


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke 
Executive Director

DATE: June 2, 1994

SUBJECT: North Pacific Fisheries Research Plan

ESTIMATED TIME

5 HOURS

ACTION REQUIRED

- (a) Receive staff reports on budgets and recommended first year fee percentage.
- (b) Receive report from Observer Oversight Committee.
- (c) Approve preliminary fee percentage for 1995 to go to public review.

BACKGROUND

The Research Plan was published as a Proposed Rulemaking on May 6, with the public comment period running until July 5. A copy of that Proposed Rule is included here as Item C-1(a). If approved by the Secretary of Commerce, the fee assessments authorized by the Plan would begin next year, with full implementation of the Plan in 1996. The annual cycle established by the Plan calls for the Council to make initial recommendations at the June meeting for observer coverage levels, exvessel fish prices to be used in fee assessment calculations, and the actual fee percentage for the upcoming year. These initial recommendations would be subject to public review with the Council making its final recommendation in September. The first year under the Plan will be a bit different than in future years since 1995 is designated as a 'start-up' year to accumulate necessary money in the Observer Fund. As recommended by the Council, observer coverage requirements in Year 1 will remain as they are with direct payments to observer contractors, eliminating the need for the Council to make recommendations on observer coverage patterns at this meeting. Rather, the primary task at hand for this iteration is to set a fee percentage which will result in accumulation of necessary start-up funding.

The Plan as written in the Proposed Rule is different than what the Council approved, in that it requires everyone to pay the fee, even if they are paying directly for observer coverage. Those paying directly for observer coverage would be issued a rebate in mid-1995, based on a standard cost per observer day. For example, someone who paid directly for observer coverage would be rebated their actual costs, or a standardized amount, whichever is less. NMFS staff will provide an overview for the Council on the proposed mechanism for fee assessments, collections, and rebates. Item C-1(b) contains these summary materials.

Item C-1(c) contains the actual operations budgets for NMFS and ADF&G under the Research Plan. These will be presented by agency staff, along with Item C-1(d), which contains information on fish prices, direct observer costs, and finally, the fee percentage which appears to be necessary in Year 1 of the Research Plan.

The Observer Oversight Committee (OOC) established by the Research Plan met on May 26-27 in Seattle to review the initial budgets, reports, and fee percentage projections from NMFS and ADF&G. Their report is contained in your notebooks under Item C-1(e) and will be presented by Committee Chair Chris Blackburn.

detect leakage of CNG as well as to warn persons nearby of the potential hazard? What type of system? Is it commercially available? What would be the cost? Would the leakage detection/warning system, including its power source, become a potential ignition source when activated?

Refueling

NHTSA seeks information on potential safety hazards associated with the refueling of heavy CNG vehicles.

18. Are manufacturers or fleet operators aware of safety hazards or accidents that have occurred during refueling operations? If so, please provide information on them.

19. What items are included in current guidelines or procedures for CNG refueling, such as the need for grounding straps, operator protective clothing, etc.?

20. Is a small amount of CNG normally released during connecting/disconnecting of the refueling equipment? If so, how much? Are devices, such as excess flow valves, used in refueling equipment to prevent excess CNG leakage in the event of a refueling line rupture? To what extent are such devices used?

21. What standards or guidelines currently exist for refueling couplers and related equipment?

Submission of Comments

The agency invites written comments from all interested parties. It is requested that 10 copies of each written comment be submitted.

No comment may exceed 15 pages in length. (49 CFR 553.21). Necessary attachments may be appended to a comment without regard to the 15-page limit. This limitation is intended to encourage commenters to detail their primary arguments in a concise fashion.

If a commenter wishes to submit specified information under a claim of confidentiality, three copies of the complete submission, including purportedly confidential business information, should be submitted to the Chief Counsel, NHTSA, at the street address given above and seven copies from which the purportedly confidential information has been deleted should be submitted to the Docket Section. A request for confidentiality should be accompanied by a cover letter setting forth the information specified in the agency's confidential business information regulation, 49 CFR part 512.

All comments received before the close of business on the comment closing date indicated above will be considered, and will be available for examination in the docket at the above

address both before and after the closing date.

To the extent possible, comments filed after the closing date will also be considered. NHTSA will continue to file relevant information as it becomes available in the docket after the closing date, and it is recommended that interested persons continue to examine the docket for new material.

Those persons desiring to be notified upon receipt of their comments in the rules docket should enclose a self-addressed, stamped postcard in the envelope with their comments. Upon receiving the comments, the docket supervisor will return the postcard by mail.

Authority: 15 U.S.C. 1392, 1401, 1403, 1407, 1417; delegations of authority at 49 CFR 1.50 and 49 CFR 501.8.

Issued on May 2, 1994.

Barry Felice,

Associate Administrator for Rulemaking.

[FR Doc. 94-10897 Filed 5-5-94; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Parts 301, 671, 672, 675, 676, and 677

[Docket No. 940412-4112; I.D. 033104E]

RIN 0648-AD80

North Pacific Fisheries Research Plan

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Proposed rule and notice of hearings.

SUMMARY: NMFS issues a proposed rule to implement the North Pacific Fisheries Research Plan (Research Plan) for the Gulf of Alaska (GOA) groundfish fishery, Bering Sea and Aleutian Islands management area (BSAI) groundfish fishery, Bering Sea and Aleutian Islands area king and Tanner crab fisheries, and Pacific halibut fishery in convention waters off Alaska. The Research Plan would provide an industry-funded observer program and promote management, conservation, and scientific understanding of groundfish, halibut, and crab resources off Alaska.

DATES: Comments on this proposed rule must be received by July 5, 1994.

Public hearings on the proposed Research Plan will be held as follows:

1. June 7, 1994, 7:00 p.m., Anchorage, Alaska.

2. June 15, 1994, 10:30 a.m., Seattle, Washington.

3. June 16, 1994, 10:00 a.m., Portland, Oregon.

ADDRESSES: Comments may be sent to Ronald J. Berg, Chief, Fisheries Management Division, Alaska Region, National Marine Fisheries Service, P.O. Box 21668, Juneau, AK 99802 (Attn: Lori Gravel). Individual copies of the proposed Research Plan and the environmental assessment/regulatory impact review (EA/RIR) may be obtained from the North Pacific Fishery Management Council, P.O. Box 103136, Anchorage, AK 99510.

Public hearings will be held at the following locations:

1. Anchorage—Anchorage Hilton Hotel, 500 W. 3rd Avenue, Anchorage, Alaska (907-272-7411)

2. Seattle—Alaska Fisheries Science Center Auditorium, 7600 Sand Point Way Northeast, Building 9, Seattle, Washington (206-526-4197)

3. Portland—Red Lion Inn, 909 North Hayden Island Dr., Jantzen Beach, Portland, Oregon (503-283-4466).

FOR FURTHER INFORMATION CONTACT:

Ronald J. Berg, Chief, Fisheries Management Division, Alaska Region, NMFS, at 907-586-7228.

SUPPLEMENTARY INFORMATION:

Background

The domestic groundfish fisheries of the BSAI and GOA in the exclusive economic zone (EEZ) are managed under the Fishery Management Plan (FMP) for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area and the FMP for Groundfish of the GOA. The FMPs were prepared by the North Pacific Fishery Management Council (Council) under the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 *et seq.*) (Magnuson Act) and are implemented for the U.S. fishery by regulations at 50 CFR parts 620, 672, and 675. The domestic fishery for Pacific halibut off Alaska is managed by the International Pacific Halibut Commission (IPHC), as provided by the Northern Pacific Halibut Act of 1982 (16 U.S.C. 773-773k), with implementing regulations at 50 CFR part 301. Regulations implementing individual fishing quotas (IFQs) for the domestic groundfish and halibut fisheries off Alaska are at 50 CFR part 676. The king and Tanner crab fisheries of the Bering Sea and Aleutian Islands area are managed under the FMP for the Commercial King and Tanner-Crab Fisheries in the Bering Sea and Aleutian Islands. This FMP delegates management of the crab resources in the Bering Sea and Aleutian Islands area to

the State of Alaska (State) with Federal oversight. Regulations necessary to carry out the crab FMP appear at 50 CFR part 671.

Section 313 of the Magnuson Act, as amended by section 404 of the High Seas Driftnet Fisheries Enforcement Act, Pub. L. 102-582, authorizes the Council to prepare, in consultation with the Secretary of Commerce (Secretary), a Research Plan for all fisheries under the Council's jurisdiction except salmon fisheries. The proposed Research Plan would require that observers be stationed on certain fishing vessels and U.S. fish processors participating in the BSAI groundfish, GOA groundfish, and Bering Sea and Aleutian Islands area king and Tanner crab fisheries, and it would allow these requirements to be extended to the halibut fishery off Alaska. Observers would be deployed for the purpose of collecting data necessary for the conservation, management, and scientific understanding of fisheries under the Council's authority. The Research Plan also would establish a system of fees to pay for the costs of implementing the Research Plan. The fees would be based on the exvessel value of retained catch in the BSAI and GOA groundfish fisheries, the Bering Sea and Aleutian Islands area king and Tanner crab fisheries, and the Pacific halibut fishery off Alaska (Research Plan fisheries). Future recommendations by the Council to include other fisheries under the Research Plan would require an amendment or amendments to the Research Plan and to the regulations implementing it.

Regulations implementing Amendments 18 and 13 to the FMPs for Groundfish of the GOA and the Groundfish Fishery of the Bering Sea and Aleutian Islands Area, respectively (54 FR 50386, December 6, 1989), authorized a data collection program to obtain information necessary for conservation and management of the groundfish fisheries. One of the measures in Amendments 18 and 13 authorized a comprehensive domestic fishery observer program. The Secretary, in consultation with the Council, prepared and implemented an Observer Plan to implement provisions of that program (55 FR 4839, February 12, 1990). The Alaska Board of Fisheries (Board) implemented a Shellfish Onboard Observer Program for the king and Tanner crab fisheries off Alaska in April 1988 (5 AAC 39.645). Currently, no observer program is established for the Pacific halibut fishery in convention waters off Alaska.

Two problems with the current Federal and State observer programs

have been identified: First, the costs of observer coverage are not borne by all fishery participants. Under the current Federal observer program, some groundfish operations are required to pay for 100 percent observer coverage, others are required to pay for 30 percent coverage, and still other operations that benefit from the observer program pay none of the cost. The last group includes some groundfish and all halibut operations, because they have no observer coverage requirements. State king and Tanner crab regulations require observer coverage for all vessels that process king or Tanner crab in waters off Alaska, but mandate no observer coverage for crab catcher vessels or shoreside processors.

Second, the current method of paying for observers under the Federal and State observer programs limits NMFS and State control over the observer programs and impedes the agencies' ability to manage the programs effectively. Observer contractors are not solely responsible to NMFS or to the State for the quality of their work performance; sometimes they have conflicting responsibilities to their clients, to whom they are providing observers, and to NMFS or to the State. The owners and operators of vessels and processing facilities now are responsible for making arrangements with an observer contractor of their choice to meet observer requirements and for paying the costs of observers directly to that contractor. This direct business relationship, and the ability of an owner or operator to select among the group of contractors, mean that the contractors and, indirectly, the observers, work for the operations they are observing. This relationship could provide a means for an operation to reward or penalize contractors and their observers and thus negatively influence the work performance of the observers and quality of the data collected. This appearance of a conflict of interest could reduce the credibility of observer data.

To resolve these problems, the Council initiated development of the Research Plan. A draft EA/RIR for the Research Plan was initially reviewed and approved for public distribution and comment by the Council and its advisory bodies at their January 15-17, 1991, meetings. After reviewing written comments and advice from its advisory bodies, and hearing public testimony at its meetings of April 23-26, 1991, the Council further refined the Research Plan. A revised EA/RIR was reviewed and approved for public distribution and comment by the Council and its advisory bodies at their April 20-26,

1992, meetings. After reviewing written comments, obtaining further advice from its advisory bodies, and hearing public testimony at its June 23-28, 1992, meeting, the Council adopted the Research Plan and recommended that it be submitted to the Secretary for review. The EA/RIR was updated in December 1993 to reflect newly available information. The Council approved the Research Plan as described in this proposed rule at its December 1993 meeting.

Description of the Proposed Research Plan

Objectives

1. Provide a framework for an observer program for the Alaska groundfish fisheries and the Pacific halibut fishery to accommodate inseason management and stock assessment needs, and to provide accurate, real-time data of sufficient quality to implement an individual vessel incentive program developed to meet specified management objectives of the Council;
2. Provide a framework for an observer program for Bering Sea and Aleutian Islands area king and Tanner crab fisheries to accommodate inseason management needs, monitor industry compliance with Federal and State regulations, and collect biological and management data necessary to achieve the sustained yield of the crab resource without overfishing;
3. Ensure that the groundfish and crab observer programs are efficient and cost effective, that any increased costs are commensurate with the quality and usefulness of the data to be derived from any revisions to the programs, and that such changes are necessary to meet fishery management needs; and
4. Provide for cooperation and coordination between the groundfish observer program administered by NMFS and the crab observer program administered by the Alaska Department of Fish and Game (ADF&G).

Determination of Research Plan Fees

NMFS would annually establish a Research Plan fee percentage for the upcoming calendar year. As described in this preamble, the fee percentage would be based on standard exvessel prices by species and projections of the following: (1) Retained catches by species (i.e., catch retained by either at-sea or shoreside processors) in all Research Plan fisheries; (2) observer program costs; and (3) the surplus in the North Pacific Fishery Observer Fund (Fund), other sources of funding for the Research Plan, and nonpayments. After

consulting with the Council and State, NMFS would publish the fee percentage and the values of the variables on which it is based in the Federal Register and invite comments. After considering comments received and again consulting with the Council and the State, NMFS would publish final values in the Federal Register.

Standard Exvessel Prices. NMFS would annually establish standard exvessel prices for species harvested in Research Plan fisheries. These prices would be used in estimating the total exvessel value of the Research Plan fisheries for the coming year and in assessing fees. The standard exvessel prices would be based on: (1) Exvessel price information for the most recent 12-month period for which data are available, (2) factors that are expected to change exvessel prices in the upcoming calendar year, and (3) any other relevant information that may affect expected exvessel prices during the upcoming calendar year.

Retained Catch. NMFS would project retained catch, by species, for the Research Plan fisheries annually, using the best available information concerning expected catches and discards.

Total Exvessel Value. NMFS would annually calculate the total exvessel value of retained catches for Research Plan fisheries as the sum of the products of the standard exvessel prices and projected retained catches, for all Research Plan species.

Observer Program Costs. NMFS and ADF&G would each prepare an annual budget that identifies expected recoverable Research Plan costs for the upcoming calendar year. Recoverable costs identified in each budget would include: (1) Costs for observer training, certification, briefing, and debriefing; (2) costs for stationing observers, including travel, salaries, benefits, and insurance; (3) costs for data collection, transmission, input, processing, and management; and (4) contract services and general program operational costs, excluding overhead. The estimated budget would be based on anticipated observer coverage and the anticipated costs directly incurred in carrying out the Research Plan. The observer program costs also would include the costs associated with a risk-sharing pool to provide comprehensive insurance coverage for vessels and owners if such an insurance program is established under section 313 of the Magnuson Act (see Risk-sharing Pool, in this preamble.)

Surplus Funds, Other Sources of Funding, and Fee Nonpayment. Annually, NMFS would project each of

the following: (1) The surplus that would be in the Fund at the end of the current calendar year, (2) the funds that would be available from other sources for use in funding the Research Plan during the upcoming calendar year, and (3) the nonpayment rate on fees assessed under the Research Plan during the upcoming calendar year.

Calculation of the Fee Percentage. Under the Magnuson Act, the fee percentage established to pay for the costs of implementing the Research Plan may not exceed 2 percent of the exvessel value of fish harvested under the authority of the Council (except salmon), including shellfish and the Northern Pacific halibut fishery. Annually, the fee percentage for the upcoming calendar year will be set equal to the lesser of 2 percent of the exvessel value of retained catch in the Research Plan fisheries or the fee percentage calculated using the equation described above and set out at § 677.11(a)(3).

If the fee percentage calculated using this formula is greater than 2 percent, there would be a funding shortfall due to the 2 percent limit in the Magnuson Act. This would require a reevaluation of the levels of coverage that would be required and funded. Available funds would be utilized to address the Research Plan objectives in the following priority: (1) Status of stock assessments (i.e., collection of data on total catch, species composition, size, sex, and age); (2) inseason management; (3) bycatch monitoring; and (4) vessel incentive programs and regulatory compliance.

Fee Assessments

Processors would be responsible for collecting all fee assessments and for paying them bimonthly (i.e., every 2 months). Section 313 of the Magnuson Act stipulates that fees shall be assessed against all fishing vessels and U.S. fish processors participating in Research Plan fisheries under the jurisdiction of the Council, including those not required to have observers. Fee assessments would not apply to fish, except halibut, caught in the territorial sea (0-3 miles), or to any fish caught in internal waters of the State. Recordkeeping and reporting requirement changes that would require processors to indicate if fish are caught in Federal or State waters will be developed prior to implementation of the fee collection system.

Catcher vessels would be expected to pay half of the fee liabilities on their retained catches to the processor(s) responsible for making the bimonthly fee assessment payments to NMFS.

NMFS would calculate bimonthly fee assessments by multiplying the fee percentage times the standard exvessel price times the round weight or round-weight equivalent of all retained catches, by species, in Research Plan fisheries. For example, if the fee percentage for Research Plan fisheries were 1.00 percent, and the standard exvessel price of pollock were \$0.09/lb (\$0.20/kg), a retained catch of 500,000 lbs (227,727 kg) of pollock would result in a fee assessment due from the processor of:

$$0.0100 \times \$0.09/\text{lb} \times 500,000 \text{ lbs} = \$450.00.$$

Retained catch is defined as the catch retained by either at-sea or shoreside processors. The round weight of fish delivered to shoreside processors would be determined from scale weights. Standard product recovery rates would be used to derive round-weight equivalents when other than whole fish is delivered to shoreside processors. Standard product recovery rates also would be used to calculate round-weight equivalents of groundfish and halibut harvested by or delivered to at-sea processors, scale weights of sample catches would be used to calculate weight of retained catch. NMFS is developing a regulatory amendment to establish standard product recovery rates that would be used throughout the industry to calculate round-weight equivalents of retained catch. Assuming Secretarial approval, NMFS anticipates that standard product recovery rates will be effective by 1995. If a more reliable system for determining total weights is implemented in the future, these regulations would be amended accordingly. Public comment is specifically encouraged on this aspect of the proposed Research Plan.

NMFS would obtain values for the weight of retained catch to be used in calculating fee assessments through existing data reporting systems. Groundfish data would be obtained from Weekly Production Reports or from ADF&G fish tickets for those vessel operators who are not required to submit Weekly Production Reports under Federal regulations but who sell catch directly to consumers. Crab data would be obtained from ADF&G Weekly Processor Reports, fish tickets, or other required reports. Halibut data would be obtained from the IPHC or from Individual Fishing Quota (IFQ) reports, when available.

NMFS would bill processors bimonthly for their fee assessments. The bimonthly periods would be determined on the basis of weekly reporting periods. NMFS is preparing a rule to revise the

definition of a weekly reporting period. Assuming its approval, the 1995 bimonthly periods would be January 1 through February 25; February 26 through April 29; April 30 through July 1; July 2 through September 2; September 3 through October 28; and October 29 through December 31. The Director, Alaska Region, NMFS, (Regional Director) would need to receive payments within 30 days of the date the bill is issued. Interest and administrative charges would be charged for late payments. Payments would be deposited in the Fund within the U.S. Treasury.

A processor would be required to notify the Regional Director, in writing, within 30 days of issuance of the bill, if any billed amount is disputed. The processor would be responsible for paying the undisputed amount of the bill within 30 days of its issuance, and for providing documentation supporting the disputed amount claimed to be under- or over-billed. Within 60 days of the date of issuance of the disputed bill, the Regional Director would review the disputed bill and the documentation provided by the processor, and would notify the processor of his determination. If the Regional Director determines a billing error has occurred, the processor's account would be rectified by credit or subsequent billing. If the Regional Director determines a billing error has not occurred, the balance of the disputed bill would be due within 15 days of issuance of the determination. Interest and administrative charges would be assessed for payments that are not received within 15 days. Processor permits would not be issued until all fee assessments are paid. (See Permit and Recordkeeping Requirements in this preamble).

The Council recommended requiring guarantees equal to the maximum estimated quarterly fee assessment for the upcoming calendar year to secure anticipated fee liabilities, in the form of prepayments, letter of credit, surety bond, or lien on property. NMFS believes that the requirement of such guarantees is premature and could be burdensome to the industry, particularly to smaller enterprises, and costly to administer. Small or marginally profitable enterprises could have difficulty in securing such guarantees. There are irrecoverable costs associated with guarantees such as letters of credit and surety bonds. Some guarantees may be of limited value in ensuring necessary cash flows and achieving the objectives of the Research Plan. Collection could also be difficult to

accomplish in a timely and cost-effective manner.

Instead, NMFS is proposing a simplified system to encourage timely fee assessment payments by processors that would consist of: (1) Bimonthly billing, (2) semi-annual processor permitting with a requirement that all Research Plan fee assessments must be current before a permit would be issued, (3) a prohibition against processing landings from Research Plan fisheries without a valid processing permit, and (4) a prohibition against delivery of catch from Research Plan fisheries to a processor not possessing a valid processing permit. This system also has the advantage of greatly simplified reporting and recordkeeping requirements for processors and reduced administrative costs for NMFS. The extent of nonpayment of fee assessments, which is inherent in any fee collection system, would be taken into account in determining the fee percentage rate for the following year. The proposed system is designed to minimize such nonpayment.

First Year of the Research Plan

During the first, or start-up, year of the Research Plan, NMFS would accumulate necessary start-up funds in the Fund. Fees would be assessed against all fishing vessels and U.S. fish processors participating in Research Plan fisheries under the authority of the Council. Processors would be responsible for collecting all fee assessments and for paying them bimonthly. The observer coverage requirements in the Federal Observer Plan and existing State Bering Sea and Aleutian Islands area king and Tanner crab regulations (5 AAC 39.645) would remain in effect during the start-up year.

During the first year of the Research Plan (1995), all processors and vessels participating in Research Plan fisheries would pay the full fee assessment. Vessel operators and processors that currently are required to carry observers under the Federal Observer Plan and under State regulations would continue to do so during the first year of the Research Plan. NMFS would issue rebates to those who paid directly for required observer coverage during the first year of the Research Plan. The rebate per standard observer day would equal either the actual payment to an observer contractor per standard observer day or the standardized cost of a standard observer day, whichever is less. A standard observer day is defined as all or part of a 24-hour period that begins at 0001 hours Alaska local time (A.l.t.) and ends at 2400 A.l.t., during which an observer is stationed on a

vessel or at a shoreside facility for purposes of complying with observer coverage requirements set forth in the proposed rule at § 677.10(a). A standard observer day cannot be attributed to more than one vessel or shoreside facility.

The standardized cost of a standard observer day would be based on the estimate(s) of the cost per observer day used to calculate both the total cost of the Research Plan and the fee percentage during 1995. Proposed standardized cost(s) will be published in the Federal Register for public review and comment as part of the annual Research Plan specification process set forth at § 677.11 of the proposed rule. At this time, NMFS anticipates that standardized cost(s) could range between \$170 and \$265 per day, depending on whether 100 percent or 30 percent observer coverage is obtained.

