

Industry-funded Monitoring
Omnibus Amendment
Alternatives Under Consideration

By Aja Szumylo and Carrie Nordeen
New England Fishery Management Council
Portsmouth, New Hampshire
January 29, 2015

Problem Statement

1. Legal constraints prevent NMFS from sharing monitoring costs with the fishing industry.
2. Limited Federal funding for NMFS's costs prevents NMFS from approving proposals for industry-funded monitoring programs it cannot guarantee funding to support.
3. Need to remedy disapprovals of Herring Am. 5 and Mackerel Am. 14.
Need to enhance monitoring of herring, mackerel, river herring, shad, haddock, and other species.

Purpose and Need

- Allow Councils to implement IFM programs with available Federal funding
- Allow Councils and NMFS to prioritize available Federal funding among FMPs
- Establish monitoring coverage targets for the Atlantic herring and Atlantic mackerel fisheries

Omnibus Alternatives

- Alternative 1: No Standardized Industry-Funded Monitoring Programs (No action)
- Alternative 2: Standardized Industry-funded Monitoring Programs
 - Standardize cost responsibilities for NMFS and the fishing industry
 - Establish framework process for FMP-specific industry-funded monitoring programs
 - Standardize administrative requirements for industry-funded monitoring service providers
 - Establish process to prioritize available Federal funding for industry-funded monitoring across FMPs

OVERALL DISCUSSION of OMNIBUS IMPACTS

- No direct impacts from omnibus alternatives
- Discussion of impacts focuses on indirect impacts
- Magnitude of indirect impacts related to amount of federal funding
- Direct biological economic impacts of industry-funded monitoring evaluated under FMP-specific coverage target alternatives

Omnibus Alternative 1: No action

- No standardized cost responsibilities for NMFS and the fishing industry
- No framework process for FMP-specific industry-funded monitoring programs
- No standardized administrative requirements for industry-funded monitoring service providers
- No process to prioritize available Federal funding for industry-funded monitoring across FMPs
- **Industry-funded monitoring programs established on a case-by-case basis**

Omnibus Alternative 1: No action

INDIRECT IMPACTS

- Biological – low negative
 - Programs on a first come, first served basis, so important programs may go unfunded if they are developed after other programs
- Economic – low negative
 - Continued uncertainty around catch estimates could lead to constraining quotas

Omnibus Alternatives

- Alternative 1: No Standardized Industry-Funded Monitoring Programs (No action)
- **Alternative 2: Standardized Industry-funded Monitoring Programs**
 - Standardize cost responsibilities for NMFS and the fishing industry
 - Establish framework process for FMP-specific industry-funded monitoring programs
 - Standardize administrative requirements for industry-funded monitoring service providers
 - Establish process to prioritize available Federal funding for industry-funded monitoring across FMPs

Omnibus Alternative 2: Standardized cost responsibilities

NMFS Costs	Industry Costs
Facilities and labor for training and debriefing	Program management and provider overhead
NMFS-issued gear	Salary and per diem for training and debriefing
Certification	Equipment
Vessel selection	Deployments and sampling
Data processing	All other costs
Compliance and safety liaison	

Omnibus Alternative 2: Standardized cost responsibilities

NMFS Cost Responsibilities		Annual Cost (FY2013)
Training and Data Processing Costs	Facilities and labor for training and debriefing	\$805,700
	Data processing	\$2,057,100
Operational Costs	Certification	\$2,244,700
	Developing and executing vessel selection	
	Compliance and safety liaison	
Total		\$5,107,500

Omnibus Alternative 2: Standardized cost responsibilities

Industry Cost Responsibilities	Cost per observed sea day (FY2013)
Salary and per diem for travel, deployments and debriefing	<ul style="list-style-type: none"> • Sea day charges paid to providers: \$640/day • Travel: \$71/day • Meals: \$22/day • Other non-sea day charges: \$12/day
Equipment	\$11/day
Costs for cancellation without notification	\$1/day
Provider overhead and project management costs	Training: \$61/day
Other costs	TBD – depends on implemented program
Total (not including other costs)	\$818/day

Omnibus Alternative 2: Standardized Costs Responsibilities IMPACTS

- Biological – negligible
 - Process focused, do not impact fishing activity
- Economic – negligible
 - Process focused, do not impact fishing activity

Omnibus Alternatives

- Alternative 1: No Standardized Industry-Funded Monitoring Programs (No action)
- **Alternative 2: Standardized Industry-funded Monitoring Programs**
 - Standardize cost responsibilities for NMFS and the fishing industry
 - **Establish framework process for FMP-specific industry-funded monitoring programs**
 - Standardize administrative requirements for industry-funded monitoring service providers
 - Establish process to prioritize available Federal funding for industry-funded monitoring across FMPs

