

Thoughts on Costs

- Costs will be dependent on industry decisions

Sea Days vs. Monthly Stipend

Observer Paid by Sea Day

Sea Days/ Month	Approximate Daily Rate	Vessel Monthly Cost	Vessel cost/year
5	\$500 per day	\$2,500	\$30,000
10	\$500 per day	\$5,000	\$60,000
15	\$500 per day	\$7,500	\$90,000
20	\$500 per day	\$10,000	\$120,000
25	\$500 per day	\$12,500	\$150,000

Observer Paid by Monthly Stipend

Month Stipend	Daily cost if observers available 30 days	Daily cost if observers available 20 days	Vessel Monthly Cost	Vessel cost/year (100% observer availability)
\$5000	\$167.00	\$250	\$5000	\$60,000

Formation of Observer Groups

Monthly Cost for observer*	Number of Vessels	Vessel cost per 3 months	Vessel cost per year
\$5,000.00	1	\$15,000.00	\$60,000.00
	2	\$7,500.00	\$30,000.00
	3	\$5,000.00	\$20,000.00
	4	\$3,750.00	\$15,000.00
	5	\$3,000.00	\$12,000.00
	6	\$2,500.00	\$10,000.00
	7	\$2,142.86	\$8,571.43
	8	\$1,875.00	\$7,500.00
	9	\$1,666.67	\$6,666.67
	10	\$1,500.00	\$6,000.00
	11	\$1,363.64	\$5,454.55
	12	\$1,250.00	\$5,000.00
	13	\$1,153.85	\$4,615.38
	14	\$1,071.43	\$4,285.71
	15	\$1,000.00	\$4,000.00
	16	\$937.50	\$3,750.00
	17	\$882.35	\$3,529.41
	18	\$833.33	\$3,333.33
	19	\$789.47	\$3,157.89
	20	\$750.00	\$3,000.00
	21	\$714.29	\$2,857.14
	22	\$681.82	\$2,727.27
	23	\$652.17	\$2,608.70
	24	\$625.00	\$2,500.00
	25	\$600.00	\$2,400.00
	26	\$576.92	\$2,307.69
	27	\$555.56	\$2,222.22
	28	\$535.71	\$2,142.86
	29	\$517.24	\$2,068.97
	30	\$500.00	\$2,000.00

*Monthly cost was estimated at \$5000 which is equal to the monthly stipend or 10 days if observers are paid by sea day.

Timeline for TIQ Observer Planning

ID	Task Name	Start	Finish	Duration	Oct 2010			Nov 2010			Dec 2010				Jan 2011			Feb 2011			Mar 2011			
					10/1	10/8	10/15	10/22	10/29	11/5	11/12	11/19	11/26	12/3	12/10	12/17	12/24	1/1	1/8	1/15	1/22	1/29	2/5	2/12
1	Vessels notify observer provider	10/1/2010	11/1/2010	4.4w																				
2	Observer provider recruits observers	10/1/2010	11/30/2010	8.6w																				
3	Observer Training	12/6/2010	12/22/2010	2.6w																				
4	Observer deployment	1/3/2011	3/31/2011	12.8w																				

Knowns:

1. Observer program plans quarterly TIQ trainings: Dec 2010
2. Observer providers will need at minimum one-month to recruit and hire observers.

Therefore, fleet will need to plan observer coverage in 3 - month blocks.