The rebates issued for vessel or processor observer coverage may exceed Research Plan fee payments. However, issuance of a rebate to a processor would be dependent on the processor being current with respect to submitting its fee payments. The rebates would be based on information provided to NMFS by observer contractors on an Observer Coverage Rebate Application (Form FPP-2). This information would include the number of standard observer days paid for by each vessel or processor and the amount paid for those observer days. The required information would be submitted by each observer contractor within 15 days after the end of each calendar month in which it received payments for providing observers. Initial rebates would not be issued before mid-year, to allow for the collection of sufficient funding for the rebate program. Subsequent rebates for 1995 observer coverage would be issued on a more regular basis, e.g. bimonthly.

NMFS believes that a fund equal to approximately two-thirds of the estimated annual cost needed to operate the Research Plan is the minimum amount needed to begin full operation of the Research Plan and to ensure that cash flow is adequate to meet start-up costs. Assuming approval of regulations implementing the Research Plan, full implementation of the observer and fee portions of the Research Plan is anticipated to begin January 1, 1996.

Permit and Recordkeeping Requirements

After the first year of the Research Plan, most of the burden of recordkeeping would rest with processors, who would be responsible for collecting and paying the bimonthly

Research Plan fee assessment when billed by NMFS. During the first year of the Research Plan, additional reporting requirements would be implemented for observer contractors to support the rebate program for direct observer costs. The rebate program and associated recordkeeping requirements are described above.

All processors of Research Plan fisheries would need a Federal Processing Permit. A Federal Processing Permit Application (Form FPP-1) would be required to obtain a processing permit, and would serve to gather information about the processor and its owner. Fishermen who sell their catch directly to the public at a dock, roadside, or elsewhere would be considered processors under the Research Plan. Each processing vessel or shoreside facility would be required to submit a separate permit application, even if several vessels or facilities are owned by the same company.

Permits would be issued for each of the two 6-month periods—January 1 through June 30, and July 1 through December 31. No permit would be issued until the permit application is complete and all fee assessments paid. Processors that have paid their accounts and submitted complete permit applications would be issued a permit within 30 days. Permits would not be issued to those processors not submitting complete applications or to those whose accounts are past due, until their applications are complete and their accounts are paid. Processing fish from Research Plan fisheries without a valid permit, or delivering fish from Research Plan fisheries to a processor not possessing a valid permit, would be prohibited. NMFS would make available to the public a list of those processors holding valid permits to process fish from Research Plan fisheries.

Observer Coverage

During the first year of the Research Plan (1995), observer coverage levels in the groundfish fishery would be as currently required by the Federal Observer Plan. All king and Tanner crab catcher/processors and mothership processors in the Bering Sea and Aleutian Islands area would continue to carry observers under the State Shellfish Onboard Observer Program. Observer coverage would not be required for the halibut fishery.

Starting with the second year of the Research Plan (1996), NMFS would annually determine the level of observer coverage necessary to achieve the objectives of the Research Plan. NMFS would consider the amount of available funds, as well as the objectives of the

program, in determining the appropriate observer coverage levels. NMFS would annually present an analysis of observer coverage, including criteria for selection of vessels to carry observers if coverage is less than 100 percent, to the Council, and to the State in the case of the Bering Sea and Aleutian Islands area king and Tanner crab fisheries. NMFS would then publish the proposed levels of coverage in the Federal Register and invite comments. State costs for observer coverage in the Bering Sea and Aleutian Islands area king and Tanner crab fisheries allowable under the Magnuson Act would be paid from fees collected from all Research Plan fisheries. After considering comments received and again consulting with the Council, and with the State in the case of the Bering Sea and Aleutian Islands area king and Tanner crab fisheries, NMFS would publish the final levels of observer coverage for the upcoming year in the Federal Register.

Inseason Changes in Observer Coverage

The Regional Director may increase or decrease the observer coverage requirements for the groundfish, halibut, and crab observer programs at any time during the effective period of the Research Plan to improve the accuracy, reliability, and availability of observer data, and to ensure solvency of the observer program, so long as the conditions set forth in section 313 of the Magnuson Act are met, and based on one or more of the following findings:

1. A significant change in fishing methods, times, or areas for a specific fishery or fleet component has occurred, or is likely to occur.
2. A significant change in catch or bycatch composition for a specific fishery or fleet component has occurred, or is likely to occur.
3. Unanticipated shortfalls in the North Pacific Fishery Observer Fund require decreased observer coverage to maintain solvency of the observer programs.

4. An increase in observer coverage is necessary to ensure or improve data availability or quality in order to meet specific fishery management objectives.

Any decrease in observer coverage due to unanticipated funding shortfalls must be consistent with the following priorities: (a) Status of stock assessments (i.e., collection of data on total catch, species composition, size, sex, and age); (b) inseason management; (c) bycatch monitoring; and (d) vessel incentive programs and regulatory compliance. Any increased costs must be commensurate with the quality and usefulness of the data to be derived from

any revised program and necessary to meet fishery management needs.

The Regional Director would consult with the Commissioner of ADF&G prior to making inseason changes in observer coverage level for the crab observer program. NMFS would publish changes in observer coverage requirements in the Federal Register, with the reasons for the changes and any special instructions to vessels required to carry observers, at least 10 calendar days prior to their implementation.

Groundfish and Halibut Observers

Groundfish and halibut observers would be either employees of NMFS or employees of NMFS observer contractors. Observer contracts would be subject to a competitive bid process and would comply with Federal and agency procurement regulations. A minimum of three contractors would be used in accordance with the procurement regulations, if cost effective, and if three or more bidders are qualified.

Observers would possess the education and specific training as specified in the contracts issued by the Federal Government to provide groundfish or halibut observers. The observers' duties are described in detail in the NMFS observer manual, which is updated as necessary and is available from the NMFS Observer Program, Alaska Fisheries Science Center, 7600 Sand Point Way N.E., BIN C15700, Building 4, Seattle, WA 98115. Observer duties may include the collection of data on catch, effort, bycatch, and discards of finfish and shellfish, including prohibited species catches, to facilitate inseason management. Observers may collect information on gear, processing, or other fishing information; biological samples to determine species, length, weight, age, sex composition of catch, and predator-prey interactions; or any other information needed to manage the fisheries. They may collect data on marine mammals, seabirds, and other species as appropriate. Information obtained from observers would also be used to monitor compliance with fishing and related regulations.

The Regional Director would review fishery monitoring programs and report to the Council on methods to improve data collection and sampling techniques and to provide for real-time data transmission from the groundfish and halibut fleet, including daily reporting and other measures as appropriate to improve the accuracy and efficiency of fishery monitoring programs.

A final rule was published on April 29, 1994, (59 FR 22133) that authorizes

NMFS to disclose specified observer data on prohibited species bycatch or bycatch rates. This authority would continue under the Research Plan and is included in this proposed rule (§ 677.10(f)).

Bering Sea and Aleutian Islands Area King and Tanner Crab Observers

Crab observers would either be employees of ADF&G, or employees of NMFS observer contractors. The observers would be required to possess the education and specific training requirements as specified in the contracts issued by the Federal Government to provide crab observers. The observers' duties are described in detail in the ADF&G observer manual, which will be updated as necessary. The ADF&G observer manual is available from ADF&G, Box 308, Dutch Harbor, AK 99692-0308. Crab observer duties may include the collection of data on catch, effort, bycatch, and discards of finfish and shellfish to facilitate inseason management. Observers may also collect biological samples to determine information such as species, length, weight, age, sex composition of catch, predator-prey interactions, or any other biological information needed to manage the fisheries. They may also collect data on marine mammals, seabirds, and other species as appropriate. Crab observers also provide an effective means to ensure management compliance.

The State would review its fishery monitoring and data transmission programs in conjunction with NMFS, to coordinate methods to improve data collection and sampling techniques, provide for real-time data transmission from the fleet, including daily reporting, improve the accuracy and efficiency of fishery monitoring programs, and improve coordination between State and Federal agencies. Initially, data collection, transmission, and input programs would be the same as specified under existing State regulations and guidelines to facilitate inseason management.

Notification of Observer Contractors by Processors and Operators of Vessels Required To Carry Observers

Processors and operators of vessels required to carry observers under the Research Plan would be responsible for meeting their observer coverage requirements. To ensure that an observer will be available, processors and vessel operators would be required to notify the appropriate agency or observer contractor, as identified by NMFS, not less than 60 days prior to their need for an observer. This

notification must be in writing or facsimile copy. A second notification to the appropriate observer contractor, in writing, facsimile copy, or by telephone, must be made not less than 10 days prior to the need for an observer, to make final arrangements for observer deployment. Proposed ports from which observers may embark/disembark are Akutan, Atka, Beaver Inlet, Chignik, Cordova, Craig, Dutch Harbor, Homer, Juneau, Ketchikan, Kenai, King Cove, Kodiak, Petersburg, Sand Point, Seward, Sitka, St. George, St. Paul, Valdez, Wrangell, and Yakutat. Ports were selected using the following criteria: (1) Previous selection by observer contractors, (2) accessibility and transportation costs, and (3) availability of overnight accommodations. Public comments on this list of ports is specifically encouraged. This list would be reviewed annually by NMFS, in consultation with the Council and the State, during the annual budget review process.

During the first year of the Research Plan (1995), observer coverage requirements would be as described in § 677.10(a). NMFS would publish subsequent observer coverage requirements, along with the names of the observer contractors, information for contacting contractors, and a list of embarkment/disembarkment ports for observers, annually in the Federal Register, prior to the beginning of the calendar year to which the coverage requirements apply (see Observer Coverage in this preamble).

Coordination Between the Federal Groundfish Observer Program and the State King and Tanner Crab Observer Program Under the Research Plan

Under authority of the FMP for the Commercial King and Tanner Crab Fisheries in the Bering Sea and Aleutian Islands, the State king and Tanner crab observer program for the Bering Sea and Aleutian Islands area was designed by the Board and is administered by ADF&G.

NMFS and ADF&G would form a work group to maximize efficiency in administration and implementation of the groundfish, halibut, and king and Tanner crab observer programs. The University of Alaska, as an observer training entity, would be a member of this work group when required to help in the development of observer training and debriefing procedures. The work group would review costs and identify possible cost-saving measures, including the use of contractors to perform some or all of the duties under the Research Plan, other than briefing or debriefing. The work group also would

review the costs and benefits of training observers in Alaska or elsewhere.

The work group would address items including: (1) Development of consistent, cost-effective, and compatible observer training and debriefing procedures; (2) development of a consistent data collection, transmission, and processing system, including a single database available to both agencies on a real-time basis; and (3) identification of costs that are appropriate for reimbursement to the State pursuant to the Magnuson Act. NMFS and ADF&G would annually provide to the Council a report detailing steps taken to improve overall coordination between the two observer programs and to improve administrative efficiency.

Observer Oversight Committee

The Council Chairman would establish an Observer Oversight Committee (Committee) to provide advice to the Council, the Board, the Commissioner of ADF&G, and the Regional Director on general provisions of the observer and fee portions of the Research Plan. NMFS, with the assistance of ADF&G, would annually provide Research Plan reports and budget documents to the Committee. The Committee would consist of industry representatives from the following groups: Factory trawler, catcher trawler, shoreside processor, crab catcher vessel, freezer longliner, non-freezer longliner, crab catcher-processor, vessels under 60 ft (18.3 m) in length overall, observers, observer contractors, and an independent observer training representative. The Committee would meet with NMFS and ADF&G staff within the annual cycle of the Research Plan to review the reports and budgets and provide input to the Council on fee levels and observer coverage needs. The Committee would not have oversight of the daily operations of the Federal and State observer programs.

Risk-sharing Pool

Under section 313 of the Magnuson Act, the Secretary will review the feasibility of establishing a risk-sharing pool to provide comprehensive commercial insurance coverage for vessels and owners, and the availability of such insurance for vessels and owners, against liability from civil suits by observers. If the Secretary determines that a risk-sharing pool is feasible, any implementing regulations would be codified at subpart B of 50 CFR part 677.

Public Comment and Hearings

Public comments on the proposed Research Plan and its implementing regulations are invited for 60 days. During this comment period, the Secretary will conduct public hearings, as required by the Magnuson Act, in Alaska, Oregon, and Washington for the purpose of receiving public comments on the proposed regulations (see DATES and ADDRESSES for dates and locations). NMFS will consider public comments received in preparing the final rule implementing the Research Plan.

Classification

The General Counsel of the Department of Commerce certified to the Small Business Administration that this proposed rule, if adopted, would not have a significant economic impact on a substantial number of small entities. Although it would affect all firms in the Research Plan fisheries, it would not decrease revenues by more than 2 percent. Since costs are approximately equal to revenues in the Research Plan fisheries, costs are not expected to go up by more than 2 percent. Thus, while a substantial number of small entities would be affected, the effect is not expected to be economically significant.

This proposed rule contains collection-of-information requirements subject to the Paperwork Reduction Act. These collections of information have been submitted to the Office of Management and Budget for approval. Public reporting burden for each year of this collection is estimated to average 0.5 hours per response for completing the semi-annual Federal Processing Permit Application, 0.25 hours per response for notifying contractors of needs for observers, and 1.0 hour per response to provide information to document claims of disputed bills. For the first year of the Research Plan, completion of Observer Coverage Rebate Application forms is estimated to average 0.16 hours per response. All reporting burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding these burden estimates, or any other aspect of the data requirements, including suggestions for reducing the burden, to NMFS (see ADDRESSES) and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (ATTN: NOAA Desk Officer).

This proposed rule has been determined to be not significant for purposes of E.O. 12866.

List of Subjects in 50 CFR Parts 301, 671, 672, 675, 676, and 677

Fisheries, Reporting and recordkeeping requirements.

Dated: April 29, 1994.

Rolland A. Schmittan,
Assistant Administrator for Fisheries,
National Marine Fisheries Service.

For the reasons set out in the preamble, title 50 CFR is proposed to be amended as follows:

PART 301—PACIFIC HALIBUT FISHERIES

1. The authority citation for part 301 continues to read as follows:

Authority: 5 UST 5; TIAS 2900; 16 U.S.C. 773-773k.

2. Section 301.23 is added to read as follows:

§ 301.23 North Pacific Fisheries Research Plan.

Permit requirements, observer requirements, and fee assessments for the Northern Pacific halibut fishery under the North Pacific Fisheries Research Plan are contained in part 677 of this chapter.

PART 671—KING AND TANNER CRAB FISHERIES OF THE BERING SEA AND ALEUTIAN ISLANDS

3. The authority citation for part 671 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

4. A new § 671.4 is added to read as follows:

§ 671.4 Permits.

All processors of Bering Sea and Aleutian Islands area king and Tanner crab must comply with permit requirements contained in § 677.4 of this chapter.

5. A new § 671.21 is added to read as follows:

§ 671.21 Observer requirements.

Bering Sea and Aleutian Islands area king and Tanner crab observer requirements are contained in part 677 of this chapter.

PART 672—GROUND FISH OF THE GULF OF ALASKA

6. The authority citation for part 672 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

7. In § 672.4, introductory text of paragraph (b) is redesignated introductory text of paragraph (b)(1);

existing paragraphs (b)(1) through (10) are redesignated paragraphs (b)(1) (i) through (x), respectively; and a new paragraph (b)(2) is added to read as follows:

§ 672.4 Permits.

(b) * * *

(2) All processors of Gulf of Alaska groundfish must comply with permit requirements contained in § 677.4 of this chapter, in addition to any applicable requirements of this § 672.4.

8. Section 672.27 is revised to read as follows:

§ 672.27 Observer requirements.

Gulf of Alaska groundfish observer requirements are contained in part 677 of this chapter.

PART 675—GROUND FISH OF THE BERING SEA AND ALEUTIAN ISLANDS AREA

9. The authority citation for part 675 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

10. In § 675.4, introductory text of paragraph (b) is redesignated introductory text of paragraph (b)(1); existing paragraphs (b)(1) through (10) are redesignated paragraphs (b)(1) (i) through (x), respectively; and a new paragraph (b)(2) is added to read as follows:

§ 675.4 Permits.

(b) * * *

(2) All processors of Bering Sea and Aleutian Islands management area groundfish must comply with permit requirements contained in § 677.4 of this chapter, in addition to any applicable requirements of this § 675.4.

11. Section 675.25 is revised to read as follows:

§ 675.25 Observer requirements.

Bering Sea and Aleutian Islands management area groundfish observer requirements are contained in part 677 of this chapter.

PART 676—LIMITED ACCESS MANAGEMENT OF FEDERAL FISHERIES IN AND OFF ALASKA

12. The authority citation for part 676 continues to read as follows:

Authority: 16 U.S.C. 773 *et seq.* and 1801 *et seq.*

13. In § 676.13, paragraph (a)(1) introductory text is revised to read as follows:

§ 676.13 Permits.

(a) * * *

(1) In addition to the permit and licensing requirements prescribed at 50 CFR parts 301, 672, 675, and 677, all fishing vessels that harvest IFQ halibut or IFQ sablefish must have onboard:

14. In § 676.16, paragraph (r) is added to read as follows:

§ 676.16 General prohibitions.

(r) Any person who is issued a registered buyer permit under § 676.13(a)(2) of this part and who also is required to obtain a Federal processing permit under § 677.4 of this chapter may not transfer or receive sablefish harvested in Federal waters or halibut unless the person possesses a valid permit issued under § 677.4 of this chapter.

15. Part 677 is added to read as follows:

PART 677—NORTH PACIFIC FISHERIES RESEARCH PLAN**Subpart A—General Provisions of the North Pacific Fisheries Research Plan.****Sec.**

- 677.1 Purpose and scope.
- 677.2 Definitions.
- 677.3 Relation to other laws.
- 677.4 Permits.
- 677.5 Recordkeeping and reporting.
- 677.6 Research Plan fee.
- 677.7 General prohibitions.
- 677.8 Facilitation of enforcement.
- 677.9 Penalties.
- 677.10 General requirements.
- 677.11 Annual Research Plan specifications.
- 677.12 Compliance.

Subpart B—General Provisions of Risk-Sharing Pool for Insurance Purposes. [Reserved]**Figures—Part 677**

- Figure 1—Federal Processing Permit Application (Form FPP-1).
- Figure 2—Observer Coverage Rebate Application (Form FPP-2).

Authority: 16 U.S.C. 1801 *et seq.*

Subpart A—General Provisions of the North Pacific Fisheries Research Plan.**§ 677.1 Purpose and scope.**

(a) These regulations implement the North Pacific Fisheries Research Plan developed by the North Pacific Fishery Management Council under the Magnuson Act.

(b) Regulations in this part govern elements of the Research Plan for the following fisheries under the Council's authority: Bering Sea and Aleutian

Islands management area groundfish, Gulf of Alaska groundfish, and Bering Sea and Aleutian Islands area king and Tanner crab in the exclusive economic zone; and halibut from convention waters off Alaska.

§ 677.2 Definitions.

In addition to the definitions in the Magnuson Act and in 50 CFR part 620, the terms used in this part have the following meanings:

ADF&G means the Alaska Department of Fish and Game.

At-sea processor means a catcher/processor or mothership processor vessel as defined in this section.

Bering Sea and Aleutian Islands management area is defined at § 675.2 of this chapter.

Bering Sea and Aleutian Islands area is defined at § 671.2 of this chapter.

Bimonthly refers to a time period calculated on the basis of weekly reporting periods as follows: Each bimonthly period begins at 0001 hours A.l.t. of the first Sunday of the first weekly reporting period that has at least 4 days in the associated calendar month and ends at 2400 hours A.l.t., the last Saturday of the last weekly reporting period that has at least 4 days in the next calendar month, with the exception of the first bimonthly period, which begins at 0001 hours, A.l.t., January 1, and the last bimonthly period, which ends at 2400 hours, A.l.t., December 31. Dates of each bimonthly period will be published in the Federal Register prior to the beginning of the calendar year for which they apply.

Catcher vessel means a vessel that is used for catching fish.

Catcher/processor means a processor vessel that is used for catching fish and processing that fish.

Commissioner of ADF&G means the principal executive officer of ADF&G.

Convention waters off Alaska means all waters off Alaska in halibut regulatory areas 2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E as defined in 50 CFR part 301.

Exvessel price means the price in dollars received by a harvester for fish from Research Plan fisheries. Exvessel price excludes any value added by processing.

Fee percentage means the annually calculated assessment rate, in percent of exvessel value of Research Plan fisheries, used to determine fee assessments under the Research Plan.

Fishing day means a 24-hour period, from 0001 A.l.t. through 2400 A.l.t., in which fishing gear is retrieved and groundfish, as defined at § 672.2 or § 675.2 of this chapter, halibut, or king or Tanner crab are retained. Days during

which a vessel only delivers unsorted codends to a processor are not fishing days.

Fishing trip means the time period during which one or more fishing days occur that starts on the day when fishing gear is first deployed and ends on the day the vessel offloads groundfish, as defined at § 672.2 or § 675.2 of this chapter, halibut, or king or Tanner crab; returns to an Alaskan port; or leaves the EEZ off Alaska and adjacent waters of the State of Alaska.

Groundfish is defined at § 672.2 or § 675.2 of this chapter.

Gulf of Alaska is defined at § 672.2 of this chapter.

Halibut means Pacific halibut (*Hippoglossus stenolepis*).

King crab means red king crab (*Paralithodes camtschatica*), blue king crab (*P. platypus*), brown (or golden) king crab (*Lithodes aequispina*), and scarlet (or deep sea) king crab (*Lithodes couesi*).

Landing is defined at § 672.2 of this chapter.

Length overall is defined at § 672.2 of this chapter.

Mothership processor vessel means a processor vessel that receives and processes fish from other vessels and is not used for catching fish.

Processing or to process means the preparation of fish to render it suitable for human consumption, industrial uses, or long term storage, including, but not limited to, cooking, canning, smoking, salting, drying, freezing, and rendering into meal or oil, but does not mean icing, bleeding, heading, or gutting.

Processor means any facility or vessel that processes fish for commercial use or consumption, any person who receives fish from fishermen for commercial purposes, and fishermen who sell fish directly to another individual for use as bait or personal consumption.

Regional Director means the Director, Alaska Region, NMFS, P.O. Box 21668, Juneau, AK 99802.

Research Plan means the North Pacific Fisheries Research Plan developed by the North Pacific Fishery Management Council under the Magnuson Act.

Research Plan fisheries means the following fisheries: Bering Sea and Aleutian Islands management area groundfish, Gulf of Alaska groundfish, Bering Sea and Aleutian Islands area king and Tanner crab; and halibut from convention waters off Alaska.

Retained catch means the catch retained by either at-sea or shoreside processors, in round weight or round-

weight equivalents, from Research Plan fisheries.

Round weight or round-weight equivalents means:

(1) *For groundfish processed by shoreside processors*—scale weights of retained catches; for other than whole fish delivered to shoreside processors, fish product weight, as defined at § 672.2 of this chapter, divided by NMFS standard product recovery rates.

(2) *For groundfish processed by at-sea processors*—fish product weight, as defined at § 672.2 of this chapter, of each product divided by NMFS standard product recovery rates.

(3) *For Bering Sea and Aleutian Islands area crab processed by catcher/processors*—scale weight of a subsample multiplied by the number of subsamples comprising the retained catch.

