

## REPORT OF THE AD-HOC OBSERVER PROGRAM IMPLEMENTATION COMMITTEE

The committee met June 7, 1999 in Seattle, Washington and addressed the issues on the attached agenda. The committee reviewed the cost estimates presented to the Ad-Hoc Total Catch Determination Committee and believes a \$2 million program would provide for about 15 to 20 observers and the necessary support as follows (rough estimates only):

20 observers at \$50,000	\$1,000,000
Equipment for observers @10,000	200,000
3 supervisors @ \$75,000	225,000
1 administrator @ \$80,000	80,000
Analysis	200,000
Training	100,000
Incidental costs	200,000
Total	\$2,005,000

The information system necessary to support an observer program (hardware, software, etc. for data entry, compilation and storage) could cost as much as \$500,000 for a highly automated system. However, much of this cost could be avoided if it is possible to extensively utilize an existing system. The committee assumed as much as \$200,000 to \$500,000 could be required for startup costs not identified in the table above, which would reduce the number of observers to around 15.

### GOALS OF A WEST COAST OBSERVER PROGRAM

The committee reviewed previous goals and objectives discussed by the Ad-Hoc Total Catch Determination Committee and Council and synthesized them into the following list.

1. Estimate total annual groundfish catch for all West Coast fisheries that take groundfish.
2. Estimate discard rates by species (for all species, including prohibited species) by gear type, with priority to be given to depressed and primary groundfish species.
3. Collect biological information on depressed and primary species necessary to define the harvest populations for stock assessments.
4. Establish a system for efficient collection, storage, and utilization of information.

### INITIAL PROGRAM OBJECTIVES TO MOVE TOWARDS THE GOALS

The committee does not believe a \$2 million observer program can achieve all the listed goals, and the committee wants the Council to have realistic expectations for what the program can accomplish, especially if the focus is on the first year's results. Therefore, the committee offers the following objectives for the initial observer program, and believes the amount and quality of information will improve rapidly over the first few years. In developing the initial (first year) program design, the committee needs some guidance from the Council and Scientific and Statistical Committee. Two alternative objectives, which define the priority and type of program to be established, must be evaluated; the choice will affect the objectives.

Alternative 1. Focus observations on a segment of the industry and get the best information possible on that segment in the first year. This could mean focusing on two ports in each of two states, with one supervisor for each state. The focus could be further narrowed to a specific problem area such as *Sebastes* north and south. It is likely this would be primarily the trawl fishery with some coverage of other limited entry vessels. The benefit would be a better idea if overall trawl discards with some information

on nontrawl discards. It is not clear whether there would be enough samples with 15 observers to expand the estimates to the entire limited entry fleet and its catch.

Alternative 2. Focus the program on obtaining variance estimates that would be used for fine-tuning the program in the future. This would mean spreading observers over a wide spectrum of vessels so that a stratified sampling design could be established in the future. It is not clear if there would be enough samples with 15 observers to develop reasonably precise variance estimates, and it is doubtful any discard estimates could be developed the first year, but a stratified sampling program in future years would likely provide higher quality estimates than an unstratified program.

#### Other Objectives

- Establish the infrastructure for a more comprehensive program (training, data system, organizational structure, hardware, software, etc).
- Develop the mechanisms for conducting a coastwide program.
- Incrementally achieve a comprehensive look at the entire industry.
- Identify a list of problems and solutions.
- Establish a quality control system.
- Structure the program so that confidentiality does not restrict broad application and use of the information.

The committee believes there are several impediments to including open access vessels in the initial program that would reduce the likelihood of success of the program. First, it will be very difficult to identify particular open access vessels that could accommodate an observer. If this resulted in a coverage system based on convenience, data collected would not necessarily be representative of the sector. There is also concern about the "observer effect" if a vessel is only observed for a short period (only one or two days, for example).

The committee would like to remind the Council that data from the Oregon Enhanced Data Collection Program would be very useful in designing this program.

#### TIMELINE/SCHEDULE

The Committee would like to point out that timing will be very critical to the success of this program and offers this preliminary view of an implementation schedule. First, the committee assumes we will not know whether Congress endorses the \$2 million request until January 2000, although we may hear sooner if Congressional committees act decisively. The earliest the Council could take final action on a proposed regulation would be November 1999, and it would take at least until June or July to complete the implementation process (which requires completion of the Environmental Assessment/Regulatory Impact Review (EA/RIR), Paperwork Reduction Act, proposed and final regulations, federal comment period, etc.). Before final approval has occurred, the basic program structure would have to be completed, including hiring, equipment purchases, data system design, etc., so that observers could be deployed immediately. In addition, we would need to know if funds may be carried over to 2001. If not, it may be necessary to deploy more observers in 2000 to use the funds. For the subsequent year, we would not have the preliminary year's information to design or revise the second year's program, so it would have to be established in advance with no new information. Thus, we would be designing a year-and-a-half program initially.

With respect to implementing regulations, NMFS will need to consult with Pacific States Marine Fisheries Commission to determine what will be addressed in contract terms and what needs to be set in regulations. The committee expects to build on the proposed rule for the at-sea observer program; the less detail in the implementing regulations, the more has to be spelled out in contract. A general outline of the anticipated regulations is attached.

