	44.8%
Halibut	2003	C	D	1,684,660	57,408,293	2.9%
Halibut	2003	D	C	33,163	57,408,293	0.1%
Halibut	2003	D	D	3,437,235	57,408,293	6.0%
Halibut	2004	A	B	626,498	57,264,375	1.1%
Halibut	2004	A	C	981,129	57,264,375	1.7%
Halibut	2004	A	D	63,618	57,264,375	0.1%
Halibut	2004	B	B	15,903,560	57,264,375	27.8%
Halibut	2004	B	C	6,794,151	57,264,375	11.9%
Halibut	2004	B	D	521,114	57,264,375	0.9%
Halibut	2004	C	C	26,785,082	57,264,375	46.8%
Halibut	2004	C	D	1,893,080	57,264,375	3.3%
Halibut	2004	D	C	14,398	57,264,375	0.0%
Halibut	2004	D	D	3,681,745	57,264,375	6.4%
Halibut	2005	A	B	587,943	<i>confidential</i>	<i>N/A</i>
Halibut	2005	A	C	963,791	<i>confidential</i>	<i>N/A</i>
Halibut	2005	A	D	49,239	<i>confidential</i>	<i>N/A</i>
Halibut	2005	B	B	14,385,587	<i>confidential</i>	<i>N/A</i>
Halibut	2005	B	C	6,848,097	<i>confidential</i>	<i>N/A</i>
Halibut	2005	B	D	486,443	<i>confidential</i>	<i>N/A</i>
Halibut	2005	C	C	26,147,630	<i>confidential</i>	<i>N/A</i>
Halibut	2005	C	D	2,056,797	<i>confidential</i>	<i>N/A</i>
Halibut	2005	D	C	35,318	<i>confidential</i>	<i>N/A</i>
Halibut	2005	D	D	3,679,554	<i>confidential</i>	<i>N/A</i>
Halibut	2006	A	B	716,057	<i>confidential</i>	<i>N/A</i>
Halibut	2006	A	C	764,624	<i>confidential</i>	<i>N/A</i>
Halibut	2006	A	D	8,554	<i>confidential</i>	<i>N/A</i>
Halibut	2006	B	B	12,834,710	<i>confidential</i>	<i>N/A</i>
Halibut	2006	B	C	6,499,969	<i>confidential</i>	<i>N/A</i>
Halibut	2006	B	D	508,327	<i>confidential</i>	<i>N/A</i>
Halibut	2006	C	C	25,307,641	<i>confidential</i>	<i>N/A</i>
Halibut	2006	C	D	1,862,477	<i>confidential</i>	<i>N/A</i>
Halibut	2006	D	C	32,812	<i>confidential</i>	<i>N/A</i>
Halibut	2006	D	D	3,690,368	<i>confidential</i>	<i>N/A</i>
Halibut	2007	A	B	512,434	<i>confidential</i>	<i>N/A</i>
Halibut	2007	A	C	833,154	<i>confidential</i>	<i>N/A</i>
Halibut	2007	A	D	25,854	<i>confidential</i>	<i>N/A</i>
Halibut	2007	B	B	11,919,580	<i>confidential</i>	<i>N/A</i>
Halibut	2007	B	C	6,528,492	<i>confidential</i>	<i>N/A</i>
Halibut	2007	B	D	624,734	<i>confidential</i>	<i>N/A</i>
Halibut	2007	C	C	23,577,658	<i>confidential</i>	<i>N/A</i>
Halibut	2007	C	D	1,755,020	<i>confidential</i>	<i>N/A</i>
Halibut	2007	D	C	119,499	<i>confidential</i>	<i>N/A</i>
Halibut	2007	D	D	3,408,704	<i>confidential</i>	<i>N/A</i>