(4) *For Bering Sea and Aleutian Islands area crab processed by mothership processor vessels*—scale weights of retained catches.

Shoreside processor or shoreside processing facility means processor as defined in this section.

Standard exvessel price means the exvessel price for species harvested in Research Plan fisheries, calculated annually by NMFS for each species or species group, from exvessel price information for all product forms, used in determining fee assessments.

Standard observer day means all or part of a 24-hour period that begins at 0001 hours Alaska local time (A.L.T.) and ends at 2400 A.L.T., during which an observer is stationed on a vessel or at a shoreside facility for purposes of complying with observer coverage requirements at § 677.10(a). A standard observer day cannot be attributed to more than one vessel or shoreside facility.

Standardized cost of an observer day means the cost per observer day used to calculate both the annual total cost of the Research Plan and the fee percentage specified under the annual Research Plan specification process at § 677.11.

Tanner crab means *Chionoecetes* species or hybrids of these species.

§ 677.3 Relation to other laws.

(a) The relation of this part to other laws is set forth in § 620.3 of this chapter and paragraphs (b) through (c) of this section.

(b) *Domestic fishing for groundfish.* Regulations governing the conservation and management of groundfish in the Gulf of Alaska and the Bering Sea and Aleutian Islands management area are set forth at 50 CFR parts 672 and 675, respectively. The conservation and management of groundfish in waters of

the territorial sea and internal waters of the State of Alaska are governed by Alaska State regulation at 5 AAC 28 and Alaska Statute at A.S. 16.

(c) *King and Tanner crab fishing.* Regulations governing the conservation and management of king crab and Tanner crab in the Bering Sea and Aleutian Islands area are governed by Alaska Statutes at A.S. 16 and Alaska State regulations at 5 AAC 34, 35, and 39; and at part 671 of this chapter.

§ 677.4 Permits.

(a) *General.* In addition to the permit and licensing requirements at §§ 301.3, 672.4, 675.4, and 676.13 of this chapter, all processors of fish from Research Plan fisheries must have a Federal Processing Permit issued by the Regional Director under this section. Such permits shall be issued without charge.

(b) *Application.* The permit required under paragraph (a) of this section may be obtained by submitting to the Regional Director a completed Federal Processing Permit Application (Form FPP-1; see figure 1) containing the following information:

(1) The semi-annual period for which the permit is requested.

(2) The Research Plan fishery or fisheries for which the permit is requested.

(3) If the application is for an amended permit, the current Federal Processing Permit number and an indication of the information that is being amended.

(4) The processor owner's name or names; mailing address; person responsible, if the owner is a company; managing company, if any; telephone number; FAX number; and telex number.

(5) If the processing facility is a shoreside processor, the plant's name, address, ADF&G Processor Code, telephone number, FAX number, and telex number.

(6) If the processing facility is a vessel, the vessel's name, home port, net tonnage, length overall, U.S. Coast Guard number, telephone number, FAX number, telex number, INMARSAT (satellite communications) number, and ADF&G number.

(7) The owner's name, signature, and date.

(c) *Issuance.* (1) Permits required under this section will be issued by the Regional Director semi-annually.

(2) The Regional Director will issue a permit required under paragraph (a) of this section upon receipt of a complete application, if all Research Plan fees due are paid. Upon receipt of an incomplete or improperly completed application, the Regional Director will notify the

applicant of the deficiency. No permit will be issued to an applicant until a complete application is submitted and all fees are paid.

(d) *Notification of change.* Any person who has applied for and received a permit under this section must notify the Regional Director, in writing, of any change in the information provided under paragraph (b) of this section within 10 days of the date of that change.

(e) *Duration.* The permit issued by the Regional Director will continue in full force and effect for the period January 1 through June 30, or July 1 through December 31, of the year for which it was issued, or until it is revoked, suspended, or modified under part 621 (Civil Procedures) of this chapter.

(f) *Alteration.* No person may alter, erase, or mutilate any permit issued under this section. Any permit that has been intentionally altered, erased, or mutilated is invalid.

(g) *Transfer.* Permits issued under this section are not transferable or assignable. Each permit is valid only for the processor for which it is issued. The Regional Director must be notified of a change in ownership, pursuant to paragraph (d) of this section.

(h) *Inspection.* The permit issued under this section must be maintained on the processor vessel or at the shoreside processor. The permit must be available for inspection upon request by an authorized officer or any employee of NMFS or ADF&G designated by the Regional Director or Commissioner of ADF&G.

(i) *Sanctions.* Procedures governing permit sanctions are found at subpart D of 15 CFR part 904.

(j) *Disclosure.* NMFS will maintain a list of permitted processors that may be disclosed for public inspection.

§ 677.5 Recordkeeping and reporting.

(a) *Applicability.* Any processor that processes fish from a Research Plan fishery is responsible for compliance with the applicable recordkeeping and reporting requirements of this part.

(b) *General requirements.* Any form, record, or report that is required to be submitted or provided to the Regional Director must be addressed or delivered to the National Marine Fisheries Service, P.O. Box 21668, Juneau, AK 99802. Submissions must be complete, legible, and in English.

§ 677.6 Research Plan fee.

(a) *Fee percentage.* The fee percentage will be set annually under procedures at § 677.11, such that the total fees equal the lesser of the following:

(1) The cost of implementing the Research Plan, including nonpayments.

minus any other Federal funds that support the observer program and any existing surplus in the North Pacific Fishery Observer Fund; or

(2) Two percent of the exvessel value of all Research Plan fisheries.

(b) *Bimonthly fee assessment.* The Research Plan bimonthly fee assessment is the fee percentage established pursuant to § 677.11 for the calendar year, multiplied by the standard exvessel price established pursuant to § 677.11 for the calendar year, multiplied by the round weight or round-weight equivalent of retained catch for each species from Research Plan fisheries during the bimonthly period.

(c) *Fee assessment payments.* Each processor that retains fish for processing from a Research Plan fishery must collect and pay the Research Plan fee. NMFS will bill each processor of Research Plan fisheries for bimonthly fee assessments, based on the best available information on retained catches processed during that bimonthly period. Bimonthly fee assessment payments must be in the form of certified check, draft, or money order payable in U.S. currency to "NOAA-NMFS." The Regional Director must receive payment in full within 30 calendar days from the date of issuance of each bimonthly fee assessment bill. Payments will be deposited in the North Pacific Fishery Observer Fund within the U.S. Treasury.

(d) *Disputed fee assessments.* A processor must notify the Regional Director, in writing, within 30 days of issuance of the bimonthly fee assessment bill, if any portion of the bimonthly fee assessment bill is disputed. The processor must pay the undisputed amount of the bimonthly fee assessment bill within 30 days of its issuance, and provide documentation supporting the disputed portion claimed to be under- or over-billed. The Regional Director will review the disputed bimonthly fee assessment bill and the documentation provided by the processor, and will notify the processor of his determination within 60 days of the date of issuance of the disputed bimonthly fee assessment bill. If the Regional Director determines a billing error had occurred, the processor's account will be rectified by credit or issuance of a corrected bimonthly fee assessment bill. If the Regional Director determines that a billing error had not occurred, the balance of the disputed bimonthly fee assessment bill is due within 15 days of issuance of the determination. Late charges will be assessed for payments not received within 15 days. If the processor does not

dispute the amount of the bimonthly fee assessment bill within 30 days of its issuance, the bimonthly fee assessment will be final, and will be due to the United States.

(e) *Late charges.* The NOAA Office of the Comptroller shall assess late charges in the form of interest and administrative charges for late payment of fee assessments. Interest will accrue on the unpaid amount at a percentage rate established by the Federal Reserve Board and applied to funds held by the U.S. Treasury for each 30-day period, or portion thereof, that the payment is overdue.

(f) *Rebates for observer coverage (Applicable from January 1, 1995, through December 31, 1995.)—(1) General.* During the first year of the Research Plan, NMFS will rebate the cost for required observer coverage.

(2) *Applicability.* (i) Each processor that retains fish for processing from a Research Plan fishery must collect and pay the Research Plan fee under procedures set forth under paragraphs (b) through (e) of this section.

(ii) All catcher vessels and processors of Research Plan fisheries must obtain observer coverage based on coverage requirements at § 677.10(a).

(iii) Catcher vessels and processors that pay for required observer coverage are eligible for rebates issued by NMFS during the first year of the Research Plan.

(3) *Recordkeeping and reporting, for purposes of this paragraph (f)—(i) Requirement.* All NMFS-certified observer contractors and observer contractors supplying observers for processor vessels participating in the Bering Sea and Aleutian Islands area king and Tanner crab fishery under Alaska State regulations must submit to the Regional Director a completed Observer Coverage Rebate Application (Form FPP-2; see figure 2). Completed forms must be submitted within 15 days after the end of each calendar month during which payment is received for observer services provided by the observer contractor for vessel or processor compliance with observer coverage requirements at § 677.10(a).

(ii) *Observer Coverage Rebate Application.* Observer contractors may obtain Observer Coverage Rebate Application forms from the Regional Director. The application form requests the following information:

(A) Observer contractor name and signature of a person serving as a representative for the observer contractor;

(B) The name and mailing address of the person from whom payment of

observer coverage was received and to whom the rebate will be issued;

(C) Identification of the vessel or shoreside processing facility that received observer coverage;

(D) The total amount paid for observer coverage and the total number of standard observer days paid for; and

(E) Name of the observer(s) and date(s) of standard observer day(s) paid for.

(4) *Issuance of rebates.* (i) Rebates for observer coverage will be based on information provided to NMFS by observer contractors on the Observer Coverage Rebate Application.

(ii) NMFS will issue rebates to the persons who paid an observer contractor for observer services. The rebate for each standard observer day an observer is deployed for service at a processor or aboard a vessel will equal either the actual payment to the observer contractor per standard observer day or the standardized cost of a standard observer day, whichever is less.

(iii) NMFS will issue rebates authorized under this paragraph (f) within 6 months of the receipt of the completed application form described under paragraph (f)(3) of this section. No rebate will be issued to a processor until all Research Plan fees required under this section are paid.

§ 677.7 General prohibitions.

In addition to the general prohibitions specified in § 620.7 of this chapter, it shall be unlawful for any person to do any of the following:

(a) Forcibly assault, resist, oppose, impede, intimidate, or interfere with an observer.

(b) Interfere with or bias the sampling procedure employed by an observer, including sorting or discarding any catch before sampling; or tamper with, destroy, or discard an observer's collected samples, equipment, records, photographic film, papers, or personal effects without the express consent of the observer.

(c) Prohibit or bar by command, impediment, threat, coercion, or by refusal of reasonable assistance, an observer from collecting samples, conducting product recovery rate determinations, making observations, or otherwise performing the observer's duties.

(d) Harass an observer by conduct that has sexual connotations, has the purpose or effect of interfering with the observer's work performance, or otherwise creates an intimidating, hostile, or offensive environment. In determining whether conduct constitutes harassment, the totality of the circumstances, including the nature

of the conduct and the context in which it occurred, will be considered. The determination of the legality of a particular action will be made from the facts on a case-by-case basis.

(e) Process fish from a Research Plan fishery without a valid permit issued pursuant to this part.

(f) Deliver fish from a Research Plan fishery to a processor not possessing a valid permit issued pursuant to this part.

(g) Apply for or receive a rebate for observer coverage under provisions of § 677.6(f) that is based on false or inaccurate information.

(h) Fail to carry an observer when required by the Regional Director.

(i) Fish without an observer aboard a vessel that is required to carry an observer under § 677.10.

(j) Require an observer to perform duties normally performed by crew members, including, but not limited to, cooking, washing dishes, standing watch, vessel maintenance, assisting with the setting or retrieval of gear, or any duties associated with the processing of fish, from sorting the catch to the storage of the finished product.

§ 677.8 Facilitation of enforcement.

See § 620.8 of this chapter.

§ 677.9 Penalties.

See § 620.9 of this chapter.

§ 677.10 General requirements.

(a) *Compliance requirements applicable through December 31, 1995—(1) Compliance by operators of Bering Sea and Aleutian Islands management area and Gulf of Alaska groundfish vessels—(i) Coverage requirements.* Observer coverage is required as follows:

(A) A mothership processor vessel of any length that processes 1,000 mt or more in round weight or round-weight equivalents of groundfish during a calendar month is required to have a NMFS-certified observer on board the vessel each day it receives or processes groundfish during that month.

(B) A mothership processor vessel of any length that processes from 500 mt to 1,000 mt in round weight or round-weight equivalents of groundfish during a calendar month is required to have a NMFS-certified observer on board the vessel at least 30 percent of the days it receives or processes groundfish during that month.

(C) A catcher/processor or catcher vessel 125 ft (38.1 m) in length overall or longer must carry a NMFS-certified observer at all times while fishing for groundfish, except for vessels fishing for groundfish with pot gear as provided in paragraph (a)(1)(i)(F) of this section.

(D) A catcher/processor or catcher vessel equal to or greater than 60 ft (18.3 m) in length overall, but less than 125 ft (38.1 m) in length overall, must carry a NMFS-certified observer during at least 30 percent of its fishing days in each calendar quarter in which it participates for more than 3 fishing days in a directed fishery for groundfish. Each vessel that participates for more than 3 fishing days in a directed fishery for groundfish in a calendar quarter must carry a NMFS-certified observer during at least one fishing trip during that calendar quarter for each of the groundfish fishery categories defined under paragraph (a)(1)(ii) of this section in which it participates.

(E) A catcher/processor or catcher vessel fishing with hook-and-line gear that is required to carry an observer under paragraph (a)(1)(i)(D) of this section must carry a NMFS-certified observer during at least one fishing trip in the Eastern Regulatory Area of the Gulf of Alaska during each calendar quarter in which it participates in a directed fishery for groundfish in the Eastern Regulatory Area.

(F) A catcher/processor or catcher vessel equal to or greater than 60 ft (18.3 m) in length overall fishing with pot gear must carry a NMFS-certified observer during at least 30 percent of its fishing days in each calendar quarter in which it participates for more than 3 days in a directed fishery for groundfish. Each vessel that participates for more than 3 fishing days in a directed fishery for groundfish using pot gear must carry a NMFS-certified observer during at least one fishing trip during a calendar quarter for each of the groundfish fishery categories defined under paragraph (a)(1)(ii) of this section in which it participates.

(ii) *Groundfish fishery categories requiring separate coverage—(A) Pollock fishery.* Fishing that results in a retained catch of pollock, during any weekly reporting period, that is greater than the retained catch of any other groundfish species or species group that is specified as a separate groundfish fishery under this paragraph (a)(1)(ii).

(B) *Pacific cod fishery.* Fishing that results in a retained catch of Pacific cod, during any weekly reporting period, that is greater than the retained catch of any other groundfish species or species group that is specified as a separate groundfish fishery under this paragraph (a)(1)(ii).

(C) *Sablefish fishery.* Fishing that results in a retained catch of sablefish, during any weekly reporting period, that is greater than the retained catch of any other groundfish species or species group that is specified as a separate

groundfish fishery under this paragraph (a)(1)(ii).

(D) *Rockfish fishery.* Fishing that results in a retained aggregate catch of rockfish of the genera *Sebastes* and *Sebastolobus*, during any weekly reporting period, that is greater than the retained catch of any other groundfish species or species group that is specified as a separate groundfish fishery under this paragraph (a)(1)(ii).

(E) *Flatfish fishery.* Fishing that results in a retained aggregate catch of all flatfish species, except Pacific halibut, during any weekly reporting period, that is greater than the retained catch of any other groundfish species or species group that is specified as a separate groundfish fishery under this paragraph (a)(1)(ii).

(F) *Other species fishery.* Fishing that results in a retained catch of groundfish, during any weekly reporting period, that does not qualify as a pollock, Pacific cod, sablefish, rockfish, or flatfish fishery as defined under paragraphs (a)(1)(ii) (A) through (E) of this section.

(iii) *Assignment of vessels to fisheries.* During any weekly reporting period, a vessel's retained catch composition of groundfish species or species groups for which a TAC has been specified under § 672.20 or § 675.20 of this chapter, in round weight or round-weight equivalents, will determine to which of the fishery categories listed under paragraph (a)(1)(ii) of this section the vessel is assigned.

(A) Catcher/processor vessels will be assigned to fishery categories at the end of each weekly reporting period based on the round weight or round-weight equivalent of the retained catch composition of groundfish reported on the vessels' weekly production report submitted to the Regional Director under § 672.5(c)(2) or § 675.5(c)(2) of this chapter.

(B) Catcher vessels that deliver to mothership processors in Federal waters during a weekly reporting period will be assigned to fishery categories based on the round weight or round-weight equivalent of the retained groundfish catch composition reported on the weekly production report submitted to the Regional Director for that week by the mothership processor under § 672.5(c)(2) or § 675.5(c)(2) of this chapter.

(C) Catcher vessels delivering groundfish to shoreside processors or to mothership processors in Alaska State waters during a weekly reporting period will be assigned to fishery categories based on the round-weight equivalent of the groundfish delivered to processors during that weekly reporting period and reported on one or more ADF&G fish

tickets as required under Alaska Statutes at A.S. 16.05.690.

(2) *Compliance by managers of Bering Sea and Aleutian Islands management area and Gulf of Alaska groundfish shoreside processing facilities—(i) Coverage requirements.* Observer coverage is required as follows:

(A) A shoreside processing facility that processes 1,000 mt or more in round weight or round-weight equivalents of groundfish during a calendar month is required to have a NMFS-certified observer present at the facility each day it receives or processes groundfish during that month.

(B) A shoreside processing facility that processes 500 mt to 1,000 mt in round weight or round-weight equivalents of groundfish during a calendar month is required to have a NMFS-certified observer present at the facility at least 30 percent of the days it receives or processes groundfish during that month.

(3) *Compliance by processing vessel operators of Bering Sea and Aleutian Islands area king and Tanner crab.* An operator of a vessel that processes king or Tanner crab must have one or more State of Alaska-certified observers on board the vessel whenever king or Tanner crab are received or processed, if the operator is required to do so by Alaska State regulations at 5 AAC 39.645.

(b) *Compliance requirements applicable after December 31, 1995—(1) General compliance requirements for Research Plan fisheries—(i) Compliance by operators of Bering Sea and Aleutian Islands management area and Gulf of Alaska groundfish vessels from the EEZ and halibut from convention waters off Alaska.* An operator of a vessel that catches and retains groundfish or halibut, or a vessel that processes groundfish or halibut, must carry one or more NMFS-certified observers on board the vessel whenever fishing operations are conducted, if the operator is required to do so by the Regional Director under paragraph (b)(2) of this section.

(ii) *Compliance by managers of shoreside processing facilities of Bering Sea and Aleutian Islands management area and Gulf of Alaska groundfish from the EEZ and halibut from convention waters off Alaska.* A manager of a shoreside processing facility that processes groundfish or halibut received from vessels regulated under this part must have one or more NMFS-certified observers present at the facility whenever groundfish or halibut are received or processed, if the manager is required to do so by the Regional

Director under paragraph (b)(2) of this section.

(iii) *Compliance by vessel operators of Bering Sea and Aleutian Islands area king and Tanner crab.* An operator of a vessel subject to this part must carry one or more NMFS-certified observers or ADF&G employees on board the vessel whenever fishing or processing operations are conducted, if the operator is required to do so by the Regional Director under paragraph (b)(2) of this section.

(iv) *Compliance by managers of shoreside processing facilities of Bering Sea and Aleutian Islands area king and Tanner crab.* A manager of a shoreside processing facility that processes king or Tanner crab received from vessels regulated under this part must have one or more NMFS-certified observers, or ADF&G employees, present at the facility whenever king or Tanner crab is received or processed, if the manager is required to do so by the Regional Director under paragraph (b)(2) of this section.

(2) *Observer coverage for Research Plan fisheries—(i) Annual determination of coverage level.* The appropriate level of observer coverage necessary to achieve the objectives of the Research Plan, given the funds available from the North Pacific Fishery Observer Fund, will be established annually under procedures in § 677.11.

(ii) *Inseason changes in coverage level—(A) The Regional Director may increase or decrease the observer coverage requirements for the groundfish, halibut, and crab observer programs at any time to improve the accuracy, reliability, and availability of observer data, and to ensure solvency of the observer program, so long as the standards of section 313 of the Magnuson Act and other applicable Federal regulations are met, and the changes are based on one or more of the following:*

(1) A finding that there has been, or is likely to be, a significant change in fishing methods, times, or areas, or catch or bycatch composition for a specific fishery or fleet component.

(2) A finding that such modifications are necessary to improve data availability or quality in order to meet specific fishery management objectives.

(3) A finding that any decrease in observer coverage resulting from unanticipated funding shortfalls must be consistent with the following priorities:

- (i) Status of stock assessments;
- (ii) Inseason management;
- (iii) Bycatch monitoring; and
- (iv) Vessel incentive programs and regulatory compliance.

(4) A determination that any increased costs are commensurate with the quality and usefulness of the data to be derived from any revised program, and are necessary to meet fishery management needs.

(iii) The Regional Director will consult with the Commissioner of ADF&G prior to making inseason changes in observer coverage level for the crab observer program.

(iv) NMFS will publish changes in observer coverage requirements made under paragraph (b)(2)(ii) of this section in the Federal Register, with the reasons for the changes and any special instructions to vessels required to carry observers, at least 10 calendar days prior to their implementation.

(c) *Vessel responsibilities.* All vessels required to carry observers must have passed a U.S. Coast Guard safety inspection within the past 2 years and must carry proof to that effect on board. An operator of a vessel must:

(1) Provide, at no cost to observers, the State of Alaska, or the United States, accommodations and food on the vessel for the observer or observers that are equivalent to those provided for officers of the vessel.

(2) Maintain safe conditions on the vessel for the protection of observers during the time observers are on board the vessel, by adhering to all U.S. Coast Guard and other applicable rules, regulations, or statutes pertaining to safe operation of the vessel.

(3) Allow observers to use the vessel's communication equipment and personnel, on request, for the entry, transmission, and receipt of work-related messages, at no cost to the observers, the State of Alaska, or the United States.

(4) Allow observers access to, and the use of, the vessel's navigation equipment and personnel, on request, to determine the vessel's position.

(5) Allow observers free and unobstructed access to the vessel's bridge, trawl or working decks, holding bins, processing areas, freezer spaces, weight scales, cargo holds, and any other space that may be used to hold, process, weigh, or store fish or fish products at any time.

(6) Notify observers at least 15 minutes before fish are brought on board, or fish and fish products are transferred from the vessel, to allow sampling the catch or observing the transfer, unless the observers specifically request not to be notified.

(7) Allow observers to inspect and copy the vessel's daily fishing logbook, daily cumulative production logbook, transfer logbook, any other logbook or document required by regulations,

printouts or tallies of scale weights, scale calibration records, bin sensor readouts, and production records.

(8) Provide all other reasonable assistance to enable observers to carry out their duties, including, but not limited to, assisting the observers in measuring decks, codends, and holding bins; providing the observers with a safe work area adjacent to the sample collection site; providing crab observers with the necessary equipment to conduct sampling, such as scales, fish totes, and baskets; assisting in collecting bycatch when requested by the observers; assisting in collecting and carrying baskets of fish when requested by observers; and allowing observers to determine the sex of fish when this procedure will not decrease the value of a significant portion of the catch.