Omnibus Alternative 2: Framework Adjustment Process

- Details of any industry-funded monitoring program (at-sea, dockside, or electronic monitoring) would be specified/modified in a framework to the relevant FMP.
- Details may include, but are not limited to:
 1. Level and type of coverage target
 2. Rationale for level and type of coverage
 3. Minimum level of coverage necessary
 4. Consideration of coverage waivers
 5. Process for vessel notification and selection
 6. Process for payment of industry cost responsibilities
 7. Standards for monitoring service providers
 8. Any other measures necessary

Omnibus Alternative 2: Framework Adjustment Process INDIRECT IMPACTS

- Biological – negligible
 - Process focused, do not impact fishing activity
- Economic – negligible
 - Process focused, do not impact fishing activity

Omnibus Alternatives

- Alternative 1: No action
- **Alternative 2: Industry-funded Monitoring Programs**
 - Standardize cost responsibilities for NMFS and the fishing industry
 - Establish framework process for FMP-specific industry-funded monitoring programs
 - **Standardize administrative requirements for industry-funded monitoring service providers**
 - Establish process to prioritize available Federal funding for industry-funded monitoring across FMPs

Omnibus Alternative 2: Monitoring Service Providers

- Expanding SBRM observer service provider to apply to at-sea observer and dockside service providers for all New England and Mid-Atlantic FMPs.
- Would not implement any new observer or dockside monitoring programs, only a process to approve and certify monitoring service providers.
- If the Councils implement any industry-funded monitoring programs through a future action, the process to develop those monitoring programs would be streamlined.

Omnibus Alternative 2: Monitoring Service Providers INDIRECT IMPACTS

- Biological – low positive
 - Greater consistency in information collection
 - better management of biological resources
- Economic – low positive
 - Potential for industry to negotiate costs
 - May allow for efficiencies in program administration, which could reduce costs
 - Greater consistency in information collection
 - better management of biological resources
 - greater fisheries yields

Omnibus Alternatives

- Alternative 1: No Standardized Industry-Funded Monitoring Programs (No action)
- **Alternative 2: Standardized Industry-funded Monitoring Programs**
 - Standardize cost responsibilities for NMFS and the fishing industry
 - Establish framework process for FMP-specific industry-funded monitoring programs
 - Standardize administrative requirements for industry-funded monitoring service providers
 - **Establish process to prioritize available Federal funding for industry-funded monitoring across FMPs**

Omnibus Alternative 2: Prioritization Process

General Approach:

- Individual FMPs specify coverage *targets*
- A prioritization process used to determine actual coverage rates for each FMP based on available Federal funding
- Allows NMFS to approve industry-funded monitoring programs contingent upon funding
- Process addresses both New England and Mid-Atlantic FMPs

Omnibus Alternative 2: Prioritization Process

- Discretionary
 - Alternative 2.1 – NMFS-led
 - Alternative 2.2 – Council-led
- Formulaic
 - Alternative 2.3 – Proportional
 - Alternative 2.4 – Coverage Ratio-based
 - Alternative 2.5 – Coverage Ratio-based

Omnibus Alternative 2: Prioritization Process

- Discretionary (Alternatives 2.1 and 2.2)

Pros	Cons
Discretion over funding priorities	Requires rulemaking
Takes objectives and context into account	Timeline > 1yr

Omnibus Alternative 2: Prioritization Process

- Formulaic (Alternatives 2.3, 2.4 and 2.5)

Pros	Cons
Shorter timeline	No discretion
Adaptive to budget changes and timing	Blunt instrument

Alternative 2.1 and 2.2: NMFS-led and Council-led Prioritization Process

INDIRECT IMPACTS

- Biological – low positive
 - Process considers all IFM programs when deciding how to allocate funding
 - Greatest potential positive compared to no action because industry-funded monitoring program design is considered as part of prioritization
- Economic – low positive
 - Process considers all IFM programs when deciding how to allocate funding
 - Greatest potential positive compared to no action because industry-funded monitoring program design program is considered as part of prioritization

Alternative 2.3 – Proportional Prioritization Process

IMPACTS

- Biological – low positive
 - Process considers all IFM programs when deciding how to allocate funding
 - Ensures that all programs get some funding
 - [does not consider industry-funded monitoring program design in prioritization]
- Economic – low positive
 - Process considers all IFM programs when deciding how to allocate funding
 - Ensures that all programs get some funding
 - [does not consider industry-funded monitoring program design in prioritization]

Alternatives 2.4 and 2.5 – Coverage ratio-based Prioritization Processes IMPACTS

- Biological – low positive
 - Process considers all IFM programs when deciding how to allocate funding
 - [does not consider industry-funded monitoring program design in prioritization]
- Economic – low positive
 - Process considers all IFM programs when deciding how to allocate funding
 - [does not consider industry-funded monitoring program design in prioritization]