Halibut	2008	A	B	624,721	47,295,629	1.3%
Halibut	2008	A	C	762,979	47,295,629	1.6%
Halibut	2008	A	D	13,757	47,295,629	0.0%
Halibut	2008	B	B	11,615,657	47,295,629	24.6%
Halibut	2008	B	C	7,223,363	47,295,629	15.3%
Halibut	2008	B	D	546,046	47,295,629	1.2%
Halibut	2008	C	C	21,612,618	47,295,629	45.7%
Halibut	2008	C	D	1,587,581	47,295,629	3.4%
Halibut	2008	D	C	396,206	47,295,629	0.8%
Halibut	2008	D	D	2,912,701	47,295,629	6.2%
Halibut	2009	A	B	493,124	42,204,076	1.2%
Halibut	2009	A	C	709,577	42,204,076	1.7%
Halibut	2009	A	D	30,562	42,204,076	0.1%
Halibut	2009	B	B	10,656,030	42,204,076	25.2%
Halibut	2009	B	C	6,589,199	42,204,076	15.6%
Halibut	2009	B	D	478,147	42,204,076	1.1%
Halibut	2009	C	C	19,152,535	42,204,076	45.4%
Halibut	2009	C	D	1,320,330	42,204,076	3.1%
Halibut	2009	D	C	345,996	42,204,076	0.8%
Halibut	2009	D	D	2,428,576	42,204,076	5.8%
Halibut	2010	A	B	376,708	35,744,574	1.1%
Halibut	2010	A	C	593,074	35,744,574	1.7%
Halibut	2010	A	D	33,862	35,744,574	0.1%
Halibut	2010	B	B	9,157,601	35,744,574	25.6%
Halibut	2010	B	C	5,599,809	35,744,574	15.7%
Halibut	2010	B	D	245,833	35,744,574	0.7%
Halibut	2010	C	C	16,326,742	35,744,574	45.7%
Halibut	2010	C	D	1,050,496	35,744,574	2.9%
Halibut	2010	D	C	265,227	35,744,574	0.7%
Halibut	2010	D	D	2,095,222	35,744,574	5.9%
Sablefish	2000	A	B	4,083,694	27,624,505	14.8%
Sablefish	2000	A	C	1,174,827	27,624,505	4.3%
Sablefish	2000	B	B	9,027,579	27,624,505	32.7%
Sablefish	2000	B	C	2,124,473	27,624,505	7.7%
Sablefish	2000	C	C	11,213,932	27,624,505	40.6%
Sablefish	2001	A	B	3,783,500	26,349,910	14.4%
Sablefish	2001	A	C	1,110,016	26,349,910	4.2%
Sablefish	2001	B	B	8,312,856	26,349,910	31.5%
Sablefish	2001	B	C	2,499,302	26,349,910	9.5%
Sablefish	2001	C	C	10,644,236	26,349,910	40.4%
Sablefish	2002	A	B	4,219,902	27,084,472	15.6%
Sablefish	2002	A	C	1,263,595	27,084,472	4.7%
Sablefish	2002	B	B	7,714,374	27,084,472	28.5%
Sablefish	2002	B	C	3,273,876	27,084,472	12.1%
Sablefish	2002	C	C	10,612,725	27,084,472	39.2%
Sablefish	2003	A	B	5,108,669	30,836,143	16.6%

Sablefish	2003	A	C	1,303,382	30,836,143	4.2%
Sablefish	2003	B	B	9,217,846	30,836,143	29.9%
Sablefish	2003	B	C	3,165,633	30,836,143	10.3%
Sablefish	2003	C	C	12,040,613	30,836,143	39.0%
Sablefish	2004	A	B	5,512,758	33,694,929	16.4%
Sablefish	2004	A	C	1,203,195	33,694,929	3.6%
Sablefish	2004	B	B	10,163,304	33,694,929	30.2%
Sablefish	2004	B	C	3,762,799	33,694,929	11.2%
Sablefish	2004	C	C	13,052,873	33,694,929	38.7%
Sablefish	2005	A	B	5,342,048	32,877,746	16.2%
Sablefish	2005	A	C	1,280,522	32,877,746	3.9%
Sablefish	2005	B	B	9,972,691	32,877,746	30.3%
Sablefish	2005	B	C	3,661,374	32,877,746	11.1%
Sablefish	2005	C	C	12,621,111	32,877,746	38.4%
Sablefish	2006	A	B	4,785,275	30,849,437	15.5%
Sablefish	2006	A	C	1,430,509	30,849,437	4.6%
Sablefish	2006	B	B	9,130,173	30,849,437	29.6%
Sablefish	2006	B	C	3,474,716	30,849,437	11.3%
Sablefish	2006	C	C	12,028,764	30,849,437	39.0%
Sablefish	2007	A	B	4,952,790	30,080,328	16.5%
Sablefish	2007	A	C	1,216,512	30,080,328	4.0%
Sablefish	2007	B	B	9,105,983	30,080,328	30.3%
Sablefish	2007	B	C	3,326,143	30,080,328	11.1%
Sablefish	2007	C	C	11,478,900	30,080,328	38.2%
Sablefish	2008	A	B	3,831,905	26,871,507	14.3%
Sablefish	2008	A	C	1,495,674	26,871,507	5.6%
Sablefish	2008	B	B	7,842,559	26,871,507	29.2%
Sablefish	2008	B	C	3,143,458	26,871,507	11.7%
Sablefish	2008	C	C	10,557,911	26,871,507	39.3%
Sablefish	2009	A	B	3,652,881	24,202,225	15.1%
Sablefish	2009	A	C	1,315,422	24,202,225	5.4%
Sablefish	2009	B	B	6,921,733	24,202,225	28.6%
Sablefish	2009	B	C	2,958,074	24,202,225	12.2%
Sablefish	2009	C	C	9,354,115	24,202,225	38.6%
Sablefish	2010	A	B	2,799,174	20,809,826	13.5%
Sablefish	2010	A	C	1,392,159	20,809,826	6.7%
Sablefish	2010	B	B	5,840,447	20,809,826	28.1%
Sablefish	2010	B	C	2,681,321	20,809,826	12.9%
Sablefish	2010	C	C	8,096,725	20,809,826	38.9%