(9) Move the vessel to such places and at such times as may be designated by the contractor, as instructed by the Regional Director, for purposes of embarking and debarking observers.

(10) Ensure that transfers of observers at sea via small boat or raft are carried out during daylight hours, under safe conditions, and with the agreement of observers involved.

(11) Notify observers at least 3 hours before observers are transferred, such that the observers can collect personal belongings, equipment, and scientific samples.

(12) Provide a safe pilot ladder and conduct the transfer to ensure the safety of observers during transfers.

(13) Provide an experienced crew member to assist observers in the small boat or raft in which any transfer is made.

(d) *Shoreside processor responsibilities.* A manager of a shoreside processing facility must:

(1) Maintain safe conditions at the processing facility for the protection of observers by adhering to all applicable rules, regulations, or statutes pertaining to safe operation and maintenance of the processing facility.

(2) Notify the observers, as requested, of the planned facility operations and expected receipt of groundfish, crab, or halibut prior to receipt of those fish.

(3) Allow the observers to use the processing facility's communication equipment, on request, for the entry, transmission, and receipt of work-related messages at no cost to the observers or the United States.

(4) Allow observers free and unobstructed access to the processing facility's holding bins, processing areas, freezer spaces, weight scales, warehouses, and any other space that may be used to hold, process, weigh, or store fish or fish products at any time.

(5) Allow observers to inspect and copy the shoreside processing facility's daily cumulative production logbook, transfer logbook, any other logbook or document required by regulations; printouts or tallies of scale weights; scale calibration records; bin sensor readouts; and production records.

(6) Provide all other reasonable assistance to enable the observer to carry out his or her duties, including, but not limited to, assisting the observer in moving and weighing totes of fish, cooperating with product recovery tests, and providing a secure place to store baskets of sampling gear.

(e) *Notification of observer contractors by processors and operators of vessels required to carry observers.* Processors and operators of vessels required to carry observers under the Research Plan are responsible for meeting their observer coverage requirements. Processors and vessel operators must notify the appropriate observer contractor, as identified by NMFS, in writing or facsimile copy, no less than 60 days prior to the need for an observer, to ensure that an observer will be available. Processors and vessel operators must notify the appropriate observer contractor again, in writing, facsimile copy, or by telephone, no less than 10 days prior to the need for an observer, to make final arrangements for observer deployment. Names of observer contractors, information for contacting contractors, and a list of embarkment/disembarkment ports for observers will be published in the Federal Register annually prior to the beginning of the calendar year (see § 677.11).

(f) *Release of observer data to the public.*—(1) The following information collected by observers for each catcher processor and catcher vessel during any weekly reporting period may be made available to the public:

(i) Vessel name and Federal permit number;

(ii) Number of chinook salmon and "other salmon" observed;

(iii) The ratio of total round weight of halibut or Pacific herring to the total round weight of groundfish in sampled catch;

(iv) The ratio of number of king crab or *C. bairdi* Tanner crab to the total round weight of groundfish in sampled hauls;

(v) The number of observed trawl hauls or fixed gear sets;

(vi) The number of trawl hauls that were basket sampled; and

(vii) The total weight of basket samples taken from sampled trawl hauls.

(2) The information listed in paragraphs (f)(2) (i) through (xiii) of this

section and collected by observers from observed hauls onboard vessels using trawl gear to participate in a directed fishery for groundfish other than rockfish, Greenland turbot, or Atka mackerel may be made available to the public. The identity of the vessels from which these data are collected will not be released. The information consists of the following:

- (i) Date;
- (ii) Time of day gear is deployed;
- (iii) Latitude and longitude at beginning of haul;
- (iv) Bottom depth;
- (v) Fishing depth of trawl;
- (vi) The ratio of the number of chinook salmon to the total round weight of groundfish;
- (vii) The ratio of the number of other salmon to the total round weight of groundfish;
- (viii) The ratio of total round weight of halibut to the total round weight of groundfish;
- (ix) The ratio of total round weight of herring to the total round weight of groundfish;
- (x) The ratio of the number of king crab to the total round weight of groundfish;
- (xi) The ratio of the number of *C. bairdi* Tanner crab to the total round weight of groundfish;
- (xii) Sea surface temperature (where available); and
- (xiii) Sea temperature at fishing depth of trawl (where available).

(3) In exceptional circumstances, the owners and operators of vessels may provide to the Regional Director written justification at the time observer data are submitted, or within a reasonable time thereafter, that disclosure of the information listed in paragraphs (f) (1) and (2) of this section could reasonably be expected to cause substantial competitive harm. The determination whether to disclose the information will be made pursuant to 15 CFR 4.7.

§ 677.11 Annual Research Plan specifications.

(a) *Proposed Research Plan specifications.* Annually, after consultation between the Regional Director, the Council, and, in the case of observer coverage levels in the crab fisheries, the State of Alaska, NMFS will publish in the Federal Register, with opportunity for public comment: Proposed standard exvessel prices, total exvessel value, fee percentage, levels of observer coverage for Research Plan fisheries, standardized cost(s) of an observer day, and embarkment/disembarkment ports for observers, for the calendar year.

(1) *Standard exvessel prices.* Standard exvessel prices will be used in

determining the annual fee percentage for the calendar year and will be the basis for calculating bimonthly fee assessments. Standard exvessel prices for species harvested in Research Plan fisheries for each calendar year will be based on:

(i) Exvessel price information for the most recent 12-month period for which data are available;

(ii) Factors that are expected to change exvessel prices in the calendar year; and

(iii) Any other relevant information that may affect expected exvessel prices during the calendar year.

(2) *Total exvessel value.* The total exvessel value of Research Plan fisheries will be calculated as the sum of the product of the standard exvessel prices established under paragraph (a)(1) of this section and projected retained catches, by species.

(3) *Research Plan fee percentage.* The Research Plan fee percentage for a calendar year will equal the lesser of 2 percent of the exvessel value of retained catch in the Research Plan fisheries or the fee percentage calculated using the following equation:

$$\text{Fee percentage} = [100 \times (\text{RRPC} - \text{FB} - \text{OF}) / \text{V}] / (1 - \text{NPR})$$

where RRPC is the projection of recoverable Research Plan costs for the coming year, FB is the projected end of the year balance of funds collected under the Research Plan, OF is the projection of other funding for the coming year, V is the projected exvessel value of retained catch in the Research Plan fisheries for the coming year, and NPR is the

percent (expressed as a decimal) of fee assessments that are expected to result in nonpayment.

(4) *Observer coverage.* For the period January 1, 1995, through December 31, 1995, observer coverage levels in Research Plan fisheries will be as required by § 677.10(a). After December 31, 1995, the level of observer coverage will be determined annually by NMFS, after consultation with the Council and State of Alaska, and may vary by fishery and vessel or processor size, depending upon the objectives to be met for the groundfish, halibut, and king and Tanner crab fisheries. The Regional Director may change observer coverage inseason pursuant to § 677.10(b)(2)(ii).

(5) *Standardized cost of an observer day.* Standardized cost of an observer day is used to determine the Research Plan fee percentage. During the first year of the Research Plan, NMFS will use standardized cost(s) of an observer day, specified under paragraph (b) of this section, as a basis for rebates issued under § 677.6(f) of this part.

(6) *Embarkment/disembarkment ports.* Ports to be used to embark and disembark observers will be selected on the basis of convenience to the affected industry and on the availability of facilities, transportation, and accommodations deemed by the Regional Director to be necessary for the safe and reasonable deployment of observers.

(b) *Final Research Plan specifications.* NMFS will consider comments received

on the proposed specifications and, following consultation with the Council and with the State, in the case of observer coverage in the crab fisheries, will publish the final total exvessel value; standard exvessel prices; fee percentage; levels of observer coverage for Research Plan fisheries, including names of observer contractors and information for contacting them; standardized cost(s) of an observer day; and embarkment/disembarkment ports in the Federal Register annually prior to the beginning of the calendar year.

§ 677.12 Compliance.

The operator of any fishing vessel subject to this part, and the manager of any shoreside processing facility that receives groundfish, halibut, or king and Tanner crab from vessels subject to this part, must comply with the requirements of this part. The owner of any fishing vessel subject to this part, or any shoreside processing facility that received groundfish, halibut, or king and Tanner crab from vessels subject to this part, must ensure that the operator or manager complies with the requirements of this part and is liable, either individually or jointly and severally, for compliance with the requirements of this part.

Subpart B—General Provisions of Risk Sharing Pool for Insurance Purposes [Reserved]

BILLING CODE 3510-22-P

Figure 1. Federal Processing Permit Application (Form FPP-1)

NOAA-99-04

United States Department of Commerce
 National Oceanic & Atmospheric Administration
 National Marine Fisheries Service
 P.O. Box 021668
 Juneau, Alaska 99802-1668

OMB Approval No. _____
 Expires _____

FEDERAL PROCESSING PERMIT APPLICATION (FORM FPP-1)

Application for Federal Processing Permit for Gulf of Alaska Groundfish, Bering Sea and Aleutian Islands Groundfish, Bering Sea and Aleutian Islands king and Tanner Crab, and North Pacific Halibut (from Convention waters off Alaska).

BLOCK A - PERMIT INFORMATION	
Enter the semi-annual permitting period for which you are applying: [] January 1 to June 30 Year _____ [] July 1 to December 31	
The following fisheries require a Federal Processing Permit: Check (✓) the appropriate fisheries you would like to apply for:	
[] Gulf of Alaska Groundfish (GOA)	
[] Bering Sea and Aleutian Islands Groundfish (BSAI)	
[] North Pacific Halibut (from Convention waters off Alaska)	
[] Bering Sea and Aleutian Islands king and Tanner Crab	

BLOCK B - AMENDED PERMIT INFORMATION	
If this is an application for an amended permit:	
Provide your current Federal Processing Permit Number: _____	
Check (✓) the item(s) that have changed:	
[] Permit information (BLOCK A)	
[] Owner information (BLOCK C)	
[] Processing facility information (BLOCK D)	

BLOCK C - OWNER INFORMATION	
1. Owner name(s) (Last - First - M.I.)	5. Telephone number ()
2. Mailing address (street number, city, state, Zip code)	6. FAX number ()
3. Person responsible if owner is a company	7. Telex number
4. Managing company, if any	

BLOCK D - PROCESSING FACILITY INFORMATION	
If the processing facility is shoreside:	
1. Plant's Name	4. Telephone number ()
2. Address (street number, city, state, Zip code)	5. FAX number ()
3. ADF&G processor code	6. Telex number

If the processing facility is a vessel:	
1. Vessel's name	6. Telephone number ()
2. Home port (city, state)	7. FAX number ()
3. Net tonnage	8. Telex number
4. Length overall	9. INMARSAT number
5. Coast Guard number	10. ADF&G number

BLOCK E - SIGNATURE		
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, the information presented here is true, correct and complete.		
Owner's name (please print or type)	Signature	Date
The Federal Processing Permit is issued on a semi-annual basis. An application is considered incomplete if any prior fee payments are past due.		

Figure 2. Observer Coverage Rebate Application (Form FPP-2)

NOAA-89-880

FORM FPP-2

OMB Clearance No.
Expiration Date.

OBSERVER COVERAGE REBATE APPLICATION

1. Observer Contractor Name 	2. Name and Mailing Address of Person from Whom Payment of Observer Coverage Was Received and To Whom Rebate Will Be Issued <hr/> Name <hr/> Mailing address <hr/> City State Zip Code
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3. Signature of Representative for Observer Contractor:
 Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, the information presented here is true, correct, and complete.

 Signature of Representative Date

5. Identification of Vessel That Received Observer Coverage

 Vessel Name

 Vessel Federal Permit No. or ADF&G Registration No.

4. Observer Payment Information:

Total Amount Paid for Observer Coverage \$ _____

Total Number of Standard Observer Days Paid For: _____

A standard observer day is defined as all or part of a 24-hour period that begins at 00:01 hours Alaska local time (A.L.T.) and ends at 24:00 hours A.L.T. during which an observer is stationed on a vessel or at a shoreside facility for purposes of complying with observer coverage requirements set forth in regulations at 50 CFR part 677.10(a). A standard observer day can not be attributed to more than one vessel or shoreside facility.

6. Identification of Shoreside Facility that Received Observer Coverage

 Name of Facility

 ADF&G Processor Code

7. Observer Coverage Information for Dates Corresponding to Total Number of Standard Observer Days Paid For in Block 4.

Name of Observer	Dates of Standard Observer Day(s) Paid For	Number of Standard Obs Days Paid
Total number of Standard Observer Days Paid <small>This number should be reported in Block 4 of this form</small>		

Submission Information For This Form:

Observer contractors must submit the information contained on this form to NMFS within 15 days after the end of each calendar month that they received payment for observer coverage. Forms may be submitted by FAX or mailed to the following address:

National Marine Fisheries Service
 Alaska Region
 P.O. Box 021668
 Juneau, Alaska 99802

FAX-Number: 907-586-7131

For further information, contact the Fisheries Management Division at 907-586-7228

The Public Reporting Burden Statement for this information collection is printed on the backside of this form

Public Reporting Burden Statement

NMFS estimates that the public reporting burden will average 10 minutes per response for completing the Observer Coverage Rebate Application, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding these burden estimates or any other aspect of the data requirements, including suggestions for reducing the burden, to Ronald J. Berg, Chief, Fisheries Management Division, Alaska Region, National Marine Fisheries Service, P.O. Box 21668, Juneau, AK 99802 (Attn: Lori Gravel), and to the Office of Management and Budget, Paperwork Reduction Project (0634-), Washington DC 20503 (Attn: NOAA Desk Officer)

[FR Doc. 94-10765 Filed 5-5-94; 8:45 am]
BILLING CODE 3510-22-P

50 CFR Part 642

[I.D. 050294A]

Coastal Migratory Pelagic Resources of the Gulf of Mexico and South Atlantic

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of availability of an amendment to a fishery management plan and request for comments.

SUMMARY: NMFS announces that the Gulf of Mexico and South Atlantic Fishery Management Councils (Councils) have submitted Amendment 7 to the Fishery Management Plan for the Coastal Migratory Pelagic Resources of the Gulf of Mexico and South Atlantic (FMP) for review by the Secretary of Commerce (Secretary).

Written comments are requested from the public.

DATES: Written comments must be received on or before July 1, 1994.

ADDRESSES: Comments must be mailed to the Southeast Regional Office, NMFS, 9721 Executive Center Drive, St. Petersburg, FL 33702.

Requests for copies of Amendment 7, which includes a regulatory impact review/initial regulatory flexibility analysis and an environmental assessment, should be sent to the Gulf of Mexico Fishery Management Council, 5401 W. Kennedy Boulevard, Suite 331, Tampa, FL 33609-2486, FAX 813-225-7015, or to the South Atlantic Fishery Management Council, Southpark Building, One Southpark Circle, suite 306, Charleston, SC 29407-4699, FAX 803-769-4520.

FOR FURTHER INFORMATION CONTACT: Mark F. Godcharles, 813-893-3161.

SUPPLEMENTARY INFORMATION: The Magnuson Fishery Conservation and Management Act (Magnuson Act) requires that a council-prepared amendment to a fishery management plan be submitted to the Secretary for review and approval, disapproval, or partial disapproval. The Magnuson Act also requires that the Secretary, upon receiving an amendment, immediately publish a notice that the document is available for public review and comment. The Secretary will consider public comment in determining approvability of the amendment.

Amendment 7 proposes the following actions. (1) The eastern zone commercial quota for the Gulf migratory group of king mackerel would be divided into equal quotas for Florida east and west coast fisheries. The Florida east coast sub-zone would encompass the waters off the east coast of Florida from a line extending directly east from the Volusia/Flagler County, Florida boundary (29°25'N. lat.) to a line extending directly east from the Dade/Monroe County, Florida boundary

(25°20.4'N. lat.). The east coast sub-zone would exist from November 1 through March 31, when the boundary separating the Gulf and Atlantic migratory groups of king mackerel is a line extending directly east from the Volusia/Flagler County, Florida boundary. From November 1 through March 31, the Florida west coast sub-zone would encompass the waters off the southeast, south, and west coasts of Florida from the Dade/Monroe County, Florida boundary to a line extending directly south from the Alabama/Florida boundary (87°31'06"-W. long.). From April 1 through October 31, when the boundary separating the Gulf and Atlantic migratory groups of king mackerel is a line extending directly west from the Monroe/Collier County, Florida boundary (25°48'N. lat.), the west coast sub-zone would extend from the Monroe/Collier County, Florida boundary to the Alabama/Florida boundary. (2) The west coast sub-zone quota would be further subdivided into equal quotas for fishermen harvesting with hook-and-line and those using run-around gillnet gear. (3) Persons would be allowed to fish under the gillnet quota in the west coast sub-zone only aboard vessels that have endorsements on their Federal commercial mackerel permits to fish with gillnets in that sub-zone. All harvest of Gulf group king mackerel in the west coast sub-zone by vessels with such an endorsement would be counted against the gillnet quota.

Proposed regulations to implement Amendment 7 are scheduled for publication within 15 days.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: May 3, 1994.

Richard H. Schaefer,
Director of Office of Fisheries, Conservation and Management, National Marine Fisheries Service.

[FR Doc. 94-11001 Filed 5-5-94; 8:45 am]
BILLING CODE 3510-22-P

C-1
NOT HANDED OUT
TO Council

PROPOSED ADF&G OBSERVER BUDGET FOR THE NPFRP - REVISED 6/2/94

Category	Program Operations	Observer Support	Field Office	Data Entry & Operations	TOTAL
Full Time Equivalents	1.0	1.6	1.0	2.4	6.0
Salaries & Benefits	93.7	102.7	67.3	143.8	407.5
TOTAL					407.5
Travel					
BOF (Anchorage)	1.5			1.3	2.8
Staff (Kodiak)	1.6		0.8	1.6	4.0
Observer (Seattle)	2.0		1.0		3.0
Training (Seattle)	2.4				2.4
Observer Staff (DH-Anch)		2.6	2.6		5.2
TOTAL	7.5	2.6	4.4	2.9	17.4
Rent & Utilities					
DH Office	61.4				61.4
Anch Office			12.0		12.0
Vehicle Rent		4.8			4.8
DH Phone/Fax/Modem	4.0				4.0
Anch Phone/Fax/Modem			2.0		2.0
TOTAL	65.4	4.8	14.0		84.2
Contracts & Services					
Shipping		1.2			1.2
Printing/Photos		4.3			4.3
Equipment Service/Repair		2.5			2.5
Computer Network	2.5			0.5	3.0
Postage		0.6		0.2	0.8
TOTAL	2.5	8.6		0.7	11.8
Supplies & Equipment					
Film		0.6			0.6
Logbooks		0.6			0.6
Tapes		0.2			0.2
Computers & Software		4.5		4.5	9.0
Office Furniture		0.8		0.8	1.6
Fax Machine		2.0			2.0
Office Supplies	2.0		0.5		2.5
TOTAL	2.0	8.7	0.5	5.3	16.5
GRAND TOTAL	171.8	127.4	86.2	152.7	537.4

Salary notes:

Benefits are 33% of salaries
 Program Operations = program coordinator
 Observer support includes program briefers/debriefers
 Salaries and Benefits are based on 5% increases per annum
 Additional salary costs include 1 FTE for Anchorage office, data entry and roving briever/debriever

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To <i>KIM SPITZER</i>	From <i>CRW</i>
Co.	Co.
Dept.	Phone #
Fax #	Fax #

REVISED DRAFT

PROPOSED ADF&G OBSERVER BUDGET FOR THE NPFRE - VERSION 6/2/94

PERSONNEL (LINE 100)	FY94 \$s	FY96 \$s
Coordinator - Range 18 (12mm)	85.0	93.7
Assistant Coordinator - Range 16 (12mm)	61.0	67.3
Database Manager - Range 16 (12mm)	66.5	73.3
Lead Briefer - Range 14 (11mm)	54.0	59.5
Assistant Briefer - Range 14 (8mm)	39.2	43.2
Data Processing Clerk II - Range 9 (11mm)	42.9	47.3
Data Processing Clerk I - Range 7 (6mm)	21.0	23.2
	(561.9)	
Total -		407.5
TRAVEL (LINE 200)		
Board of Fisheries meeting - 1 per year (Coord. & Data Mgr.)		
Airfare - 2 round trips x \$800		1.6
Car rental - 5 days x \$30		.2
per diem - 10 days x \$100		1.0
Regional staff meeting - 1 per year (Coord. Asst. & Data Mgr.)		
Airfare - 2 round trips DH - Kod x \$1100		2.2
Airfare - 1 round trip Anch - Kod x \$300		.3
per diem - 15 days x \$100		1.5
ADF&G/NMFS observer meeting in Seattle - 1 per year		
Airfare - 1 round trip DH - Sea x \$1500		1.5
Airfare - 1 round trip Anch - Sea x \$700		.7
per diem - 7 days x \$100		.7
Car rental - 2 days x \$30		.1
DH & Anch observer staff interchange - 4 per year		
Airfare - 4 round trips DH - Anch x \$800		3.2
per diem - 20 days x \$100		2.0
ADF&G monitoring of observer training in Seattle		
Airfare - 1 round trip x \$1500		1.5
Car rental - 6 days x 30		.2
per diem - 7 days x \$100		.7
Total -		17.4

CONTRACTUAL SERVICES (LINE 300)

DH office rent - 1828 sq ft x \$2.80 x 12 months	61.4
Anchorage office rent -	12.0
Printing - 60,000 forms x \$.03 per form	1.8
Observer manual - 100 copies	2.0
Photo processing -	.5
Equipment service & repair -	2.5
Computer network technician service -	3.0
Phone/fax/Email/computer modem -	6.0
Postage/freight -	1.0
Postage meter rental -	.2
Vehicle rental - \$400 per month x 12 months	4.8
Freight for new office equipment -	.8
Total -	96.0