Range of Alternatives for IFM Coverage in the Herring Fishery

- Alt 1 – No Coverage Targets Specified for IFM (No Action)
- Alt 2 – Coverage Targets Specified for IFM (Action)
 - Alt 2.1 - 100% Coverage Target for Category A + B vessels (no waivers)
 - Alt 2.2 - 100% Coverage Target for Category A + B vessels (waivers issued)
 - Alt 2.3 - Percent Coverage Target (51% – 61%) for MWT Fleet (no waivers)
 - Alt 2.4 - Percent Coverage Target (51% - 61%) for MWT Fleet (waivers issued)
 - Alt 2.5 – 100% Coverage on MWT fishing in GF Closed Areas

Differences Between Herring Alternatives

- How observer coverage is allocated
- Specified amount of the observer coverage target
- Whether or not observer coverage is waived if an observer is not available
- What happens to the observer coverage target after 2 years (expire or re-evaluated)

How Coverage is Allocated

Permit-Based Coverage	Fleet-Based Coverage
<p>Councils manage fisheries by FMP and vessel permit</p> <p>Resulting data can be used to monitor FMP-specific quotas and catch caps</p>	<p>Consistent with how SBRM allocates observer coverage</p> <p>Resulting data may be used for quota/catch cap monitoring, stock assessments, and total removals</p>
<p>Not consistent with how SBRM allocates observer coverage</p> <p>Resulting data may not suitable for stock assessment or estimating total removals</p>	<p>Fleets typically extend across FMPs</p> <p>Not consistent with how Councils manage fisheries by FMP and vessel permit</p>

Herring Alternatives 2.1 and 2.2

Category A and B Vessels	Cost of an Observer Per Trip
Single Midwater Trawl	10.6% Reduction in Net Revenue (\$2,400)
Paired Midwater Trawl	11.6% Reduction in Net Revenue (\$2,500)
Purse Seine	5.3% Reduction in Net Revenue (\$700)
Small Mesh Bottom Trawl	18.5% Reduction in Net Revenue (\$1,600)

Herring Alternatives 2.3 – 2.5

Midwater Trawl Fleet	Cost of an Observer Per Trip
NE Single Midwater Trawl	12.7% Reduction in Net Revenue (\$1,300)
NE Paired Midwater Trawl	11.0% Reduction in Net Revenue (\$2,500)
MA Paired Midwater Trawl	16.7% Reduction in Net Revenue (\$2,500)

Impact of Herring Alternative 1: No Coverage Target for IFM (No Action)

- Biological – Low Negative
 - Coverage allocated by SBRM
 - No additional monitoring to reduce uncertainty around catch and bycatch estimates
- Economic – Low Positive
 - No industry cost responsibility associated with IFM coverage target
 - No additional monitoring to reduce uncertainty around catch

Impact of Herring Alternative 2: Coverage Target for IFM (Action)

- Biological – Positive
 - Additional monitoring to reduce uncertainty around catch and bycatch estimates
 - Magnitude of impact dependent on type of coverage and amount of available Federal funding
- Economic – Negative
 - Industry cost responsibility associated with IFM coverage target
 - Additional monitoring to reduce uncertainty around catch
 - Magnitude of impact dependent on type of coverage and amount of available Federal funding

Impact of Herring Alternatives 2.1 and 2.2: 100% Coverage Target for Category A and B

- Biological – Low Positive
 - Additional information to track catch against quotas and caps
 - No waivers would likely limit fishing effort and harvest
- Economic – Negative
 - Up to 18.5% reduction in net revenues associated with paying for an observer on a trip
 - No waivers would likely limit fishing effort and harvest
 - Additional information to track catch against quotas and caps

Impact of Herring Alternatives 2.3 – 2.4: 30% CV Coverage Target for MWT Fleet

- Biological – Positive
 - Additional information to track catch against harvest limits, estimate total removals, and use in stock assessments
 - No waivers would likely limit fishing effort and harvest
- Economic – Negative
 - Up to 16.7% reduction in net revenues associated with paying for an observer on a trip
 - No waivers would likely limit fishing effort and harvest
 - Additional information to track catch against harvest limits, estimate total removals, and use in stock assessments

Impact of Herring Alternative 2.5: 100% Coverage on MWT in GF Closed Areas

- Biological – Positive
 - Additional information to track catch against harvest limits, estimate total removals, and use in stock assessments
 - No waivers not likely to limit fishing effort and harvest
- Economic – Negative
 - Up to 16.7% reduction in net revenues associated with paying for an observer on a trip
 - No waivers not likely to limit fishing effort and harvest
 - Additional information to track catch against harvest limits, estimate total removals, and use in stock assessments