PVOA

8 alaskan based over 60A ~~EPQ~~  
vessel.





North Pacific Fisheries Association

P.O. Box 796  
Homer, Alaska 99603

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October 1, 2010

Chairman Mr. Eric Olson  
North Pacific Fisheries Management Council  
605 W 4<sup>th</sup> Ave  
Anchorage, AK 99501

Re: Agenda Item C-1 Observer Restructuring

Dear Chairman Olson;

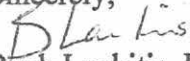
The North Pacific Fisheries Association represents mostly small boat fishermen who live in Homer and who fish throughout the state. Our members participate in the halibut, sablefish, groundfish, salmon and herring fisheries from Dixon Entrance to Attu. Our membership generally owns vessels in the under 60 foot class and halibut boats which have not been required to pay for, or carry observers.

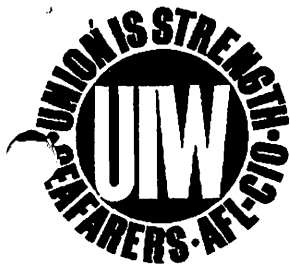
We support restructuring the observer program. We believe the existing program in the GOA is flawed. The program results are extremely biased. The program can simply and easily be gamed by fishermen who are constrained by the halibut PSC cap. Fishermen choose when and where they will fish with an observer. Fishermen fish differently and in different areas when they are observed. The existing observer program does not provide enough coverage to adequately protect the nations resources.

The IPHC reports that there are two large year classes of sub-legal halibut. Halibut are growing at unprecedentedly slow rates. These small fish are extremely vulnerable as bycatch and are not yet contributing to the directed catch. The IPHC has repeatedly noted that there is an unaccounted for source of mortality. Something doesn't add up. Their tagged recapture (PIT tag) studies have released tens of thousands of tags with surprisingly few recaptures. Without good future year classes the halibut resource faces sharp declines. We believe that halibut mortality in the GOA far exceeds the PSC cap, and the structure of the existing observer program is primarily at fault.

For these reasons and others we support a restructured observer program. The proposed alternatives are not perfect. We prefer Alternative 3, Option 1 where halibut boats would pay 1%. Our members know that even at 1% halibut fishermen will pay dearly to support the new program, but we feel that in the long term the benefits will outweigh the costs.

Sincerely,

  
Buck Laukitis, President



## **United Industrial, Service, Transportation, Professional and Government Workers of North America**

of The Seafarers International Union of North America, Atlantic, Gulf, Lakes and Inland Waters District/NMU, AFL-CIO

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Vice President

*Midwest Region*  
**THOMAS ORZECOWSKI**  
Vice President

*West Coast Region*  
**HERB PEREZ**  
Vice President

September 29, 2010

Mr. Eric Olson, Chairman  
North Pacific Fisheries Management Council  
605 W. 4<sup>th</sup> Ave., Suite 306  
Anchorage, AK 99501

Dear Chairman Olson,

Please accept this as written testimony for agenda item C-1 Observer Program Restructuring.

The United Industrial Workers represents approximately 2/3rds of the active observers in the North Pacific Groundfish Observer Program. In addition I am a member of the Observer Advisory Committee.

As you are well aware the Council has been working towards restructuring the Observer program for many years. The need for restructuring has been well established over the years and the record shows that it is necessary now more than ever. From the disparity of costs throughout industry to competition for observers from other programs to the usefulness of the data as it is currently collected, this restructuring will go along way towards addressing those concerns that have been struggled with for over a decade. For these reasons, the union does not believe that Alternative one is a viable choice.

The UIW believes that a comprehensive alternative such as four or five would be the ideal solution. However, based on the information presented it is felt that the most appropriate alternative is Alternative Three as it requires the shortest amount of time to implement yet addresses all of the concerns as outlined in the problem statement. It is recognized that Alternative three creates a hybrid system that will present some new challenges however from our point of view we do not believe these challenges to be insurmountable.