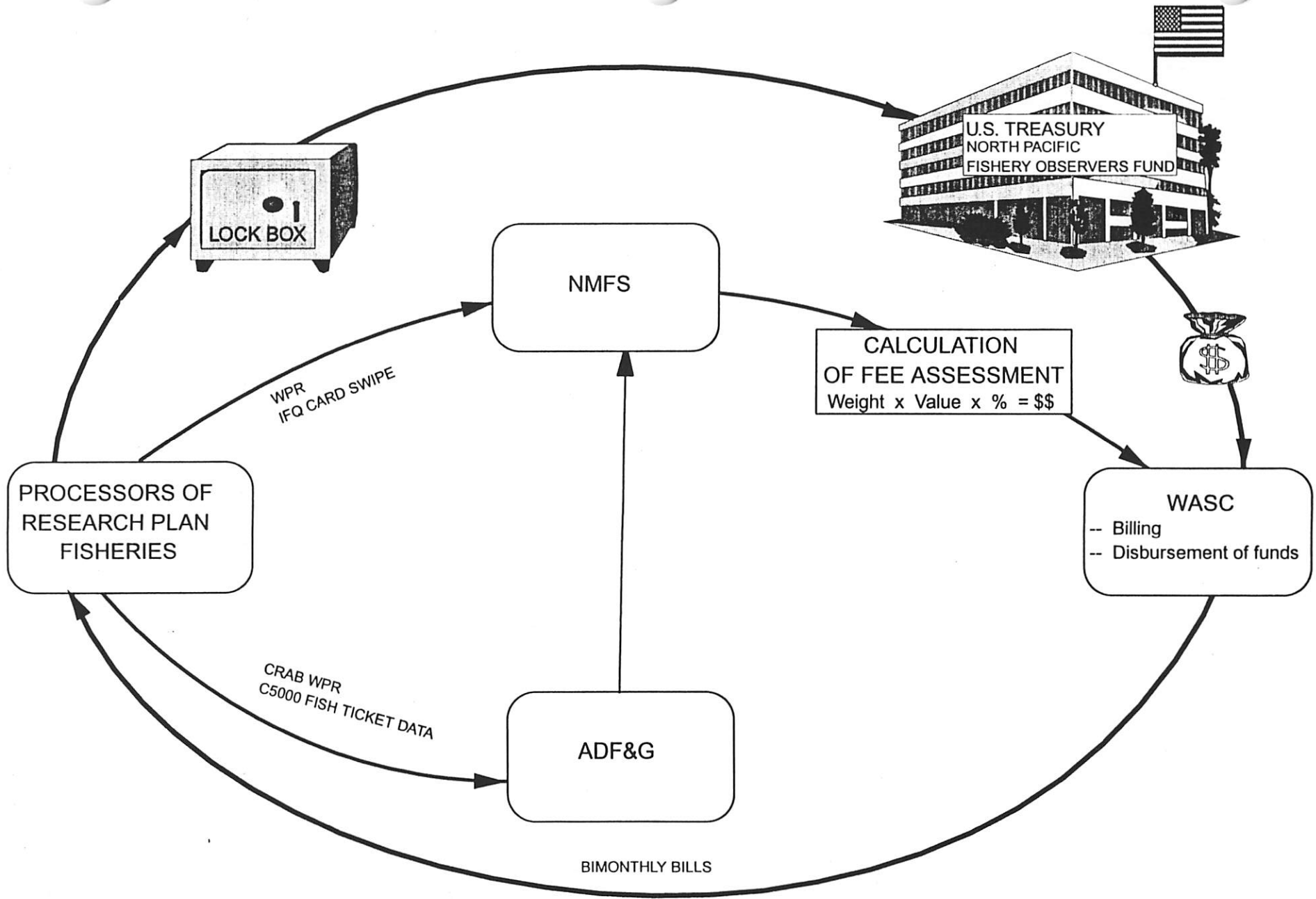
COMMODITIES (LINE 400)

Office supplies -	2.5
Film - 200 rolls x \$3.00	.6
Rite in the Rain notebooks - 2 gross x \$300	.6
Audio cassette tapes - 100 x \$2.00	.2
Total -	3.9

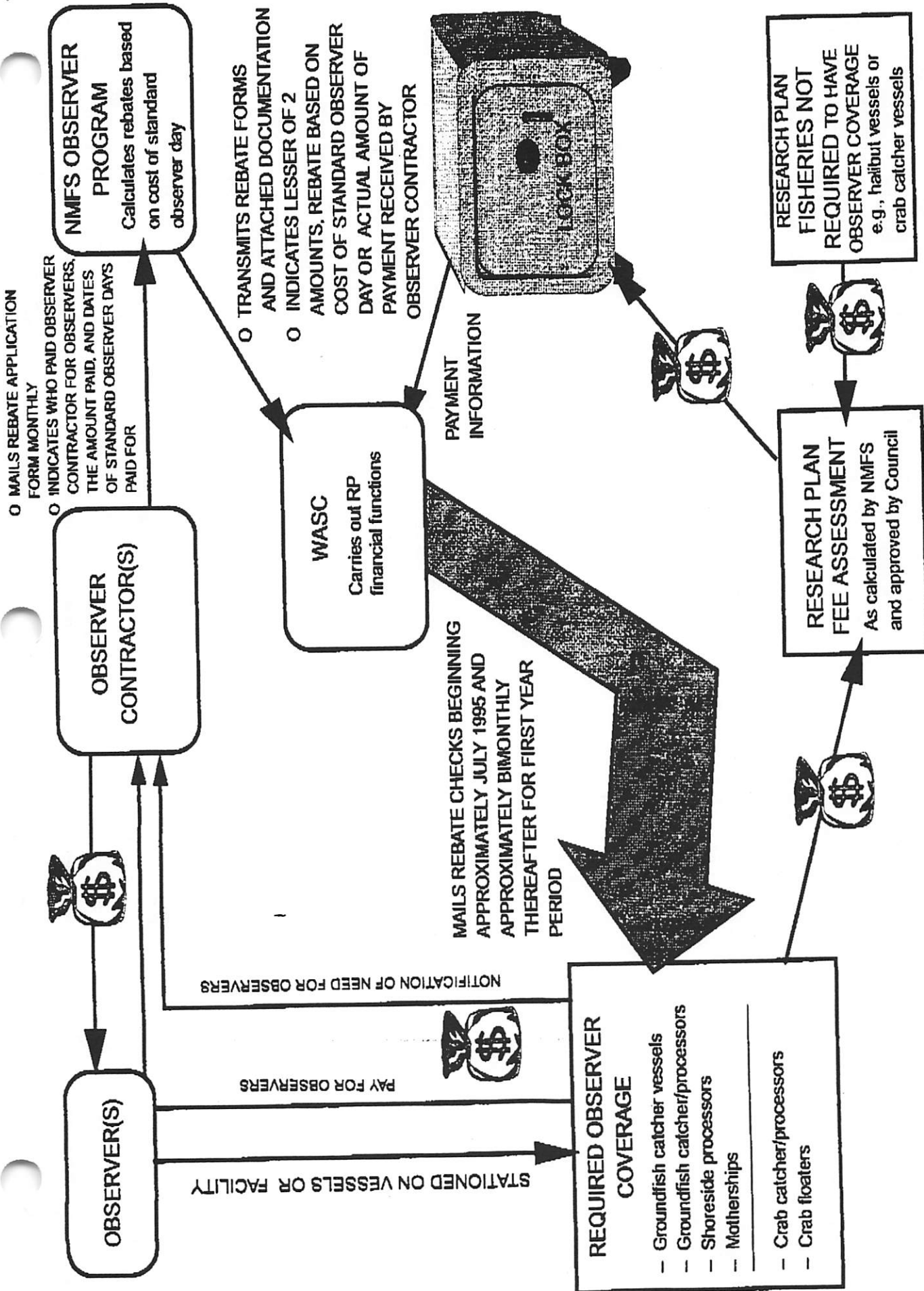
EQUIPMENT (LINE 500)

Computer, monitor, & software for new FBI -	4.5
Computer, monitor, & software for new DP Clerk I -	4.5
Desk and chair for new FBI -	.8
Desk and chair for new DP Clerk I	.8
Fax machine -	2.0
Total -	12.6

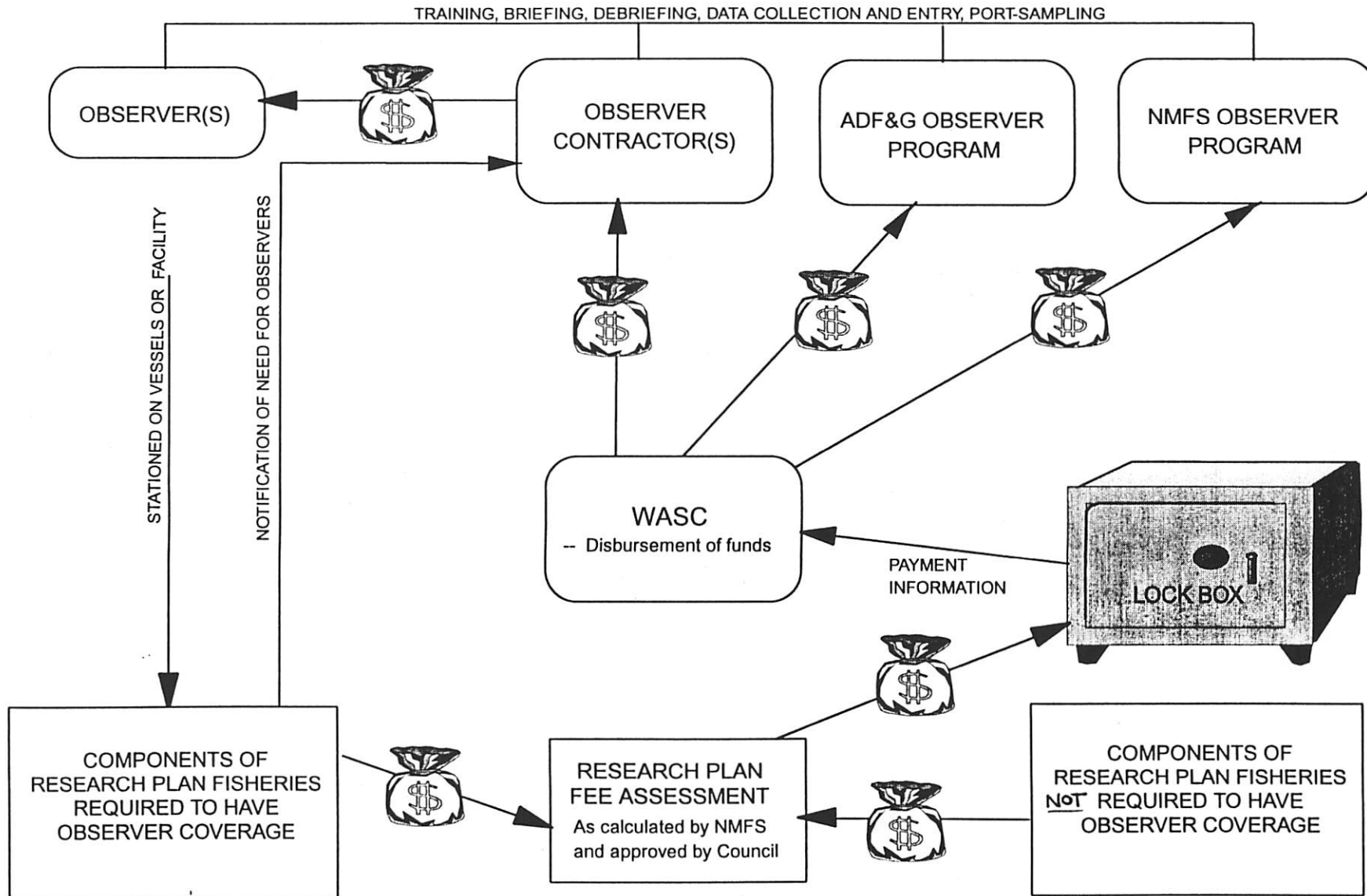
GRAND TOTAL -	537.4
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RESEARCH PLAN -- DATA FLOW FOR BILLING PURPOSES



RESEARCH PLAN -- FIRST YEAR REBATES



RESEARCH PLAN -- AFTER FIRST YEAR FLOW OF FUNDS

NMFS OBSERVER PROGRAM BUDGET

FY96 (5/18/94) - Karp	Operations	Observer Support	Field Offices	Data Entry & Operations	Res. Plan	Total
FTEs	6.5	16.5	3.0	12.2	1.0	39.2
Salaries & Benefits	325.0	515.8	141.9	431.4	46.2	1460.2
Travel						
Council Meetings	4.9				1.1	
Regional Office	4.4				1.1	
Operations	3.4	8.8	8.3			31.9
Rents & Utilities						
Office Rental: D.H.			94.5			
Phones						
D.H.			7.8			
Kodiak			4.4			
Seattle	5.6	21.0		11.9		145.1
Contracts, etc						
Vehicles			7.8			
Freight			5.6			
Printing, etc.		22.1				
Fish Identification		21.0				
Data Entry				141.8		
Laundry		1.1				
Kodiak Janitorial			3.9			
Training	5.6	5.6		3.2	2.4	
Other	7.4					227.1
Supplies & Equipment						
Observer Supplies		73.5				
Observer Safety		21.0				
Protective Gear						
Other	20.0	45.0	15.0	25.0	15.0	214.5
TOTALS	376.2	734.7	289.1	613.2	65.7	2078.9

Notes: FTEs = Fulltime equivalent staff positions

Benefits are 20% of salaries

Operations include program manager, deputy program manager, operations manager, data systems manager and office support staff.

Observer support includes staff responsible for training, debriefing, data editing, and logistics.

Fish Identification = Training contract with UW

Other Contracts = software and equipment maintenance, phone installation, service contracts

Cost estimates are based on assumed increases of 5% per annum.

Additional salary cost include 1 more FTE in observer support data entry and operations, and Research Plan coordination.

NMFS, ALASKA REGION, AND WASC FY 94 - 96 BUDGET (\$1,000) TO
IMPLEMENT THE NORTH PACIFIC FISHERIES RESEARCH PLAN

		FY 94	FY 95	FY96
PERSONNEL	GS Level ()			
<u>Alaska Region</u>				
Coordinator	(11/12)	31.5	64.8	67.4
Res.Mgt.Spec.	(7/9/11)	----	72.3	57.5
Permit Spec.	(7/9/11)	----	72.3	57.5
Computer Spec.	(7/9/11)	----	----	72.8
 <u>WASC</u>				
Accounting Tech.	(6)	----	60.0	30.0
(2 positions FY95 1 position FY96)				
Total Personnel -		31.5	269.4	285.2
<hr/>				
TRAVEL				
<u>Alaska Region</u>			15.0	20.0
<u>WASC</u>				
Travel to and from Alaska			6.0	3.0
Total Travel -			21.0	23.0
<hr/>				
BILLING AND COLLECTIONS SERVICES				
<u>WASC</u>				
Postage			0.6	0.6
<u>Bank lockbox services</u>				
Account maintenance			0.1	0.1
Lock box charges			1.8	1.9
Per check processing (.55/check)			1.0	1.0
Processing returned checks			1.0	1.0
Daily postage			1.5	1.5
Total services			6.0	6.1
<hr/>				
GRAND TOTAL		31.5	296.4	314.3

Note: The projected budget for 1995 and 1996 assumes a 1.1% cost increase and a 3.3% step increase

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PROPOSED ADF&G OBSERVER BUDGET FOR THE NPFRP - REVISED 5/18/94

Category	Program Operations	Observer Support	Field Office	Data Entry & Operations	Total
Full Time Equivalents	1.0	5.3	1.0	2.4	9.7
Salaries & Benefits	93.7	314.7	67.3	143.8	619.5
Total					619.5
Travel					
Port Sampling		3.0			3.0
BOF (Anchorage)	1.5			1.3	2.8
Staff (Kodiak)	1.6		0.8	1.6	4.0
Observer (Seattle)	2.0		1.0		3.0
Training (Seattle)	2.4				2.4
Observer Staff (DH-Anch)		2.6	2.6		5.2
Total	7.5	5.6	4.4	2.9	20.4
Rent & Utilities					
DH Office	73.1				73.1
Anch Office			12.0		12.0
Vehicle Rent		4.8			4.8
DH Phone/Fax/Modem	4.0				4.0
Anch Phone/Fax/Modem			2.0		2.0
Total	77.1	4.8	14.0		95.9
Contracts & Services					
Port Sampling Room/Board		12.0			12.0
Shipping		1.2			1.2
Printing/Photos		4.3			4.3
Equipment Service/Repair		2.5			2.5
Computer Network	2.5			0.5	3.0
Postage		0.6		0.2	0.8
Total	2.5	20.6		0.7	23.8
Supplies & Equipment					
Film		0.6			0.6
Logbooks		0.6			0.6
Tapes		0.2			0.2
Computers & Software		4.5		4.5	9.0
Office Furniture		0.8		0.8	1.6
Fax Machine		2.0			2.0
Office Supplies	2.0		0.5		2.5
Total	2.0	8.7	0.5	5.3	16.5
GRAND TOTAL	182.8	354.4	86.2	152.7	776.1

Notes: Benefits are 33% of salaries
Program Operations = program coordinator
Observer support includes program briefers/debriefers
Salaries and Benefits are based on 5% increases per annum
Additional salary costs include 1 FTE for Anchorage office, data entry and roving briefers/debriefers

AGENDA C-1(d)
JUNE 1994

THIS AGENDA ITEM WILL BE AVAILABLE DURING MEETING TIME

DRAFT MINUTES

OBSERVER OVERSIGHT COMMITTEE

May 26-27, 1994

The Council's Observer Oversight Committee (OOC) met in Seattle on May 26-27 to review the first year budgets, reports, and fee percentage recommendations for the North Pacific Fisheries Research Plan (Plan). The following members, support staff, and public were in attendance (* designates committee member):

*Chris Blackburn (Chair)	AGDB
*Dave Benson	Arctic Alaska
*Brian Bigler	Alyeska Seafoods, Wards Cove
*Steve Davis	UAA Observer Training Center
*Michael Lake	Alaska Observers
*Mandy Merklien	Observer Program
*Nancy Munro	Saltwater, Inc.
*Jerry Nelson	Baranof/Courageous
*Arni Thomson	Alaska Crab Coalition
*Gary Westman	MTC (F/V Caravell F/V Rosella)
Christian Asay	Arctic Alaska
Mike Atterberry	Alaska Ocean Seafood
Ron Berg	NMFS - AK Region
Dave Colpo	AFSC Economist
Kim Dietrich	Alaskan Observers
Ken Griffin	ADF&G - Juneau
Cheri Hanneman	Frank Orth & Associates
Deidre Hartferd	Frank Orth & Associates
Chuck Jensen	East Point Seafood
Bill Karp	NMFS - AFSC
Paul MacGreger	AFTA
Bob Maier	NMFS Groundfish Observer Program
Chris Oliver	NPFMC
Brent Paine	United Catcher Boats
Kim Spitler	NMFS - AK Region
Clayton Terry	WASC - Finance Division
Joe Terry	NMFS - AFSC
Janet Wall	NMFS Groundfish Observer Program
Mike Ward	ADF&G - Dutch Harbor

By necessity, this meeting was held in late May in order to get a report to the Council from the OOC. In the future, meetings will be scheduled to take into account longline fisheries openings, or other fisheries openings, to ensure full participation opportunities for all OOC members.

The OOC received an overview of the Plan from NMFS staff, which concentrated on the fee assessment and collection aspects of the Plan. The OOC was surprised to learn that the first year start-up period for the Plan would require 'double payment' initially, with a rebate later in the year. NMFS explained why this was necessary to make the Plan work in Year 1. The OOC has further comments on this issue which are detailed later in this report. The OOC then received a report from NMFS which summarized the

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projected observer costs (based on current levels of coverage), agency costs for NMFS and ADF&G, and the necessary fee percentage for Year 1 to accumulate start-up funds.

I. BOTTOM LINE

The initial estimates provided to the OOC by NMFS resulted in a fee percentage in Year 1 of 1.75%, considerably higher than estimates provided two years ago. This higher fee is a result of lower fish prices, increased agency costs, higher levels of observer coverage than two years ago, higher costs per coverage day, and the rebate program proposed for Year 1. After reviewing these initial estimates, and discussing the projected fish prices and direct observer costs, the OOC is recommending a fee percentage of 2% in Year 1. More specific discussions and recommendations are contained below by subject area.

II. BUDGET ISSUES

NMFS Budgets

The OOC reviewed the budget provided by NMFS, which includes the costs to the Observer Program, NMFS Regional office, and WASC (account maintenance), for a total projected budget of about \$2.5 million in FY 1995. The OOC noted that increases over previous budget projections were the result of mandatory salary increases and the filling of two positions which are currently vacant.

ADFG Budgets

The OOC reviewed the budget provided by ADF&G for administering the shellfish program, which totaled about \$ 800,000. This represents a substantial increase from budget projections previously reviewed by the OOC. It was noted that most of this increase (about \$200,000) is the result of adding the portside sampling program to the costs to be recovered under the Plan. This has been paid for directly by ADFG in the past. It was also noted that the ADFG budget did not include the costs of training shellfish observers, as this has been paid by shellfish observer contractors and was included under the direct costs of observer coverage. The OOC would like to see this estimate provided for explicitly in the budgets, as it is intended to be covered by the fee percentage.

Coordination between Shellfish and Groundfish Programs

Recognizing the differences between the two programs, but concerned with the overall efficiency of the program, the OOC would like to see more explicit consideration given by NMFS and ADFG to combining certain aspects of the observer programs for shellfish and groundfish. Examples of the types of activities which should be examined include: observer training and debriefing; dual observer certification; geographic considerations for office space, training, and debriefing; and data entry by observers on-board. The OOC was informed, and appreciates, that such coordination takes time and experience with the program to become reality. However, the OOC feels that the Plan builds two administrative infrastructures which have considerable overlap, and that we should begin the process of consolidation as early as possible.

An explicit recommendation of the OOC is for NMFS to provide budget estimates which reflect NMFS taking over and administering both the groundfish and shellfish programs under the Research Plan, and would include timeline estimates for such consolidation. This request by the OOC is not meant to favor one agency over another; rather, it is to provide a mechanism for evaluating cost disparities. The OOC

recognizes the significance of this request and that this report will likely not be provided until sometime next year.

III. DIRECT OBSERVER COSTS

The OOC reviewed the estimates provided by NMFS for the direct cost of observer coverage in Year 1 under the Plan. The observer contractors present for this meeting met in sub-committee to further evaluate these estimates and provided revised estimates which were adopted by the OOC. The revised estimates are incorporated in the 'Bottom Line' OOC recommendation. The OOC discussed factors which affect the direct costs of observer coverage, and which should be considered in estimating the total costs. These include: differential costs of placing observers in the BSAI vs GOA; differential costs between the shellfish and groundfish programs; the fact that travel costs remain a large variable in the cost estimates, and the ratios used in calculating the number of employment days resulting from a given amount of actual observer days. The direct observer costs affect the total cost of the program, and particularly, the amount of the projected rebates for Year 1 of the program.

IV. REVENUE ESTIMATES & FISH PRICES

Projected fish prices represent an integral part of the overall fee calculation exercise, and were examined by the OOC. Overall, the initial numbers presented to the OOC are likely an overestimate, and therefore will increase the overall fee percentage when corrected. Specific recommendations by the OOC regarding future fish price projections include:

- * A more formal definition of ex-vessel price. One item which generated considerable discussion by the OOC was the use of shoreside delivery prices as a proxy for fish prices to the offshore sector.
- * The OOC recommends looking at the use of differential prices by various sectors, at least for some species. The following specific recommendations were made: (1) for pollock and rock sole in the BSAI, different prices for shorebased, mothership, and catcher/processors, (2) differential prices for GOA pollock and BSAI pollock, (3) seasonal differences for pollock and rock sole, (4) differential prices for Pacific cod by gear type, and (5) differential prices for red king crab by area.
- * In setting standardized prices, some of the seasonal variations would be more accurately captured by using six month standards (as with the VIP program) instead of annual standards.
- * Meal plant fish should be treated as non-retained catch and considered exempt from assessment at this time.
- * The methodologies employed in making the fish price projections should be reviewed by the SSC.

V. START UP YEAR AND REBATE SYSTEM

As noted previously, the 'double payment with rebate' system proposed by NMFS to implement Year 1 of the Research Plan is a new and troubling development to the OOC. In addition to the financial burden it places on fishermen and processors, there are equity implications in the current proposal. For example, the current proposal calls for a standardized cost reimbursement per coverage day which is directly paid

for. This will likely result in some fishermen getting back less than they actually paid directly for observer coverage (the rebate will be either the standard or actual, whichever is less). These differentials could be quite substantial in some cases. From the observer contractor's perspective, this system puts them in an unenviable position of having to get paid for observer coverage by the same operator who is already paying the Research Plan fee. The likelihood of the contractor "getting stiffed" may be higher under this proposal.