In order to meet the proposed schedule, an economist must be identified to prepare the necessary social, economic, and community analyses. Currently there is no one identified to complete these tasks, and the Groundfish Management Team (GMT) economists told the committee they can provide only minimal assistance. It is doubtful an observer program can be implemented without a high-quality analysis, even if the analysis is qualitative.

## NEXT MEETING

The committee plans to meet July 27-28 in Portland or Seattle. In the interim, committee members will move forward on draft implementing regulations and taking the Council's decision on the alternatives above forward. The Council needs to identify an economist to prepare the Regulatory Impact Review/Regulatory Flexibility Act (RIR/RFA). The analysis will likely have to be very general and qualitative; there is a tradeoff between specificity in the program design and regulations and the detail in the analysis. Also, the specific program design will affect vessel costs, and much of the program design will be left to the program administrators.

# **SUMMARY OF PROPOSED REGULATIONS FOR THE PACIFIC WHITING AT-SEA PROCESSING FLEET**

## **I. Vessel Requirements**

- 1) Procuring observer services and obtaining necessary coverage.
- 2) Providing accommodations and food.
- 3) Maintaining safe conditions.
  - Adhere to all applicable U.S. Coast Guard rules, regulations, or statutes pertaining to safe operation of the vessel.
  - Have on board: A valid Commercial Fishing Vessel Safety Decal, a certificate of compliance issued pursuant to 46 CFR 28.710; or a valid certificate of inspection pursuant to 46 U.S.C. 3311.
- 4) Providing communication hardware and software equipment.
- 5) Providing access to:
  - Communication equipment.
  - Navigation equipment.
  - 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.
  - Logbook.
- 6) Providing notification to the observer when fish are being brought on board.
- 7) Providing reasonable assistance to enable observers to carry out their duties.
- 8) Providing for safe transfers at sea.
- 9) Prohibited actions:
  - Fish for or process fish without the required observer coverage.
  - Assault, resist, oppose, impede, intimidate, harass, bribe, or interfere with an observer.
  - Interfere with or bias the observers sampling procedures.
  - Tamper with, destroy, or discard samples, equipment, records, photographic film, papers, or personal effects.
  - Require, pressure, coerce, or threaten an observer to perform crew duties.
- 10) Sample station:
  - Accessibility.
  - Location.
  - Minimum work space
  - Table.
  - Scale Hanger.
  - Diverter board.
- 11) Requirements for bins used to make volumetric estimates of the catch:
  - Marking.
  - Lighting.
  - Viewing ports.
  - Operational requirements.

## **II. Observers**

- 1) Certification:
  - Education and experience requirements.
  - NMFS-approved training and/or briefing requirements.
- 2) Standards of conduct:
  - Conflict of interest standards.
  - Standards of behavior - including confidentiality standards.

### **III. Observer Contractors**

- 1) Certification:
  - Term of certification.
- 2) Responsibilities and duties:
  - Recruiting, evaluating, and hiring.
  - Salary, benefits and personnel services.
  - Logistical support.
  - Conditions of deployment.
  - Training/briefing registration.
  - Projecting vessel assignments.
  - Deployment/logistics reports.
  - Debriefing registration.
  - "Certificates of insurance."
  - Physical examinations.
  - Providing copies of contracts.
  - Reporting of harassment, safety concerns, or performance problems.
- 3) Conflict of interest standards.

### **IV. General**

- 1) Suspension and decertification procedures for observers and observer contractors.
- 2) Release of observer data to the public.

## ATTENDANCE

### Committee Members:

Tom Barnes (for LB Boydstun)  
Bill Barss (for Mark Saelens)  
Brian Culver  
Al Didier (for Dave Hanson)  
Others:

Jim Glock  
Becky Renko  
Teresa Turk

Jim Hastie, NMFS AFSC  
Kate King, NMFS, NW Region  
Martin Loefflad, NMFS Alaska Observer  
Program  
Steve Bodnar, Trawlers (Coos Bay)

Dale Myer, Offshore Processors  
Jennifer Bloesser, Conservation  
Rod Moore, Seafood Processors  
Don Standley, Open Access

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## COMMENTS FROM BECKY RENKO

It is unclear to me what each of the cost categories in the table includes. I just want to be sure that nothing major is being overlooked. It looks like we have personnel costs (the first four lines of the table) that are only salary and benefits and then we have analysis, training, and incidental costs which seem to have both personnel and annual expense included (office space/office equipment/supplies/network and database support). Are the annual operating costs for the personnel listed in lines one through four covered under incidental costs?

The start-up costs for a data system are confusing since we have no idea what our starting point is or where we are trying to get to. I think we need to make it clear that the estimate of \$200,000 to \$500,000 is very loose. Starting from scratch to construct a very complex or automated system would likely take years. Software development is expensive and \$200,000 does not get you much, especially if you also have to cover data entry and editing costs. From the estimates I was given, \$500,000 gives us a good start, but not all the bells and whistles if you are starting with nothing. We surely don't need an at-sea system like Alaska has, but something that allows the observers to enter and edit their own data would make it available for analysis in a more reasonable time frame. Is hardware also included in incidental costs?

I think the paragraph about why we do not think the open access vessels should be more directly stated. I thought we excluded the open access vessels, because it is difficult to identify who they are and more difficult to identify vessels that are able to carry observers, which results in a coverage system that is based on convenience which is more likely to result in data that are not representative of the open access fishery or the segment we would be seeking information on. Whew.

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