I would also like to recommend that the Observer Advisory Committee, or a subset of the OAC, continue to be involved as the restructuring moves forward. I would ask that I be considered for any such committee.

I apologize that I am unable to attend in person, it is unfortunately unavoidable. I would like to make myself available to you or any other member of the Council or Council staff if you feel I may be able to provide information to help in this decision.

Thank you for your time and consideration.



Tracey Mayhew



# SEAFOOD PRODUCERS COOPERATIVE

PRODUCERS, PROCESSORS & MARKETERS OF PREMIUM QUALITY SEAFOODS

## SPC Council Restructured Observer Program Testimony

Chairman Olson and Members of the North Pacific Fisheries Management Council:

Seafood Producers Cooperative's over 500 Fishermen/Owners support the efforts of The Alaska Longline Fishermen's Association relative to restructuring the observer program. We encourage the council to modify option 1, and collect half the Ex-vessel value based fee, if one is established by the council under a chosen alternative on Halibut and Sablefish longline landings.

The current public review draft is still critically short of details clarifying, how, where, and for what time span our IFQ fishermen will finance, perform in, and comply with the expanded observer program. Still absent are details on deployment, sampling design, electronic monitoring options, inclusion of logbooks, and "trip" definition. The most recent draft isn't clear on what is expected of our IFQ fishermen and vessels. It is extremely difficult to envision exactly how each of us fit into NOAA's plan.

As soon as practical the council should insist that NOAA incorporate mandatory use of it's "Alaska Groundfish daily fishing log book for longline and pot gear", for *ALL* longline fishing. This log can and will provide by catch and discard data exactly as the over 60' vessels currently do. We are certain that this aspect of observation will provide NOAA with essential useful data at a fraction of the expense that the human observer, electronic monitor, or potential NOAA chase boats will cost. We also caution the council to be mindful of the limited workability of vessel based observer deployment in the IFQ fisheries where individuals, not boats, are issued pounds. Again we emphasize and support Alaska Longline Fishermen's Association testimony on this yet incomplete observer procurement and deployment public review draft.

Thank you,

Tom McLaughlin  
President/CEO  
Seafood Producers Cooperative

Motion on Observer Restructuring  
October 8, 2010

The Council adopts Alternative 3, the “coverage-based” restructuring alternative as its preferred alternative, with the following components that include a modified version of Option 2:

**Two tier system for general coverage categories:** All vessels and processors in the groundfish and halibut fisheries off Alaska would be placed into one of two observer coverage categories. These categories would be established in regulation:

1. the “greater than or equal to 100%” ( $\geq 100\%$ ) coverage category, and
2. the “less than 100 percent” ( $< 100\%$ ) coverage category.

Vessels and processors that would be placed in the  $\geq 100\%$  include:

1. all catcher/~~processors~~ and motherships participating in the groundfish and halibut fisheries,
2. all catcher vessels while fishing under a management system that uses prohibited species caps in conjunction with a catch share program, and
3. all shoreside and floating processors when taking deliveries of AFA or CDQ pollock.

Vessels and processors in the  $\geq 100\%$  coverage category would not be included under the fee-based program and would continue to obtain observers by contracting directly with observer providers (“status quo”).

All other catcher vessel landings in the groundfish and halibut fisheries, and processors taking deliveries of this catch, would fall into the  $< 100\%$  coverage category. Observer coverage for vessels and processors in the  $< 100\%$  coverage category would be managed under an ex-vessel fee based observer service delivery model with the following features:

**Basis of the fee assessment:** A fee would be assessed on the ex-vessel value of the landed catch weight of groundfish and halibut. The landed catch weight would be the weight equivalents used to debit quotas (e.g., round weight for groundfish and headed and gutted net weight for halibut) which are reported on the processor’s or registered buyer’s landing report submitted to NMFS.

Processors would collect the vessel operators’ share of the fee liability at the time of landing. NMFS would collect the fee assessment through annual billings of the processors.

**Ex-vessel value fee percentage of 2%:** The fee percentage would be set in regulation at 2% of the ex-vessel value of groundfish and halibut. The fee percentage will be reviewed annually by the Council after the second year of the program (see Option 2 annual reports, below).

**Selection of vessels and processors for observer coverage:** The selection of vessels and processors that must carry an observer under the restructured program would be determined through a sampling and deployment plan. Observer coverage rates (trips or vessels) would not be in regulation.