Alternatives to Rebate System

It was pointed out by staff that the alternative of rebating actual expenses to each operator may be more equitable on the surface, but it provides the opportunity for operators and contractors to claim higher than actual costs. Staff also explained that each of the concerns raised in OOC discussions was considered, but not resolved, by staff when it developed the rebate system as proposed. Nevertheless, the OOC recommends to the Council that the following alternatives be examined for Year 1 implementation:

1. Processors would look at the actual costs and deduct those costs from the bills before paying them (the 'ultimate credit system').
2. Contractors would submit documentation about the amount of each rebate for each vessel and that amount, instead of the standard amount, would be rebated.
3. Use a single rebate amount of \$200 per observer coverage day.

Further, the OOC recognizes the need to maintain a core of strong, financially stable contractors, and that the current rebate proposal may not be in the best interests of the contractors.

VI. OTHER ISSUES

Shellfish Training

The OOC discussed the issue of shellfish observer training and the role of UAA under the Research Plan. ADF&G budgets did not contain estimates of shellfish observer training, reflecting the fact that ADF&G does not wish to undertake observer training directly. OOC observer training representative Steve Davis provided the OOC with a budget projection for the UAA, which included training of shellfish observers and some portion of the training of groundfish observers, noting that the NMFS budget includes costs of training all groundfish observers. The OOC felt that it was beyond its purview to include UAA as a specific line item in the budgets to be covered by the Research Plan fees; rather, that such information would be useful to the OOC and the interagency workgroup in accurately projecting the costs of training observers, regardless of who does the actual training. This information will also be very useful to the interagency workgroup as they develop future reports on overall coordination and efficiency of the program(s).

Insurance

Standardization of insurance requirements is still an issue around the observer program, and under the Research Plan. Questions such as "Who is the employer of the observer?" and "What coverage is required and who pays for it?" still remain. The OOC recommends formation of a Technical Workgroup to address this issue and report to the OOC and the Council. This Workgroup could contain OOC members, other industry experts (maritime insurance), and agency personnel.

Inclusion of Effects of Management Changes on Observer Costs

The OOC recommends that any future management proposals contain an analysis of how the proposed change affects observer coverage needs.

Special Fisheries

The OOC notes that some fisheries are "out of the ordinary" and should pay for their observer costs, or at least those requirements which are above and beyond normal. Examples were hair crab fisheries and CDQ fisheries.

Future Meetings of the OOC

The OOC is planning a meeting for either late August or September, to provide additional input before the Council finalizes the fee percentage for Year 1 (1995).

VII. SUMMARY

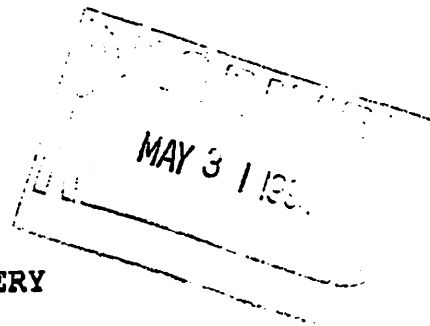
The OOC notes that the observer program appears to be maxed out, even with the full 2% fee assessment (though we note that some of the fee assessment for Year 1 reflects start-up costs which will be reduced in subsequent years). Additional observer coverage in the future looks fairly unlikely under the 2% fee cap, noting that the Magnuson Act language says that such fees 'not be used to offset amounts authorized under other provisions of law'. The OOC recommendation of the full 2% fee for Year 1 recognizes that, in the event this is more than enough, the industry will 'get it back' in the following year in the form of a reduced fee percentage. Also of note is the fact that the full 2% may not be necessary if the current rebate proposal is changed.

In looking at ways to get the most out of the 2% fee, the OOC discussed the fact that the fee cannot be assessed on landings from inside three miles (other than halibut). Finally, the OOC wishes to remind the Council that assessing the fee on discards is still an option for the future, and would help build funding for the program.

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GREENPEACE

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• Fax (206) 632-6122 •



STATEMENT
OF
GREENPEACE
BEFORE THE NORTH PACIFIC FISHERY
MANAGEMENT COUNCIL
RE: NORTH PACIFIC FISHERIES RESEARCH PLAN

MAY 31, 1994
DRAFTED BY
PENNY PAGELS
FISHERIES CAMPAIGNER

On behalf of Greenpeace and its approximately 1.8 million supporters here in the United States, I would like to comment on the Environmental Assessment/Regulatory Impact Review for the North Pacific Fisheries Research Plan for the Bering Sea and Aleutian Islands (BS/AI) and the Gulf of Alaska (GOA) fisheries.

It has long been and continues to be the position of Greenpeace that the domestic observer program in the North Pacific is imperative to provide data to accurately assess in-season removal levels of targeted finfish and shellfish species and associated bycatch levels of all marine species that are removed from the ocean.

Proper conservation and management of the BS/AI and GOA fisheries can be more readily attained with the essential information that is routinely collected by National Marine Fisheries Service (NMFS) certified observers. Greenpeace requests that the Secretary of Commerce approve and implement a user-fee plan that will adequately provide for the funding of increased observer coverage and data input and analysis that is urgently needed for the conservation of living marine resources.

Greenpeace supports Alternative 2 in the EA/RIR which provides for an industry funded user-fee plan for the domestic observer program in the North Pacific. These comments will highlight the effectiveness of the North Pacific observer program and advocate the change to an equitable user-fee plan.

INTRODUCTION

Since the implementation of the Magnuson Fishery Conservation and Management Act (Magnuson Act), the observer program in the North Pacific has provided essential information needed to assess the impacts of commercial fishery removals on the marine environment. NMFS observers have been stationed on fishing vessels in order to collect scientific data related to the fishery. With the gradual "Americanization" of the fishery, the North Pacific Fishery Management Council (the Council) adopted the continuation of what is now known as the domestic observer program. The Council, along with the fishing industry agreed that observers should be stationed on board all vessels that participated in the groundfish and shellfish fisheries. At that time, observer coverage was based on vessel length size and required that fishing vessel companies pay for their observer coverage through certified observer contractors.

In 1990, the Magnuson Act was amended to establish a comprehensive observer data and collection program that industry would be required to fund. The intent of this user-fee plan was to include a funding mechanism, based on the amount of fish caught, that would ensure the integrity of the data needed to manage the fishery in the North Pacific.

The information collected by observers has and continues to be an invaluable source of data used to assess the status of all commercial fishery removals in the North Pacific. On a continual basis, NMFS observers verify the species composition of the catches, calculate catch estimates, collect marine mammal and seabird information, and perform various associated scientific studies on marine species. For stock assessment purposes, observers also provide catch-at-age data of targeted fisheries.

In-season management of fisheries could not be performed without the incorporation of observer data. Accurate tabulation of fishery removals must include information on discards and prohibited species. Observers provide data that are imperative for the purposes of accurate tabulation during fishing periods. Additionally, observers monitor fishing operations for compliance with fishery regulations.

THE NEED FOR THE IMPLEMENTATION OF THE USER-FEE PLAN

The intent of Congress was to provide for a mandatory observer program with a user-fee system that would provide sufficient funding to carry it out in order to provide for long-term conservation and management of the fisheries. Since the industry enjoys considerable economic benefits derived from a common property resource, it was determined that the industry would be required to pay the costs for proper observer monitoring so that the industry and the nation can enjoy sustainable benefits from the resource.

The user-fee plan provides an equitable payment process for the fishing industry because the fee is assessed on the amount of fish retained, not on the size of the vessel. Additionally, the user-fee plan allows NMFS the authority to assure that vessel companies are paying for their observer coverage. Under the user-fee plan, vessel companies will be required to pay directly to NMFS instead of to the observer contractor. In this way, vessel companies that are delinquent in their payments will not be given the privilege to fish.

In 1993, due in part to delinquent payment by vessel companies to an observer contractor, the contractor was unable to pay their observers. However, because the contractor had duly provided observer coverage to the vessels, the vessels were able to continue fishing. The observer contractor eventually went out of business, and the observers were not paid for their service. Because of the contractual agreement between the observer contractor and the vessel company, NMFS apparently was unable to do anything about penalizing the vessel company or paying the observers. Under the user-fee plan, this type of unfortunate situation would not occur. NMFS would have the authority to suspend fishing permits until fees were paid, thereby assuring that observers would also receive payment. In this manner, the user-fee plan rewards those in the fishing industry who are current in their payments by granting them the privilege to continue fishing. Those vessel companies that do

not pay their fees, would not be granted an observer and thus, would not be permitted to fish.

WEIGHTS AND MEASURES

In order to collect fees, NMFS must have an accurate method of tabulating fish catches. It is widely recognized that the utilization of product recovery rates (PRRs) to back calculate the total weight of fish, is wholly inadequate. Greenpeace reiterates its position that the only accurate method for tabulating the amount of marine species that are removed from the ocean is to implement a requirement that standardized scales be put on board all catcher processor vessels. Greenpeace urges the NMFS to expedite the analysis for weighing of catches at sea and implement this measure as soon as possible. Regardless of the type of management system in place, accurate tabulation of fishery removals is fundamental to the conservation and management of the resource.

CONCLUSION

Seventeen years after the passage of the Magnuson Act, the status of the nation's fisheries have not improved. In all regions of the United States there are fish stocks which are categorized as "depleted" or "over exploited". Even in the North Pacific, there are warning signs of a marine system in trouble. Our fisheries are developed to the fullest extent. The time has come to prioritize conservation in fisheries management.

The Council has already taken a progressive step in adopting an observer program to ensure the conservation of fish stocks in the North Pacific. The Council implemented a domestic observer program recognizing that, regardless of the nationality of the fishing fleet, overfishing can occur.

The implementation of a user-fee plan as outlined in Alternative 2 in the EA/RIR is one more step toward a better program to improve the quality of the data collected aboard commercial fishing vessels.

MAGNUSON FISHERY CONSERVATION AND MANAGEMENT ACT

(The following section was excerpted from the Magnuson Act as amended November 2, 1992)

101-627

SEC. 313. NORTH PACIFIC FISHERIES RESEARCH PLAN 16 U.S.C. 1862

(a) IN GENERAL.--The North Pacific Fishery Management Council may prepare, in consultation with the Secretary, a fisheries research plan for all fisheries under the Council's jurisdiction except salmon fisheries which--

(1) requires that observers be stationed on fishing vessels engaged in the catching, taking, or harvesting of fish and on United States fish processors fishing for or processing species under the jurisdiction of the Council, including the Northern Pacific halibut fishery, for the purpose of collecting data necessary for the conservation, management, and scientific understanding of any fisheries under the Council's jurisdiction; and

(2) establishes a system of fees to pay for the costs of implementing the plan.

(b) STANDARDS.--(1) Any plan or plan amendment prepared under this section shall be reasonably calculated to--

(A) gather reliable data, by stationing observers on all or a statistically reliable sample of the fishing vessels and United States fish processors included in the plan, necessary for the conservation, management, and scientific understanding of the fisheries covered by the plan;

(B) be fair and equitable to all vessels and processors;

(C) be consistent with applicable provisions of law; and

(D) take into consideration the operating requirements of the fisheries and the safety of observers and fishermen.

(2) Any system of fees established under this section shall--

(A) provide that the total amount of fees collected under this section not exceed the combined cost of (i) stationing observers on board fishing vessels and United States fish processors, (ii) the actual cost of inputting collected data, and (iii) assessments necessary for a risk-sharing pool implemented under subsection (e) of this section, less any amount received for such purpose from another source or from an existing surplus in the North Pacific Fishery Observer Fund established in subsection (d) of this section;

(B) be fair and equitable to all participants in the fisheries under the jurisdiction of the Council, including the Northern Pacific halibut fishery;

(C) provide that fees collected not be used to pay any cost of administrative overhead or other cost not directly incurred in carrying out the plan;

(D) not be used to offset amounts authorized under other provisions of law;

(E) be expressed as a percentage, not to exceed 2 percent, of the unprocessed ex-vessel value of fish and shellfish harvested under the jurisdiction of the Council, including the Northern Pacific halibut fishery;

(F) be assessed against all fishing vessels and United States fish processors, including those not required to carry an observer under the plan, participating in fisheries under the jurisdiction of the Council, including the Northern Pacific halibut fishery;

(G) provide that fees collected will be deposited in the North Pacific Fishery Observer Fund established under subsection (d) of this section;

(H) provide that fees collected will only be used for implementing the plan established under this section; and

(I) meet the requirements of section 9701(b) of title 31, United States Code.

(c) ACTION BY SECRETARY.--(1) Within 60 days after receiving a plan or plan amendment from the North Pacific Council under this section, the Secretary shall review such plan or plan amendment and either (A) remand such plan or plan amendment to the Council with comments if it does not meet the requirements of this section, or (B) publish in the Federal Register proposed regulations for implementing such plan or plan amendment.

(2) During the 60-day public comment period, the Secretary shall conduct a public hearing in each State represented on the Council for the purpose of receiving public comments on the proposed regulations.

(3) Within 45 days of the close of the public comment period, the Secretary, in consultation with the Council, shall analyze the public comment received and publish final regulations for implementing such plan.

(4) If the Secretary remands a plan or plan amendment to the Council for failure to meet the requirement of this section, the Council may resubmit such plan or plan amendment at any time after taking action the Council believes will address the defects identified by the Secretary. Any plan or plan amendment resubmitted to the Secretary will be treated as an original plan submitted to the Secretary under paragraph (1) of this subsection.

(d) FISHERY OBSERVER FUND.--There is established in the Treasury a North Pacific Fishery Observer Fund. The Fund shall be available, without appropriation or fiscal year limitation, only to the Secretary for the purpose of carrying out the provisions of this section, subject to the restrictions in subsection (b)(2) of this section. The Fund shall consist of all monies deposited into it in accordance with this section. Sums in the Fund that are not currently needed for the purposes of this section shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.

(e) SPECIAL PROVISIONS REGARDING OBSERVERS.--(1) The Secretary shall review--

(A) the feasibility of establishing a risk sharing pool through a reasonable fee, subject to the limitations of subsection (b)(2)(E) of his section, to provide coverage for vessels and owners against liability from civil suits by observers, and

(B) the availability of comprehensive commercial insurance for vessel and owner liability against civil suits by observers.

(2) If the Secretary determines that a risk sharing pool is feasible, the Secretary shall establish such a pool, subject to the provisions of subsection (b)(2) of this section, unless the Secretary determines that--

(A) comprehensive commercial insurance is available for all fishing vessels and United States fish processors required to have observers under the provisions of this section, and

(B) such comprehensive commercial insurance will provide a greater measure of coverage at a lower cost to each participant.

Agenda Item C-1 (c) North Pacific Fisheries Research Plan

ESTABLISHING THE FEE PERCENTAGE
AND
STANDARD EX-VESSEL PRICES FOR 1995

June 6, 1994

INTRODUCTION

This report describes the process that will be used annually to establish the fee percentage and standard ex-vessel prices. It also presents information that will assist the Council in making recommendations concerning the preliminary fee percentage and standard ex-vessel prices. The Council will make its recommendations for the preliminary values at the June meeting. The Council will make its recommendations for the final fee percentage and standard ex-vessel prices for 1995 at its September/October 1994 meeting. The Council's final recommendation will be based on the following: (1) public comments concerning the preliminary values; (2) the final version of this report that will be completed prior to the September/October Council meeting; and (3) public comments at the September/October meeting.

PROCESS FOR ESTABLISHING THE FEE PERCENTAGE AND STANDARD EX-VESSEL PRICES

NMFS will establish annually a Research Plan fee percentage for the upcoming calendar year. The fee percentage will be based on:

- a. standard ex-vessel prices which are established as part of the fee setting process,
- b. projected retained catches by species (i.e., catch retained by either at-sea or onshore processors) in all Research Plan fisheries,
- c. projected program costs,
- d. projected surplus in the North Pacific Fishery Observer Fund at the end of the year in which the fee percentage is set,
- e. projected funding for the Plan from other sources, and
- f. projected nonpayment.

After consulting with the Council and State, NMFS will publish the fee percentage and the values of the variables on which it is based in the Federal Register and invite comments. After considering comments received and again consulting with the Council and the State, NMFS will publish final values in the Federal Register.

1. Research Plan Fisheries

The following fisheries will be Research Plan fisheries and will be subject to the fee assessment:

- a. Gulf of Alaska groundfish (EEZ only),
- b. Bering Sea and Aleutian Islands groundfish (EEZ only),
- c. North Pacific halibut off Alaska (all Convention waters off Alaska), and
- d. Bering Sea and Aleutian Islands king and Tanner crab (EEZ only).

2. Standard Ex-Vessel Prices

Annually, NMFS will establish standard ex-vessel prices for species harvested in Research Plan fisheries. The standard ex-vessel prices will be based on:

- a. ex-vessel price information for the most recent 12-month period for which data are available,
- b. factors that are expected to change ex-vessel prices in the upcoming calendar year, and
- c. other information that indicates what ex-vessel prices will be expected to be in the upcoming calendar year.

The standard ex-vessel prices will be used:

1. to project the ex-vessel value of the Plan fisheries for the coming year and
2. to determine the fee liability of each processor.

3. Retained Catch

Retained catch by species for the Research Plan fisheries will be projected annually for the upcoming calendar year using the best available information concerning expected catches and discards.

4. Total Ex-Vessel Value

NMFS will calculate the total ex-vessel value of retained catches for Research Plan fisheries as the sum of the product of the standard ex-vessel price and projected retained catch by species.

5. Program Costs

NMFS and ADF&G will each prepare an annual budget that identifies expected recoverable Research Plan cost for the upcoming calendar year. Recoverable costs identified in each budget will include:

- a. costs for observer training, certification, briefing, and debriefing;
- b. costs for stationing observers, including travel, salaries, benefits, and insurance;
- c. costs for data collection, transmission, input, processing, and management;
- d. contract services and general program operational costs, excluding overhead; and
- e. the cost of the risk sharing pool, if one is established.

The estimated budget will be based on anticipated observer coverage and the anticipated costs directly incurred in carrying out the Research Plan.

6. Surplus Funds, Other Sources of Funding, and Fee Nonpayment

NMFS will make a projection of each of the following:

- a. the surplus that will be in the North Pacific Fishery Observer Fund at the end of the current calendar year;
- b. the funds that will be available from other sources for use in funding the Research Plan during the upcoming calendar year; and
- c. the nonpayment rate on fees assessed under the Research Plan during the upcoming calendar year.

7. Calculation of the Fee Percentage

The fee percentage for the upcoming calendar year will be set equal to which ever is less, the fee percentage calculated using the following equation or 2%.

$$\text{Fee percentage} = [100 \times (\text{RRPC} - \text{FB} - \text{OF})/\text{V}]/(1 - \text{NPR})$$

RRPC projection of recoverable Research Plan costs for the coming year

FB projected end of the year Fund balance

OF projection of other funding for the coming year

V projected ex-vessel value of retained catch in the Research Plan fisheries for the coming year

NPR percent of fee assessments that are expected to result in nonpayment

**INFORMATION FOR ESTABLISHING THE PRELIMINARY FEE PERCENTAGE AND
STANDARD EX-VESSEL PRICES FOR 1995**

7.1 Projection of Recoverable Research Plan Costs for 1995

7.1.1 Rebates on direct payments to observer contractors during 1995

Type of Operation	Standard Obs. days	Cost per day (\$)	Cost (\$ millions)
30% c.v.	5,303	201 - 234 - 261	1.06 - 1.24 - 1.38
30% c/p	1,769	201 - 234 - 261	0.36 - 0.41 - 0.46
100% c.v.	3,525	201 - 220 - 245	0.71 - 0.78 - 0.86
100% c/p	15,771	201 - 220 - 245	3.17 - 3.47 - 3.86
Mothership	377	201 - 220 - 245	0.08 - 0.08 - 0.09
Plant	2,845	201 - 234 - 245	0.57 - 0.67 - 0.70
Subtotal	29,590		5.95 - 6.65 - 7.35
Crab c/p	7,372	231 - 237 - 368	1.70 - 1.75 - 2.71
Total	36,962		7.65 - 8.40 - 10.06

Note: The cost of tuition for crab observer training is included in the estimates of the cost per standard crab observer day. The details of the cost per day estimates are in Table 1.

7.1.2 Funds obligated in 1995 to cover observer contract costs for January - March 1996 (millions)

\$3.4 - \$3.7 - \$4.6

7.1.3 Agency costs (millions)

Observer Programs

AFSC \$2.1

ADF&G \$0.5

Total \$2.6

Fee Collection Programs (AKR, Enf., GC, and WASC) \$0.4

Total agency costs \$3.0

7.1.4 Summary of Recoverable Costs for 1995 (millions)

Rebates \$ 7.7 - \$ 8.4 - \$10.1

Observer contractor costs for 1st quarter of 1996 \$ 3.4 - \$ 3.7 - \$ 4.6

Agency costs \$ 3.0 - \$ 3.0 - \$ 3.0

Total recoverable costs \$14.1 - \$15.1 - \$17.7

7.2 Net Recoverable Costs

Total recoverable costs	\$14.1 - \$15.1 - \$17.7
- Fund Balance at end of 1994	\$ 0.0 - \$ 0.0 - \$ 0.0
- Other Funding for 1995	\$ 2.0 - \$ 2.0 - \$ 2.0
= Net recoverable costs	\$12.1 - \$13.1 - \$15.7

Note: The \$2.0 million of other funding comprises \$1.5 million from NMFS and \$0.5 from ADF&G.

7.3 Projected Ex-Vessel Value of Retained Catch in the Research Plan Fisheries for 1995 (million)

Groundfish \$387

Halibut \$ 66

Crab \$243

Total \$695

7.4 Fee Percentage for 1995

$$100 \times (\$12.1) / (\$695 \times 0.95) = 1.82\%$$

$$100 \times (\$13.1) / (\$695 \times 0.95) = 1.98\%$$

$$100 \times (\$15.7) / (\$695 \times 0.95) = 2.38\%$$

7.5 Summary of Net Recoverable Costs for 1996
(millions)

Observer Fund Payments to Observer Contractors	\$ 7.7 - \$ 8.4 - \$10.1
+ Agency costs	\$ 3.0 - \$ 3.0 - \$ 3.0
Subtotal recoverable costs	\$10.7 - \$11.4 - \$13.1
- Fund Balance at end of 1994	\$ 0.0 - \$ 0.0 - \$ 0.0
- Other Funding for 1995	\$ 0.0 - \$ 0.0 - \$ 0.0
= Net recoverable costs	\$10.7 - \$11.4 - \$13.1

7.6 Projected Ex-Vessel Value of Retained Catch
in the Research Plan Fisheries for 1996
(million)

Groundfish	\$387
Halibut	\$ 63
Crab	\$243
Total	\$692

7.7 Fee Percentage for 1996

$$100 \times (\$10.7) / (\$692 \times 0.95) = 1.63\%$$

$$100 \times (\$11.4) / (\$692 \times 0.95) = 1.73\%$$

$$100 \times (\$13.1) / (\$692 \times 0.95) = 1.99\%$$

Standard Ex-Vessel Prices and the Projected Ex-Vessel Value of Retained Catch

The standard ex-vessel prices are expected to be controversial for the following reasons:

1. they are important variables in the process used to establish the fee percentage;
2. they will be used to determine the fee liability per pound of retained catch for each processor (for each species the fee/lb = fee percentage x standard ex-vessel price);
3. actual ex-vessel prices will differ from the standard prices for a variety of reasons;
4. actual ex-vessel prices change over time and can differ by gear, area, port, the size and quality of fish, season, mode of operation, and processor;
5. the standard ex-vessel prices will be based on price information submitted on fish tickets when an adequate amount of retained catch is priced on fish tickets, but when it is not, imputed ex-vessel prices will be established using other information;
6. the fish ticket database is not as complete as it has been in the past; and
7. the State of Alaska may decide to base its landing tax for at-sea processors on the standard ex-vessel prices established for the Research Plan.

The provisional ex-vessel prices discussed below are a starting point in the process to establish the standard ex-vessel prices for 1995. The final standard ex-vessel prices that will be established next fall will differ from those presented below due to improvements to both the fish ticket database and the information used to determine imputed ex-vessel prices and also perhaps due to industry and Council recommendations to establish prices by area, gear, mode of operation, season, or more narrowly defined species groups for some species. The latter sources of changes in standard ex-vessel prices will tend to have a greater effect on the distribution of fee payments than on total fee payments.

Groundfish: There were two problems associated with establishing the preliminary standard ex-vessel prices for groundfish. One problem is that fish ticket data, which are the principle source of ex-vessel prices for many species, are not yet available for all of 1993 or any of 1994. This problem is being eliminated by

efforts to complete the fish ticket database for 1993 and the first half of 1994.

The second problem is that for a number of species most of the retained catch is taken by catcher/processors and there are not ex-vessel transactions for which ex-vessel price data can be collected. For each of these species, it is necessary to impute an ex-vessel price based on other information. The following explanation of what is meant by an "ex-vessel price" provides a basis for calculating an imputed price.

When fishermen sell unprocessed fish to a processor, the amount paid per pound of fish is the "ex-vessel price". That price reflects the value added by fishermen by catching the fish, maintaining the quality of the fish, and delivering the fish to the processor. The relative importance of each of these three activities in terms of the value added by fishermen is variable. The processor will add more value to the fish by processing and marketing it. The relative importance of each of these two activities in terms of the value added by processors is variable. The differences between the round weight equivalent price a processor receives for processed fish and the ex-vessel price is the value added per pound by the processor. Therefore, the ex-vessel price is the processed product price minus the value added per pound by the processor.

The relationship between ex-vessel and processed product prices for species for which both types of prices are available can be used to determine the value added by processors. The estimate of the value added by processors and product prices for species without observed ex-vessel prices can be used to calculate imputed ex-vessel prices. For example, if the round weight equivalent processed product price of the headed and gutted fish is \$0.80 per pound and if it is determined that for headed and gutted products 60% of the product price is due to value added by the processor, the imputed ex-vessel price is \$0.32 which is 40% of the product price.

The PacFIN ex-vessel price data presented in Table 2 is the basis of most of the tentative estimates of standard ex-vessel prices. In addition to providing estimates of ex-vessel prices, these data include the percentage of retained catch that was priced in the fish ticket database. For a species with a very low percent priced, it may be better to use an imputed ex-vessel price. Ex-vessel and product prices are presented in Table 3 for several species. Product prices of species for which ex-vessel prices may need to be imputed are in Table 4.

Due to the improvements that are expected soon with respect to the 1993 fish ticket data, the initial estimates of groundfish standard ex-vessel prices presented in Table 5 are expected to change. The projections of groundfish ex-vessel value by species based on the tentative standard ex-vessel prices and retained catch in 1993 are in Table 6. The estimates of retained catch are based on the weekly processor reports because these reports will be used to calculate fee liabilities.

The data in Table 6 indicate that pollock accounts for almost 52% of the ex-vessel value of the groundfish fisheries. This means that the standard ex-vessel price for pollock is an important factor in determining the projected value of the Research Plan fisheries and the revenue that can be collected for the Observer Fund. The pollock prices that are available from the 1993 fish tickets and from information provided by individual processors include the following: (1) 1993 fish ticket price estimates of \$0.071 and \$0.081 for all operations in the BSAI and GOA, respectively; (2) comparable estimates excluding retained catch for at-sea processing of \$0.081 and \$0.09; (3) a BSAI price for 1993 as a whole of \$0.075 and a 1994 A season price of \$0.081 reported by an onshore processor; (4) a BSAI 1994 A season price of \$0.09 reported by a different onshore processor; and (5) prices for deliveries to motherships on the fishing grounds of 65% to 80% of the ex-vessel price for deliveries to onshore processors.

If \$0.075 is used instead of \$0.071, there would be a 5.6% increase in the value of pollock and about a 2.9% increase in the total value of groundfish. The corresponding increases if a price of \$0.081 is used are 14.1% and 7.3%. The latter increase would with a fee of 2% increase fee collections by almost \$0.6 million. However, if a price of 70% of onshore price of \$0.071 is used for catch retained for at-sea processing, the reductions in the value of pollock and the groundfish total, respectively, would approach 20% and 10%. With a fee of 2%, the reduction in fee collections would be about \$0.7 million.

The ex-vessel value projection of \$387 million for the 1995 groundfish fishery is substantially less than recent estimates of the annual value of this fishery. The estimates in the Economic Status of the Groundfish Fisheries off Alaska, 1993 (Preliminary) that was prepared as part of the SAFE last November are as follows:

	(million)
1988	\$445
1989	\$423
1990	\$475
1991	\$478
1992	\$675
1993	\$455.

The exceptionally high value for 1992 is explained by unusually high ex-vessel prices, particularly for pollock. The 4-year mean for 1988-1991 is \$456 million, this is \$69 million more than the projection for 1995.

The Observer Oversight Committee recommended that whole fish that are used for meal be considered discards for purposes of fee collections. There are two reasons for this recommendation. First, for Kodiak processors, such fish are counted as discards in weekly processor reports. Therefore, if this practice continues only in

Kodiak, there would be an equity problem in that retained catch would be understated for Kodiak processors compared to other processors. Second, if the fee is assessed on whole fish that are used for meal, there will be an increased incentive to discard such fish as opposed to using them to produce meal. This is because the effective fee percentage will be substantially higher for the low valued fish that are used for meal. For example, if the ex-vessel prices of food grade and meal grade fish of the same species are \$0.10 and \$0.02 per pound, respectively, the effective fee percentage is 400% greater for the meal grade fish. A fee that is that much higher may result in increased discards and reduced meal production. Based on an estimate of the amount of whole fish that was used for meal production in 1993, this recommendation would decrease the ex-vessel value of groundfish by about \$5 million if the standard ex-vessel prices are not increased to reflect the higher price paid for food grade fish. If such an adjustment is made, the net effect on fee collections may be minimal. This fee exemption for retained catch that is used exclusively for meal production would encourage meal production relative to discards and other uses of the catch.

Halibut: The estimate of halibut ex-vessel value is based on a IPHC staff projection of 1995 retained catch and a projected ex-vessel price of \$1.50. The price for 1994 is expected to be \$1.25 in Alaska and \$1.50 in Seattle; therefore, the projected price allows for both an upward trend and an increase under IFQs. The resulting projection of \$66 million for 1995 is almost \$12 million less than the 4-year mean for 1989-1992.

Crab: The crab ex-vessel value estimate is based on the following:

Bristol Bay red king crab 13.2 million lbs, \$3.70/lb, and \$48.9 million: These are the 3-year means, they are lower than the 1993 values of 14.6 million lbs and \$55.1 million, and the catch is within the NMFS rough projection of 10-20 million lbs.

Bairdi 15.2 million lbs, \$1.80/lb, and \$27.4 million: This is catch and value for the 1993/94 fishing year. The 3-year mean of 27.3 million lbs is very close to the high end of the NMFS projection of 10-30 million lbs.

Opilio 100 million lbs, \$1.30/lb, and \$130 million: The 3-year mean of 228 million lbs is well above the NMFS projection of 70-150 million lbs. The price is from the 1993/94 fishery in which catch was 140 million lbs and the GHJ was close to 100 million.

Adak red king crab 1.0 million lbs, \$4.07/lb, and \$4.0 million: These are 3-year mean values.

Pribilof red king crab 2.6 million lbs, \$5.00/lb, and \$13.0 million: These are the 1993 values.

Norton Sound red king crab 0.3 million lbs, \$1.75/lb, and \$0.5 million: These are projections from ADF&G.

St. Matthew blue king crab 2.9 million lbs, \$3.01/lb, and \$8.7 million: These are 3-year mean values.

Dutch Harbor brown king crab 1.2 million lbs, \$2.22/lb, and \$2.7 million: These are 3-year mean values.

Adak brown king crab 4.1 million lbs, \$2.31/lb, and \$9.5 million: These are 3-year mean values.

The total projection for crab in 1995 is \$243 million after \$2.1 of catch in State waters is subtracted. This is about \$44 million less than the mean value for the 1991/92 through 1993/94 fishing years.

Excluding Catch Outside of Council Jurisdiction Areas

The ex-vessel value of retained catch in Council jurisdiction areas was calculated by subtracting the ex-vessel value of catch in State waters from the value for all areas. This was done for groundfish and crab but not for halibut because the area of Council jurisdiction excludes State waters for groundfish and crab but not halibut. It is estimated that \$2.1 million of crab and \$10.1 million of groundfish were taken from State waters in 1993. With the exception of two 3-digit areas that identify some State waters, groundfish catch in State waters is not readily identifiable. New reporting areas will be established for the groundfish fisheries, and if necessary for the crab fisheries, to eliminate this problem.

If the ex-vessel value of crab and groundfish that will be taken in State waters in 1995 is \$12.2 million, the exemption for this catch would decrease Research Plan fee revenue by \$244,000 if the fee is 2%. The actual reduction in fee revenue is expected to be more than this because the exemption provides fishermen and processors with an incentive to overstate the proportion of retained catch that is taken in State waters.

It is not clear whether observer coverage in State waters will be paid for with Research Plan revenue. If it is not, the loss in revenue resulting from the exemption would be in part offset by decreased Research Plan costs. Due to the uncertainty concerning the amount of catch that has come from State waters, the extent to which catch from State waters will be overstated, and who will pay for

observer coverage in State waters, the exemption's net fiscal effect on the Research Plan is not known.

Projected Observer Fund Balance, Fee Revenue, and Observer Contractor Costs by Month

Table 7 provides projections of the end-of-month balance in the Observer Fund by month for each of three estimates of the cost per observer deployment day and for each of six fee percentages. The by-monthly fee payments are expected to be received in the Fund two months after the end of each by-monthly period. For example, the payment for January and February will be billed in March and received in April. By-monthly rebates for observer coverage paid for by vessels and processors are expected to be made five months after the end of each two month period. This means that the rebates for January and February will be made in July. It is assumed that the funds to cover the first three months of observer contractor costs for 1996 will be obligated at the end of September 1995 and that additional funds will be obligated the month before each subsequent quarter. If the 1996 observer contract is extended into 1997, funds would continue to be obligated one month before the quarter begins. However, if a new contract is used for 1997, the funds obligated in September 1996 would have to cover expected contractor costs for October 1996 through March 1997. The Fund balance does not reflect withdrawals to cover agency costs associated with the Research Plan.

In order to allow Fund balance estimates to be made for different assumptions concerning the timing of receipts and payments, monthly estimates of observer contractor costs, cumulative contractor costs, fee liabilities, and cumulative fee liabilities are presented in Table 8. The fee liability estimates are for six different fee percentages and the cost estimates are for three sets of estimates of the cost per observer day.

Table 1 Estimated average costs per observer month for domestic groundfish and crab observers in Alaska.

<u>Cost Item</u>	<u>100% Vessels Cost/Month</u>	<u>30% Vessels Cost/Month</u>	<u>Plants Cost/Month</u>	<u>Shellfish Cost/Month</u>
Observer Salaries	3,095	3,095	3,095	3,284
Benefits (13.4%)	415	415	415	455
Insurance (28%)	867	867	867	920
Sub-Total cost	4,377	4,377	4,377	4,659
Travel				
Air fare	439	454	454	445
Per Diem	110	403	403	215
Excess Baggage	29	29	29	20
Physical exam	25	25	25	25
Contractor's services (24%)	1,195	1,269	1,269	1,287
Profit or Fee (7%)	432	459	459	466
Total	6,607	7,016	7,016	7,117
Range:	6,022--7,350	6,022--7,830	6,022--7,350	6,927--11,040

Source: The point estimates and the low end of each range are based on information provided by several individual observer contractors in mid-May 1994. The high end of each range is based on information provided at the Observer Oversight Committee meeting by observer contractors. Additional information provided by contractors in early June tends to support the use of the point estimates. The Observer Program is continuing to improve the estimates of the cost of observer services obtained from observer contractors.

Table 2 PacFIN ex-vessel price data for the 1993 BSAI and GOA groundfish fisheries.

Species	BSAI		Ex-vessel price	% of catch priced	
	f.t.	total		f.t.	total
Arrowtooth	34.1	809	0.084	0.0	0.0
G. turbot	3.4	3.4	0.093	5.2	5.2
Rock sole	545	23,702	0.129	0.1	0.0
Yellowfin sole	19.1	76,185	0.150	0.0	0.0
O. flat	10.8	10.8	0.147	0.0	0.0
All flat.	829	117,039	0.148	2.1	0.0
Shorthead g.	30.6	1,862	0.285	0.0	0.0
POP	0.3	10,314	0.212	0.0	0.0
Other rockfish	3.0	368.5	0.169	43.9	0.0
All rockfish	33.9	12,544	0.222	3.9	0.0
Atka mackerel	1.8	27,603	0.130	0.0	0.0
P. cod	16,572	116,380	0.209	79.3	11.3
Sablefish	12.6	1,740	0.878	84.6	0.6
Pollock	114,274	1,014,939	0.071	92.8	10.4

Species	GOA		Ex-vessel price	% of catch priced	
	f.t.	total		f.t.	total
Arrowtooth	4356	1,685	0.060	0.0	0.0
Flathead	301	1,162	0.134	65.9	17.1
Deep flat	241	3,581	0.186	80.6	5.4
Shallow flat	898	1,344	0.165	65.2	43.5
All flat	1,913	7,612	0.151	51.1	12.5
Pelagic rockfish	43.8	2,594	0.379	87.8	1.5
Demersal rockfish	287	466	0.420	93.2	57.5
Slope rockfish	18.8	2,485	0.136	41.3	0.3
POP	18.2	434	0.227	0.4	0.0
Shorthead/rougeye	164	1,349	0.341	-	0.0
Thorneyheads	130	654	0.439	82.8	17.0
All rockfish	681	8,035	0.296	84.5	7.6
Atka mackerel	2.4	1,362	0.130	0.0	0.0
P. cod	45,249	52,636	0.173	53.4	45.9
Sablefish	9,550	14,761	0.918	94.6	63.2
Pollock	23,402	36,254	0.081	68.9	44.5

Note: Total catch is based both on fish ticket data for the catch delivered for other than at-sea processing and on weekly processor reports for at-sea processing. At this time, the 1993 fish ticket data are only for the first half of the year and all the price estimates are based on fish ticket data. However, weekly processor data are included for the entire year. As a result, the price estimates are preliminary and some will change once fish ticket data are available for the rest of 1993. The prices are in terms of round weight.

Table 3 Ex-vessel price as a proportion of first wholesale price (FOB Alaska) when ex-vessel price data are available, 1993.

Frozen headed and gutted products

	Metric Tons	PRR	Wholesale Prices		EVP		EVP/WSP	
			P.W.	R.W.	BSAI	GOA	BSAI	GOA
Cod	38,272	0.488	0.75	0.366	0.209	0.173	0.571	0.473
Sablefish	16,422	0.630	2.72	1.714	0.878	0.918	0.512	0.536
Flathead	3,610	0.675	0.54	0.365	----	0.134	---	0.367
Rockfish	4,075	0.500	1.23	0.615	0.222	0.296	0.361	0.481
Turbot	3,375	0.639	1.19	0.760	0.430	---	0.566	---
Unk flatfish	1,659	0.661	0.44	0.291	0.148	0.151	0.509	0.519
Yellowfin s	13,559	0.661	0.38	0.251	0.072	---	0.287	---
Rock sole	13,068	0.763	1.05	0.801	0.352	0.148	0.439	0.185

Frozen whole fish

	Metric Tons	PRR	Wholesale Prices		EVP		EVP/WSP	
			P.W.	R.W.	BSAI	GOA	BSAI	GOA
Cod	9,629	1.00	0.42	0.42	0.209	0.173	0.498	0.412
Rex sole	4,000	1.00	0.87	0.87	---	0.165	---	0.190
Flathead	440	1.00	0.34	0.34	---	0.134	---	0.394
Yellowfin	22,180	1.00	0.27	0.27	0.072	---	0.267	---
Rock sole	1,805	1.00	0.32	0.32	0.352	0.148	1.100	0.463

PRR product recovery rate (weighted average by product form)
P.W. \$ per pound product weight
R.W. \$ per pound round weight
EVP ex-vessel price \$ per pound round weight (unprocessed)
WSP first wholesale price \$ per pound round weight

Sources: Ex-vessel prices are primarily from PacFIN. See Table 4 for PRR and WSP sources.

Table 4 Product recovery rates and first wholesale prices that can be used to determine imputed ex-vessel prices when adequate ex-vessel price data are not available.

Frozen headed and gutted products

	Metric tons	PRR	Wholesale Prices		EVP/ WSP	EVP
			P.W.	R.W.		
Arrowt.	866	0.638	0.35	0.22		
Rock sole	13,068	0.763	1.05	0.80		
Yellowfin	13,559	0.661	0.38	0.25		
Unkn flat	1,659	0.661	0.44	0.29		
Atka mack	24,659	0.614	0.87	0.53		
POP	7,461	0.507	0.82	0.42		
Rockfish	4,075	0.500	1.23	0.62		
Turbot	3,735	0.639	1.19	0.76		

Frozen whole fish

	Metric tons	PRR	Wholesale Prices		EVP/ WSP	EVP
			P.W.	R.W.		
Rock sole	1,805	1.00	0.32	0.32		
Yellowfin	22,180	1.00	0.27	0.27		
Unkn flat	367	1.00	0.37	0.37		
Atka mack	13,576	1.00	0.38	0.38		
Rockfish	4,582	1.00	0.35	0.35		

PRR product recovery rate (weighted average by product form)
P.W. \$ per pound product weight
R.W. \$ per pound round weight
EVP ex-vessel price \$ per pound round weight (unprocessed)
WSP first wholesale price \$ per pound round weight

Sources: Product recovery rates -- 1993 Weekly Processor Report data
Wholesale prices -- 1993 Groundfish Processor Survey

Table 5 Provisional estimates of standard ex-vessel prices for groundfish.

Price per pound round weight (\$/lb)

	BSAI	GOA
Pollock	0.071	0.081
P. cod	0.209	0.173
Sablefish	0.878	0.918
Deep flatfish	---	0.186
Shallow flatfish	---	0.165
Flathead sole	---	0.134
G. turbot	0.30	---
Rock sole	0.352	---
Yellowfin sole	0.072	---
Other flatfish	0.072	---
Rockfish	0.222	0.296
Atka mackerel	0.21	0.21
Arrowtooth flounder	0.02	0.02
Other	0.03	0.03

Sources: The prices for the following species are from 1993 PacFIN data (Table 2): pollock, P. cod, sablefish, rockfish, flathead sole, and deep and shallow flatfish. The rock sole and yellowfin sole prices are based on unsorted prices of \$0.15 and \$0.055, respectively, reported by one processor and retention rates of 42.6% and 76.5%, respectively, based on blend estimates of rock sole retention in the rock sole fishery and yellowfin sole retention in that fishery ($\$0.15/0.426 = \0.352 and $\$0.055/0.765 = \0.072). The price for other flatfish was set equal to the price for yellowfin sole. The price each for Greenland turbot and arrowtooth flounder is based on ex-vessel price information provided by one processor and on a combination of product prices and ex-vessel prices (Tables 3 and 4). The price for Atka mackerel is based on a combination of product prices and ex-vessel prices (Tables 3 and 4). The price for other species was set equal to \$0.01 more than the price of arrowtooth flounder.

Table 6 Projected ex-vessel value of groundfish from Council jurisdiction areas based on estimated retained catch in 1993 and the provisional standard ex-vessel prices (millions).

	Value	% of total
Pollock	\$199.4	51.6
P. cod	\$ 68.0	17.6
Sablefish	\$ 42.8	11.1
Deep flatfish	\$ 2.3	0.6
Shallow flatfish	\$ 2.3	0.6
Flathead sole	\$ 0.5	0.1
G. turbot	\$ 4.1	1.1
Rock sole	\$ 16.3	4.2
Yellowfin sole	\$ 11.0	2.8
Other flatfish	\$ 1.4	0.4
Rockfish	\$ 15.8	4.1
Atka mackerel	\$ 22.3	5.8
Arrowtooth flounder	\$ 0.1	0.0
Other	\$ 0.5	0.1
Total	\$386.8	100.0

Note: Due to rounding, the sum of the percents is 100.1.