**Standard ex-vessel prices to apply to (non-IFQ) groundfish landings to determine the ex-vessel value based fee liability** would be based on standardized ex-vessel nominal prices calculated using data derived from COAR using the methodology developed by the CFEC for their gross earnings estimates.

Standard ex-vessel prices would be established for groundfish by species, port of landing, and gear. Three gear type categories would be established: pelagic trawl gear, non-pelagic trawl gear, and fixed gear (everything else besides trawl gear). Because of data confidentiality issues, standardized price data must be aggregated if there are fewer than 3 entities in a price category.

**A 3-year rolling average would be used to calculate the standard ex-vessel prices for groundfish** (excluding fixed gear IFQ/CDQ sablefish).

**Standard annual ex-vessel prices for halibut and sablefish IFQ and CDQ:** The most recent available standard annual ex-vessel price for IFQ halibut and IFQ sablefish developed for the IFQ cost recovery program would be applied to landings by:

- catcher vessels in the <100% observer coverage category of halibut IFQ,
- halibut CDQ,
- sablefish IFQ, and
- sablefish that accrues against the fixed gear sablefish CDQ allocation.

This standard ex-vessel price is established annually by port or port group from registered buyer reports.

**How to define a catcher/processor:** The determination of whether a vessel is a catcher/processor or a catcher vessel for assignment to an observer coverage category would be based on the designation that is on that vessel's Federal Fisheries Permit (FFP). Once established prior to the beginning of each fishing year, the designation as a catcher/processor or catcher vessel determines the vessel operation category assignment within the restructured observer program sampling and deployment plan for the calendar year. A different approach would be used for vessels that are included in the program, but not required to obtain an FFP. The appropriate approach would be determined during development of the proposed rule

The following exclusions would be made:

**State water GHL and state-managed fisheries:** Vessels participating in GHL groundfish fisheries and other state managed non-groundfish fisheries (e.g., lingcod) would be excluded from Federal observer coverage requirements, but non-GHL groundfish incidentally caught in the State GHL and other non groundfish managed fisheries that are landed by vessels with FFPs would be subject to the fee assessment.

Vessels with an FFP fishing in the State of Alaska parallel groundfish fisheries would be subject to the Federal observer coverage requirements and the ex-vessel fee assessment.

**Catcher vessels delivering unsorted cod ends to a mothership:** As is the case under status quo, observers would not be required on catcher vessels delivering groundfish in unsorted codends to a mothership. Because all motherships are in the  $\geq 100\%$  observer coverage category, no fee would be assessed on these groundfish landings, and observer coverage of the catch would occur on the mothership under the status quo system of observer coverage requirements.

Landings from catcher vessels in the  $< 100\%$  coverage category that deliver groundfish or halibut catch that is retrieved onboard the catcher vessel before delivery to the mothership (“sorted catch”) would be subject to the fee assessment and observer coverage under the restructured program.

**Start-up funding:** Funds must be collected prior to deployment of observers under the restructured portion of the program to initiate contracts for observer deployment. Alternative 3 is expected to provide start-up funding in one year. During the start-up period (“year-0”), vessels and processors subject to the 2% fee assessment would continue to pay for current observer coverage requirements. Processors would be billed at the end of the year. Vessels and processors will only be required to pay the difference between the fee assessment and the actual year-0 observer costs under the status quo deployment model.

**Federal funding for start-up costs:** The Alaska Region NMFS will continue to seek federal funding for start-up costs of implementation of the restructured observer program. If federal funding is available, it would be used towards the initial deployment of observers under a restructured program.

**Modified Option 2: Annual Report and Review of the Sampling and Deployment Plan and the 2% fee assessment:**

The following statement replaces the existing language for Option 2:

NMFS will release an observer report by September 1 of each year. The report will contain the proposed stratum and coverage rates for the deployment of observers in the following calendar year, as well as information on the financial aspects of the program. The Council may request its Observer Advisory Committee, Groundfish Plan Teams and/or the SSC to review and comment on this draft plan. NMFS will consult with the Council each year on the draft plan for the upcoming year, at a meeting of the Council’s choosing that provides sufficient time for Council review and input to NMFS.

NMFS also would prepare an annual report on the observer program for presentation to the Council each year, including information on how industry participants have adapted to and been able to accommodate the new program. As part of this annual report, the 2% fee percentage would be reviewed by the Council after completion of the second year of observer deployment in the restructured program. The Council could revise the fee assessment percentage in the future through rulemaking after it had an opportunity to evaluate program revenues and costs, observer coverage levels, fishery management objectives, and future sampling and observer deployment plans. This report would be provided to the Council at the same time the annual deployment plan is being provided.