Table 7 Projected Observer Fund Balance

- low (council areas)

	1995	1.0%	1.2%	1.4%	1.6%	1.8%	2.0%
January		0	0	0	0	0	0
February		0	0	0	0	0	0
March		0	0	0	0	0	0
April		2,147,135	2,576,562	3,005,989	3,435,416	3,982,204	4,294,270
May		2,147,135	2,576,562	3,005,989	3,435,416	3,982,204	4,294,270
June		1,111,597	1,734,434	2,367,270	2,980,107	3,811,919	4,225,779
July		1,111,597	1,734,434	2,367,270	2,980,107	3,811,919	4,225,779
August		(480,486)	301,474	1,083,434	1,865,394	2,931,705	3,429,314
September		(3,863,846)	(3,081,886)	(2,289,926)	(1,517,966)	(451,656)	45,954
October		(4,213,387)	(3,301,799)	(2,390,211)	(1,478,623)	(221,281)	344,554
November		(4,213,387)	(3,301,799)	(2,390,211)	(1,478,623)	(221,281)	344,554
December		(3,807,466)	(2,658,842)	(1,510,219)	(361,595)	1,245,062	1,935,652
1996							
January		(3,807,466)	(2,658,842)	(1,510,219)	(361,595)	1,245,062	1,935,652
February		(3,918,272)	(2,596,989)	(1,275,706)	45,576	1,900,431	2,688,141
March		(5,922,879)	(4,601,596)	(3,280,314)	(1,959,031)	(104,177)	683,534
April		(4,276,357)	(2,525,648)	(774,938)	975,772	3,260,053	4,477,191
May		(4,276,357)	(2,525,648)	(774,938)	975,772	3,260,053	4,477,191
June		(4,756,616)	(2,814,207)	(871,798)	1,070,611	3,546,592	4,955,429
July		(4,756,616)	(2,814,207)	(871,798)	1,070,611	3,546,592	4,955,429
August		(3,969,548)	(1,869,725)	230,098	2,329,920	4,963,315	6,529,566
Scenario A (continuing program)							
September		(4,784,761)	(2,684,939)	(585,116)	1,514,707	4,148,101	5,714,352
October		(4,140,896)	(1,912,300)	316,296	2,544,892	5,307,059	7,002,083
November		(4,140,896)	(1,912,300)	316,296	2,544,892	5,307,059	7,002,083
December		(6,346,205)	(3,881,998)	(1,417,792)	1,046,414	4,044,192	5,974,826
Scenario B							
September		(8,168,122)	(6,068,299)	(3,968,476)	(1,868,654)	764,741	2,330,992
October		(7,524,256)	(5,295,660)	(3,067,065)	(838,469)	1,923,699	3,618,723
November		(7,524,256)	(5,295,660)	(3,067,065)	(838,469)	1,923,699	3,618,723
December		(6,346,205)	(3,881,998)	(1,417,792)	1,046,414	4,044,192	5,974,826

Table 7 Continued

- Mid (council areas)

	1995	1.0%	1.2%	1.4%	1.6%	1.8%	2.0%
January		0	0	0	0	0	0
February		0	0	0	0	0	0
March		0	0	0	0	0	0
April	2,147,135	2,576,562	3,005,989	3,435,416	3,982,204	4,294,270	
May	2,147,135	2,576,562	3,005,989	3,435,416	3,982,204	4,294,270	
June	937,278	1,560,114	2,182,951	2,805,787	3,637,600	4,051,460	
July	937,278	1,560,114	2,182,951	2,805,787	3,637,600	4,051,460	
August	(894,244)	(112,284)	669,676	1,451,636	2,517,947	3,015,556	
September	(4,587,081)	(3,805,121)	(3,023,161)	(2,241,201)	(1,174,890)	(677,281)	
October	(5,056,067)	(4,144,479)	(3,232,891)	(2,321,303)	(1,063,961)	(498,126)	
November	(5,056,067)	(4,144,479)	(3,232,891)	(2,321,303)	(1,063,961)	(498,126)	
December	(4,740,250)	(3,591,626)	(2,443,003)	(1,294,379)	312,277	1,002,868	
1996							
January	(4,740,250)	(3,591,626)	(2,443,003)	(1,294,379)	312,277	1,002,868	
February	(4,960,835)	(3,639,552)	(2,318,270)	(996,987)	857,867	1,645,578	
March	(7,189,169)	(5,867,888)	(4,546,603)	(3,225,321)	(1,370,466)	(582,755)	
April	(5,568,463)	(3,817,754)	(2,067,044)	(316,334)	1,967,947	3,185,085	
May	(5,568,463)	(3,817,754)	(2,067,044)	(316,334)	1,967,947	3,185,085	
June	(6,210,857)	(4,268,448)	(2,326,039)	(383,630)	2,092,351	3,501,188	
July	(6,210,857)	(4,268,448)	(2,326,039)	(383,630)	2,092,351	3,501,188	
August	(5,423,788)	(3,323,966)	(1,224,143)	875,680	3,509,074	5,075,325	
Scenario A (continuing program)							
September	(6,302,567)	(4,202,744)	(2,102,922)	(3,099)	2,630,295	4,196,546	
October	(5,658,701)	(3,430,106)	(1,201,510)	1,027,086	3,789,254	5,484,277	
November	(5,658,701)	(3,430,106)	(1,201,510)	1,027,086	3,789,254	5,484,277	
December	(8,173,487)	(5,709,281)	(3,245,075)	(780,869)	2,216,909	4,147,543	
Scenario B							
September	(9,995,404)	(7,895,582)	(5,795,759)	(3,695,936)	(1,062,542)	503,709	
October	(9,351,539)	(7,122,943)	(4,894,347)	(2,665,751)	96,416	1,791,440	
November	(9,351,539)	(7,122,943)	(4,894,347)	(2,665,751)	96,416	1,791,440	
December	(8,173,487)	(5,709,281)	(3,245,075)	(780,869)	2,216,909	4,147,543	

Table 7 Continued

High (council areas)

1995	1.0%	1.2%	1.4%	1.6%	1.8%	2.0%
January	0	0	0	0	0	0
February	0	0	0	0	0	0
March	0	0	0	0	0	0
April	2,147,135	2,576,562	3,005,989	3,435,416	3,982,204	4,294,270
May	2,147,135	2,576,562	3,005,989	3,435,416	3,982,204	4,294,270
June	397,189	1,020,025	1,642,861	2,265,698	3,097,510	3,511,371
July	397,189	1,020,025	1,642,861	2,265,698	3,097,510	3,511,371
August	(1,966,631)	(1,184,671)	(402,711)	379,249	1,445,560	1,943,170
September	(6,528,522)	(5,746,562)	(4,964,602)	(4,182,642)	(3,116,331)	(2,618,722)
October	(7,136,964)	(6,225,376)	(5,313,788)	(4,402,200)	(3,144,858)	(2,579,023)
November	(7,136,964)	(6,225,376)	(5,313,788)	(4,402,200)	(3,144,858)	(2,579,023)
December	(6,926,247)	(5,777,624)	(4,629,000)	(3,480,377)	(1,873,720)	(1,183,130)
1996						
January	(6,926,247)	(5,777,624)	(4,629,000)	(3,480,377)	(1,873,720)	(1,183,130)
February	(7,288,416)	(5,967,134)	(4,645,851)	(3,324,569)	(1,469,714)	(682,003)
March	(9,859,539)	(8,538,256)	(7,216,974)	(5,895,691)	(4,040,837)	(3,253,126)
April	(7,964,795)	(6,214,086)	(4,463,376)	(2,712,666)	(428,385)	788,753
May	(7,964,795)	(6,214,086)	(4,463,376)	(2,712,666)	(428,385)	788,753
June	(8,811,857)	(6,869,448)	(4,927,039)	(2,984,630)	(508,649)	900,188
July	(8,811,857)	(6,869,448)	(4,927,039)	(2,984,630)	(508,649)	900,188
August	(8,024,789)	(5,924,966)	(3,825,143)	(1,725,321)	908,074	2,474,325
Scenario A (continuing program)						
September	(9,161,864)	(7,062,041)	(4,962,219)	(2,862,396)	(229,002)	1,337,249
October	(8,517,999)	(6,289,403)	(4,060,807)	(1,832,211)	929,956	2,624,980
November	(8,517,999)	(6,289,403)	(4,060,807)	(1,832,211)	929,956	2,624,980
December	(11,901,838)	(9,437,632)	(6,973,426)	(4,509,220)	(1,511,442)	419,192
Scenario B						
September	(13,723,755)	(11,623,933)	(9,524,110)	(7,424,287)	(4,790,893)	(3,224,642)
October	(13,079,890)	(10,851,294)	(8,622,698)	(6,394,102)	(3,631,935)	(1,936,911)
November	(13,079,890)	(10,851,294)	(8,622,698)	(6,394,102)	(3,631,935)	(1,936,911)
December	(11,901,838)	(9,437,632)	(6,973,426)	(4,509,220)	(1,511,442)	419,192

Table 6 Monthly and cumulative observer-contractor costs and fees (council areas)

	Low	Mid	High	1.0%	1.2%	1.4%	1.6%	1.8%	2.0%
1995									
January	744,604	805,004	1,018,911	908,322	1,089,987	1,271,651	1,453,316	1,634,980	1,816,645
February	1,257,980	1,371,900	1,698,083	1,238,813	1,486,575	1,734,338	1,982,100	2,347,224	2,477,625
March	1,380,776	1,515,933	1,844,898	573,483	688,180	802,877	917,574	1,086,600	1,146,967
April	1,006,926	1,111,207	1,314,540	393,564	472,276	550,989	629,702	745,700	787,127
May	570,928	639,381	719,700	534,505	641,406	748,306	855,207	1,012,746	1,069,009
June	426,753	477,745	536,883	261,114	313,336	365,559	417,782	494,742	522,227
July	321,804	361,361	407,885	223,281	267,937	312,593	357,249	423,058	446,561
August	457,451	507,998	566,574	424,860	509,832	594,804	679,776	804,998	849,720
September	659,501	731,532	831,099	892,716	1,071,259	1,249,803	1,428,346	1,691,462	1,785,432
October	314,601	352,349	394,366	292,460	350,952	409,444	467,937	554,135	584,921
November	335,054	352,746	497,550	588,533	706,240	823,947	941,653	1,115,116	1,177,067
December	165,559	173,683	245,160	274,762	329,715	384,667	439,620	514,355	549,525
1996									
January	744,604	805,004	1,018,911	908,322	1,089,987	1,271,651	1,453,316	1,634,980	1,816,645
February	1,257,980	1,371,900	1,698,083	1,238,813	1,486,575	1,734,338	1,982,100	2,229,863	2,477,625
March	1,380,776	1,515,933	1,844,898	570,633	684,760	798,887	913,014	1,027,140	1,141,267
April	1,006,926	1,111,207	1,314,540	387,864	465,436	543,009	620,582	698,155	775,727
May	570,928	639,381	719,700	528,805	634,566	740,326	846,087	951,848	1,057,609
June	426,753	477,745	536,883	258,264	309,916	361,569	413,222	464,875	516,527
July	321,804	361,361	407,885	221,856	266,227	310,598	354,969	399,340	443,711
August	457,451	507,998	566,574	422,010	506,412	590,814	675,216	759,618	844,020
September	659,501	731,532	831,099	888,441	1,066,129	1,243,818	1,421,506	1,599,194	1,776,882
October	314,601	352,349	394,366	289,610	347,532	405,454	463,377	521,299	579,221
November	335,054	352,746	497,550	588,533	706,240	823,947	941,653	1,059,360	1,177,067
December	165,559	173,683	245,160	274,762	329,715	384,667	439,620	494,572	549,525

Table 10 continued, Monthly and cumulative observer contractor costs and fees (council areas)

	Low	Mid	High	1.0%	1.2%	1.4%	1.6%	1.8%	2.0%
1995									
January	744,604	805,004	1,018,911	908,322	1,089,987	1,271,651	1,453,316	1,634,980	1,816,645
February	2,002,585	2,176,904	2,716,993	2,147,135	2,576,562	3,005,989	3,435,416	3,982,204	4,294,270
March	3,983,360	3,692,837	4,561,891	2,720,618	3,264,742	3,808,866	4,352,989	5,068,804	5,441,237
April	4,390,286	4,804,044	5,876,431	3,114,182	3,737,018	4,359,855	4,982,691	5,814,504	6,228,364
May	4,981,215	5,443,426	6,596,131	3,648,687	4,378,424	5,108,161	5,837,898	6,827,249	7,297,373
June	5,387,888	5,921,171	7,133,014	3,909,800	4,691,760	5,473,720	6,255,680	7,321,991	7,819,601
July	5,769,772	6,282,532	7,540,899	4,133,981	4,959,697	5,786,313	6,612,930	7,745,049	8,266,162
August	6,167,223	6,790,530	8,107,473	4,557,941	5,469,529	6,381,117	7,292,705	8,550,047	9,115,882
September	6,626,724	7,522,061	8,998,573	5,460,657	6,540,788	7,630,920	8,721,051	10,241,509	10,901,314
October	7,141,324	7,874,411	9,332,998	5,743,117	6,891,741	8,040,364	9,188,988	10,795,645	11,486,235
November	7,476,378	8,227,157	9,830,489	6,331,651	7,597,981	8,864,311	10,130,641	11,910,760	12,663,302
December	7,641,937	8,400,840	10,075,648	6,606,413	7,927,696	9,248,978	10,570,261	12,425,115	13,212,826
1996									
January	8,386,542	9,205,844	11,094,559	7,514,735	9,017,682	10,520,629	12,023,576	14,060,095	15,029,471
February	9,644,522	10,577,744	12,792,642	8,753,548	10,504,257	12,254,967	14,005,677	16,289,958	17,507,096
March	11,025,298	12,093,677	14,637,539	9,324,181	11,189,018	13,053,854	14,918,690	17,317,098	18,648,363
April	12,032,223	13,204,884	15,952,079	9,712,045	11,654,454	13,596,863	15,539,272	18,015,253	19,424,090
May	12,603,152	13,844,266	16,671,779	10,240,850	12,289,019	14,337,189	16,385,359	18,967,101	20,481,699
June	13,029,905	14,322,011	17,208,662	10,499,113	12,598,936	14,698,759	16,798,581	19,431,976	20,998,227
July	13,351,709	14,683,372	17,616,548	10,720,969	12,865,163	15,009,357	17,153,550	19,831,316	21,441,938
August	13,809,160	15,191,370	18,183,122	11,142,979	13,371,575	15,600,170	17,828,766	20,590,934	22,285,958
September	14,468,661	15,922,902	19,014,221	12,031,420	14,437,704	16,843,988	19,250,272	22,190,128	24,062,840
October	14,783,262	16,275,251	19,408,587	12,321,030	14,785,237	17,249,443	19,713,649	22,711,427	24,642,061
November	15,118,316	16,627,997	19,906,137	12,909,564	15,491,477	18,073,389	20,655,302	23,770,787	25,819,128
December	15,283,875	16,801,680	20,151,297	13,184,326	15,821,191	18,458,057	21,094,922	24,265,359	26,368,652

ARON THOMSON
June 1992

APPENDIX I

**Projected Agency Costs for Implementing
the North Pacific Fisheries Research Plan**

Table A1 Estimated cost for domestic groundfish observer program. Cost estimates are for a program at the same level of coverage as the current industry funded program (Refer to Tables 2, 3 and 4 for details on NMFS program costs and average cost/observer-month).

A. Estimated direct observer costs of vessels, motherships & plants covered at the 100% and 30% levels of observer coverage:

100% vessels, motherships, & processors: 683 Mo. X \$7,068 = \$4,827,444

30% vessels, motherships, & processors: 241 Mo. X \$8,680 = \$2,091,880

Total estimated effort and cost needed: 924 Observer Mo. = \$6,919,324

B. Estimated NMFS operational costs.

NMFS Regional and Science Center cost: \$1,710,900

C. Total estimated cost for program: \$8,630,224

Table A2 Estimated agency costs (\$1,000's) for domestic groundfish observer program. These cost are currently provided for by federal funding.

A. Alaska Fisheries Science Center

PROGRAM ELEMENTS

COST ELEMENTS	PROGRAM OPERATIONS	TRAINING ^{1/} & GEAR	DEBRIEFING	DATA MNGT.	TOTAL
LABOR	\$ 205.4	\$ 113.7	\$ 194.7	\$ 344.9	\$858.7
(NO. OF STAFF)	(7)	(5.2)	(10)	(17.3)	(39.5)
BENEFITS	38.5	21.3	36.5	64.7	161.1
OTHER COMPENSATION	0.0	5.0	33.6	10.0	48.6
TRAVEL	30.0	-	-	-	30.0
TRANSP.	0	5.0	-	-	5.0
RENTS/COMMUN./ UTILITIES	75.0	-	-	-	75.0
PRINTING	-	15.0	-	-	15.0
CONTRACTS	40.0	40.0	-	90.0	170.0
SUPPLIES/ EQUIPMENT	-	215.0	-	-	215.0
OTHER	-	-	-	-	0.0
TOTAL	\$ 388.9	\$ 415.0	\$ 264.8	\$ 509.6	\$1,578.3

^{1/} Training and Gear category includes cost for purchase and maintenance of sampling and safety equipment and gear for all observer trips.

Table A2 Continued

B. Alaska Regional Office

PROGRAM ELEMENTS

COST ELEMENTS	PROGRAM OPERATIONS	TRAINING ^{1/} & GEAR	DEBRIEFING	DATA MNGT.	TOTAL
LABOR	\$ 68.5	-	-	-	\$68.5
BENEFITS	29.3	-	-	-	29.3
OTHER COMPENSATION					
TRAVEL	5.0				5.0
TRANSPORTATION					
RENTS/COMMUN./ UTILITIES	14.8				14.8
PRINTING					
CONTRACTS					
SUPPLIES/ EQUIPMENT	15.0				15.0
OTHER					
TOTAL	\$ 132.6	-	-	-	132.6

Table A3. Estimated average costs per observer month for domestic groundfish observers in Alaska (based partially on input from observer contractors)

Average Observer Costs - 3 Month Deployment

<u>Cost Item</u>	<u>100% Vessels Cost/Month</u>	<u>30% Vessels Cost/Month</u>
Observer Salaries ¹	\$3,370	\$3,370
Benefits (12.5%)	421	421
Insurance (28%) ²	<u>945</u>	<u>945</u>
Sub-Total cost	\$4,736	\$4,736
Travel		
Air fare ³	\$ 440	\$ 500
Per diem ⁴	135	1,305
Excess baggage	50	50
Physical exam ⁵	25	25
Contractor's services (25%)	1,346	1,654
Profit or Fee (5%)	37	410
Total	\$7,068	\$8,680

1/ Average observer salary per month is prorated to include training and debriefing time. We are assuming that 50% of observers will be experienced observers and 50% of the observers will be new. The average salary for an experienced observer is \$3,200 not \$2,900/mo. and they are employed for 3.33 months. Average salary for three levels of experienced observers is: Grade 2 = \$3,000, Grade 3 = \$3,200, and Grade 4 = \$3,400. The average salary for a new observer is \$2,450/mo. and they are employed for 3.9 months.

2/ Insurance assumes Alaska Worker's Comp. with maritime and USLH endorsements and group buying by contractors. Also assuming \$1 million limits and CGL.

3/ Does not allow for observers quitting, getting sick, or other reasons for leaving prior to 90 days, nor does it include moving observers to multiple assignments/destinations within the 3 mo. contract. Add 10% for 100% boats and \$100/mo. for 30% boats. Use of standard round trip air fare, for example Seattle to Dutch Harbor which is about \$1,200.

4/ Assume 3 days x \$135/day per 90 day trip. Use of standard government per diem rates for Dutch Harbor deployment which is the same as air fare was selected for.

5/ Does not allow for drug tests or increased requirements.

Table A4 Estimated NMFS Enforcement costs (\$1,000's) for implementation and annual operation of North Pacific Fisheries Research Plan. These costs would not be covered through collection of fees under the Research Plan.

COST ELEMENTS	ESTIMATED COST (3 Agents)
LABOR, BENEFITS, COLA	\$300.0
TRAVEL	-
TRANSPORTATION	-
RENTS/COMMUN./ UTILITIES	-
PRINTING	-
CONTRACTS	-
SUPPLIES/ EQUIPMENT	-
OTHER	-
TOTAL	\$300.0

Table A5 Estimated cost for the ADF&G shellfish observer program (refer to Tables 6 and 7 for details on agency costs and average cost per observer month).

A. Estimated direct observer costs for vessels:

$$326 \text{ MO.} \times \$7,414/\text{Mo.} = \$2,416,964$$

B. Estimated ADF&G operational costs: \$ 566,900

C. Total estimated cost for program: \$2,983,864

Table A6 Estimated agency costs (\$1,000's) for ADF&G shellfish observer program.

PROGRAM ELEMENTS

COST ELEMENTS	PROGRAM OPERATIONS	TRAINING ^{2/}	DEBRIEFING	DATA MNGT.	TOTAL
LABOR & BENEFITS	\$ 67.1	\$ 39.6	\$ 133.1	\$ 88.6	\$328.4
TRAVEL	16.1	15.4	-	-	31.5
TRANSPORTATION	-	-	-	-	0.0
RENTS/COMMUN./ UTILITIES	53.2	-	-	-	53.2
PRINTING	6.8	-	-	-	6.8
CONTRACTS	-	11.2	-	-	11.2
SUPPLIES/ EQUIPMENT ^{1/}	133.2	2.6	-	-	135.8
OTHER	-	-	-	-	0.0
TOTAL	\$ 276.4	\$ 68.8	\$ 133.1	\$ 88.6	\$566.9

1/ Includes cost for observer sampling and safety gear.

2/ Approximately \$85,000 additional funds will be necessary if the University of Alaska Anchorage (UAA) continues to provide observer training for the shellfish program.

Table A7. Estimated average costs per observer month for ADF&G shellfish observers in Alaska based on comments by observer contractors.

Average Observer Costs - 3 Month Deployment

<u>Cost Item</u>	<u>New Observers Cost/Month</u>	<u>Experienced Observers Cost/Month</u>
Observer Salaries ¹	\$3,370	\$3,370
Benefits (12.5%)	421	421
Insurance (28%) ²	945	945
Sub-Total cost	\$4,736	\$4,736
Travel		
Air fare ³	\$ 600	\$ 440
Per diem ⁴	540	200
Excess bag	0	0
Physical exam ⁵	25	25
Contractor's services (25%)	1,475	1,350
Profit or Fee (5%)	368	338
Total	\$7,744	\$7,089

Average cost per observer month assuming a 50:50 ratio of new to experienced observers is about \$7,414.

1/ Average observer salary per month is prorated to include training and debriefing time. We are assuming that 50% of observers will be experienced observers and 50% of the observers will be new. The average salary for an experienced observer is \$3,200 not \$2,900/mo. and they are employed for 3.33 months. Average salary for three levels of experienced observers is: Grade 2 = \$3,000, Grade 3 = \$3,200, and Grade 4 = \$3,400. The average salary for a new observer is \$2,450/mo. and they are employed for 3.9 months.

2/ Insurance assumes Alaska Worker's Comp. with maritime and USLH endorsements and group buying by contractors. Also assuming \$1 million limits and CGL.

3/ Airfare for new observers does not include 30-day check-in requirement. Many are from Pribilof Islands to Dutch Harbor. Travel for experienced observers does not allow for observers quitting, getting sick, or other reasons for leaving prior to 90 days, nor does it include moving observers to multiple assignments/destinations within the 3 mo. contract.

4/ Does not include time between test and season opening for new observers, week between fisheries for red king crab and C. bairdi tanner crab, time for 30-day check-in for new observers. For new observers, assume 12 day per contract (4 days x \$135/day=\$540/mo.). For experienced observers assume 4.5 days per contract (1.5 days x \$135/day=\$200/mo.). Use of standard government per diem rates for Dutch Harbor deployment which is the same as air fare was selected for.

5/ Does not allow for drug tests or increased requirements.

Table A8 Estimated cost for different levels of observer coverage in the domestic groundfish observer program.^{1/}

Level of Coverage (%)	Observer Effort ^{2/} (months)	Estimated Cost ^{3/} (\$1,000's)
100%	1,486.5	\$13,478.1
80%	1,189.2	\$10,782.5
70%	1,040.5	\$ 9,434.2
62% ^{4/}	924.0	\$ 8,630.2
60%	891.9	\$ 8,086.8
50%	743.2	\$ 6,738.6
40%	594.6	\$ 5,391.2
30%	445.9	\$ 4,043.0
20%	297.3	\$ 2,695.6
10%	148.6	\$ 1,347.4

1/ Total effort and coverage are for vessels greater than 60 feet LOA or greater and processing plants or motherships which process 500 t or more per month of groundfish. Vessels under 60 feet LOA accounted for an additional 300 months of fishing effort.

2/ The level of observer effort (observer months) is based on the number of fishing days reported in vessel fishing logs from 1991. The number of reported fishing days were then corrected upwards to account for time which an observer is aboard a vessel or between trips that is not accounted for by the just the number of vessel fishing days.

3/ An average cost of \$9,067/month was used to estimate the cost of observer coverage. This includes both the direct cost for observers (salary, benefits, travel, etc.) and the NMFS operational costs. Refer to Tables 2 and 3 for estimated costs for observers and NMFS operational budget.

4/ The current program observer coverage requirements should provide about 62% coverage of the fishing effort for vessels and plants which are above the minimum length or processing requirements.